

Radicalizing Reformation

The Cry for a life-sustaining economy

Theological perspectives beyond neoliberal capitalism

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I. The Current Economic Crisis

Introduction

As the sun sets on “Globalization 2.0”, humankind in the early 21st century, once again, faces the abyss of social upheaval and planet-wide destruction. Once again, the gaping void before us resulted from the uninhibited hubris and limitless foolishness that so predictably accompanies the idolization of the free, unbound and selfish individual. Once again, this self-idolization of human ego elevates individual self-interest above all else, no matter the cost as long as that cost is borne by others.

Once again this most human of all sin spread globally, this time taking the systemic shape of neoliberal capitalism. This degenerate form of an exchange economy elevated unrestricted markets to the sole yardstick of human success. It made anything-goes markets into the battlefield of a stop-at-nothing economy that completely disconnected itself from any higher purpose outside of maximizing personal gain at any price. The effects are already evident: We now face planet-wide, adverse consequences in economy, environment, civic society and social life. What is new today is humankind’s technical ability to not only endanger but outright destroy our cultures, our habitat, and the foundations of human life on earth. Once again, God’s creation cries out for fairer, more just and more sustainable forms of economic endeavor.

Ever since the World Council of Churches in Vancouver 1983 some 40 years ago, many parts of the church listen to this cry—especially the lamentations from siblings in countries of the global South. In 1997, the World Alliance of Reformed Churches decidedly called for a “process of recognition, education and confession concerning economic injustice and ecological destruction”, a *processus confessionis*.¹ The intentional choice of this theologically significant term expresses the conviction that our very faith and the very nature of church being church is put at risk through the choice of economic organization. Speaking with one voice, therefore, the confessional communions and the ecumenical movement condemn “free”, unbridled market capitalism as an unacceptable world economic order because it slavishly implements neoliberal ideology. In mindlessly carrying out this mission it demands infinite sacrifices from the poor and from God’s creation claiming, falsely, that creating wealth and opulence could save the world.

As ecumenical organizations worldwide spoke up on behalf of the victims of this increasingly imperial economic system their voice was inconvenient and unwelcome, and many fell out with a system that so transparently and carelessly violates their core convictions and beliefs every day.

¹ The confessional nature of this dispute is reemphasized in the following official statements: 1997: General Assembly of the World Alliance of Reformed Churches in Debrecen, Hungary; 1998: 8th Assembly of the World Council of Churches in Harare, Zimbabwe; 2003: Assembly of the Lutheran World Federation in Winnipeg, Canada (“The ideology of neoliberal economic globalization is idolatry”); 2004: Plenary Assembly of the World Alliance of Reformed Churches in Accra, Ghana (“No to the current world economic order”); 2006: 9th Assembly of the World Council of Churches in Porto Alegre, Brazil (AGAPE Call for Alternative Globalization at the Service of People and the Earth); 2012: The São Paulo Declaration by “New International Financial and Economic Architecture” (NIFEA; formerly: Global Ecumenical Conference on the Construction of a New Economic and Financial Architecture); 2013: 10th Assembly of the World Council of Churches in Busan, Korea (for “an economy of life for all”); 2013: Apostolic Exhortation of Pope Francis “Evangelii Gaudium” (“Such an economy kills”; no. 53); elaborated further in 2015: Encyclical “Laudato Si”.

Today we realize, yet again, that we can only hope to address the planet-wide ecological death spiral predatory capitalism set in motion if we include, with urgent priority, the requirement to re-imagine our economic framework so it delivers material abundance and well-being for all of God's creation in fair, just and sustainable ways. Perhaps more than any other aspect of our lives economic activities shape us, the habitat we populate, and the societies we form. It is therefore an erroneous and fatally flawed approach to exempt questioning our current economic framework—like it happened at the most recent plenary meeting of the *World Council of Churches* in Karlsruhe in 2022.

As we enter this next phase at the WCC, this declaration aims to correct this error by promoting and encouraging the ongoing and comprehensive dialog that aims to harness our joined spiritual and practical wisdom on this topic. Our goal is to identify clear strategies and identify feasible pathways that transform the design of our current economic system into an exchange economy that is compatible with Christian thought, need and creed, an economy that is instrumental in overcoming and leaving behind the existential crisis that today is so tangibly manifest for our immanent future, at once threatening current and future life on our fragile planet. We invite all churches and social movements to join us in this conversation. As it stands today, God's creation needs all the help it can get. To that end we also invite economists and individuals with economic expertise to join our conversation to reimagine our current economic order and craft a more humane economic master narrative that sustainably delivers individual well-being while compatible with Christian thought. (More about this below.)

Once Before

Let us begin by answering this important question: How did we manage to get here, yet again, after seeing it all before? Shortly after the First World War, some fifty years of "Globalization 1.0"² culminated in the "Roaring Twenties" of the 20th century. Just like us, its generation witnessed how a boost of new inventions transformed the global economy and with it the societies that hosted it. Enabled by the large-scale availability of electricity and the combustion engine, humankind was forever altered by the automobile, the tractor, the aero plane, refrigeration, the radio, the telephone, transatlantic telegraphy, and a plethora of household labor saving devices, to name but a few. Protected under the umbrella of the "*Pax Britannica*", the British navy ensured global trade routes were reliable and safe. Worldwide commerce fueled by exploiting the colonies of the rich countries soared to unprecedented heights.

While this progress unarguably elevated many out of bitter poverty, the maturing globalization also produced the foreseeable losers. For example, the disappearance of horse-based transport obsoleted not only those producing horse-drawn carriages, but in just a few years it annihilated the entire agricultural support system for ubiquitous use of horse-based transport. Across the entire industry producing and distributing horse feedstock and horse-related services, safe life-long employment vanished overnight as automobiles and tractors replaced horse-drawn carriages and plow shares. In short order, unskilled farm labor suffered

² Arguably, this episode in the late 19th and early 20th century is indeed the 3rd or 4th globalization after the Roman and Chinese Empires, and the medieval expansion of the mercantile age after the first circumnavigation of the world completed in 1522.

mass unemployment because it no longer offered any skills useful in the technologies that eliminated their jobs.

But beyond the social consequences of unemployment, the homelessness, displacement, and food insecurity also created utter hopelessness, anger and fear. Widespread dissatisfaction and outright hostility against the existing forms of democratic government had gripped large parts of the general populous by the time of the stock market crash in 1929. Then as now, while the losers lived lives of want and scarcity, they were made to witness firsthand how the winners of globalization lived lavishly and in wasteful excess.

When the “Great Depression” began throttling the world economy, inequality in many societies reached proportions never seen since medieval times, as the number of democracies dropped from 24 in 1922 to just 9 in 1940. At the same time autocratic strongmen thrived around the world, with autocratic governments increasing from just 10 in 1922 to 19 in 1929 and 27 in 1940.³ Their ranks included outright dictators such as Benito Mussolini in Italy, Adolf Hitler in Germany, Josef Stalin in the Soviet Union and Francisco Franco in Spain. Surfing the wave of blind anger and hatred they fooled millions into foregoing their liberty in exchange for responses to the world’s complex problems that were simple, quick, and wrong. It required the horrors of the Second World War to exorcise this madness.

Once Again

After a half-century of globalization we are once again in the twilight of a stop-at-nothing capitalism—unfolding this time under the protection of a “*Pax Americana*”. Our generation has again witnessed the mind-boggling transformation from inventions such as global jet travel, container shipping, lasers, microelectronics and computing, the Internet, the cell phone, or private space flight. The cacophony of ubiquitous social media has done to our times what radio did in the 1930s to newspapers and abolished the concept of shared, action-directing, factual truth accurately explaining the reality we inhabit.

The Reagan-Thatcher revolution of the 1980s asserted, with little proof, that “government is the problem”. Ever since, their followers asserted that government could never be small enough and taxes never low enough. Paired with underfunding enforcement agencies, a wave of “deregulation” opened the door for the sheer endless sequence of corporate excesses we witnessed ever since. In hindsight, Reagan in the US and Thatcher in the UK began the rigorous implementation of the neoliberal agenda that very deliberately puts profits before the needs of the people and that continues to metastasize all over the globe. Further fanning the flames of this straw fire was the collapse of the centrally managed economies in Eastern Europe in 1989. “The end of history” had supposedly arrived, forever proving that “laissez faire” capitalism was the superior economic system: Inevitably it would also bring liberal democracy to the countless millions that did not enjoy it already. All this hubris collapsed in the “Great Recession” of 2008/2009, and over a decade later we still deal with its aftermath.

³ According to the “Polity IV Project”. This project was sponsored by the Political Instability Task Force (PITF) which is funded by the Central Intelligence Agency. Online at <https://www.systemicpeace.org/>. Numbers and summary quoted are from Wolf, Martin. *The Crisis of Democratic Capitalism*. New York: Penguin Press, 2023. 43.

Once again corporate overreach aggravated through enfeebled and financially hamstrung government was allowed to bring down the house in which we all live. And once again we witness the unmistakable rumble of anger and fear from those displaced by the new technologies, rendering them deskilled, unemployable, rejected and abandoned by an economy that retooled itself. De-skilled by progress, dispossessed by the power structure, and isolated from each other by the disappearance of social cohesion, we once again witness masses of people rendered economically superfluous, their futures and those of their offspring withheld and refused by a system that does not care for those it no longer finds economically useful.

And as observed in the 20th century, those left behind and those falling behind—in many societies now the majority of their citizens—are unwilling to quietly accept their fate. Since the economic disaster of 2008/2009 we have witnessed a global groundswell of populist movements that invest strongmen and autocrats with governmental power. Fueling public anger, xenophobia and prejudice against minorities, their nativist identity politics differ only in methods and technology from the precedent of the 1920s. How do we know that? The deliberations of the WCC's World Church Conference in Oxford, England, in 1937⁴ and the earliest, Protestant-inspired blueprints of Germany's post-world war society and economy⁵ not only provide clear analyzes. They also urge counter- and prevention measures against a repetition that could be reprinted today without substantial change. So, how did we get here again?

1. The Deterioration Of The Economy Towards Neoliberal Financial Capitalism

Across all their variety, most *pre-modern societies* share stagnant subsistence economies without real growth. Mostly agricultural in nature, their priority was to hold on to the status quo under often adverse conditions. Most were in no position to compensate shortfalls from bad harvests or losses of people, food or equipment through war. Such shortages made everyone worse off and undersupply of critical goods routinely caused famines, migrations, conflicts, epidemics, and death.

No-growth economies are usually zero-sum games: any material gain by one party can only be attained by taking away that increase from someone else. In the context of markets for food, for example, no-growth economies saw competition as fostering greed and selfishness, which in turn could artificially create calamity and scarcity as a method for price gouging and economic gain. Writing on the economic issues of his own time Luther's tracts, for example, typically have

⁴ Universal Christian Council for Life and Work. Conference (1937 : Oxford, England). *The Oxford Conference (Official Report)*. Chicago, New York, Willett, Clark & Company, 1937. Available at <http://archive.org/details/oxfordconference00univ>. See especially the "Report of the Section on Church, Community and State in relation to the economic order", beginning on p 75.

⁵ The Freiburg "Denkschrift" of 1942. Grzonka, Michael T. "The Freiburg 'Bonhoeffer Circle' (1943) on Theology and Germany's Economic Order." *Lutheran Quarterly* 32, no. 4 (2018): 371–97. <https://doi.org/10.1353/lut.2018.0060>.

the character of admonitions that reiterate the original Biblical directives.⁶ His readers were the economic actors of pre-modern societies: tradespeople, people borrowing or lending money, and officials involved in making and enforcing economic law and economic order. For the most part, therefore, Luther appeals to their consciences, requesting they follow the commandment to love their neighbor—although Luther clearly recognized the excesses of the emerging capitalist structures and frequently railed against the perpetrators.

For Luther it is the motivation of the economic actor that decides the ethical quality of the economic activity. If the economic actor's motivation is sinful it follows for him that the economic results must also be condemnable: "A good tree cannot bear bad fruit, and a bad tree cannot bear good fruit."⁷

Consequently, many pre-modern societies used informal social controls to ensure individual compliance among economic actors. Traditionally many such controls were disseminated and socially enforced by churches and spiritual communities. Luther's Wittenberg with its 2300 inhabitants, for example, was still small enough for everyone to know about the (mis)deeds of everyone else. Many of Luther's sermons were thus also intended as social controls and as such they were effective in a society of believers.

The Advent Of Competition And Growth Economics⁸

By contrast, *modern societies* find social controls ineffective. This is not only because in large cities people are estranged from one another and hardly know the names of those living next door. More importantly, economic activities in modern societies are characterized by a deep division of labor across dynamic, long-distance trade relations—just think of any global supply chain. Economic transactions routinely rely on people one does not know, does not need to know, and often does not care to know.

As *Adam Smith* famously recognized in 1776, and in notable contrast to the economics of Luther's time, material benefits from modern economies rely *precisely not* on the benevolence of economic actors but rather on them reliably following their own self-interest. Smith first identified what differs most profoundly in modern societies: the introduction of competition into the economy. For it is competition that restrains the greed and selfishness of a given butcher, baker or brewer preventing anyone from charging what they will. We no longer need to call on their self-restraint, for it is the ever-present threat of a more eager, even more selfish competitor ready to take away business that now ensures no one overcharges. In the words of Franz Böhm, one of the architects of the Freiburg school of economics, competition is the "most wonderful *disempowerment tool*" humankind has ever invented.⁹

⁶ For example see Luther, Martin. *On Trade and Usury (Von Kauffshandlung und Wucher)*. LW 45:231-310; WA 15:279–322 and Luther, Martin. *Admonition of the Clergy to Preach Against Usury (Vermahnung an die Pfarrherrn gegen den Wucher zu predigen)*. LW 61: 275-328; WA 51:331-424

⁷ Matthew 7:18. Wording of the New Revised Standard Version.

⁸ This section draws on ideas from: Enste, Dominik, and Karl Homann. *Ökonomik und Theologie*. <https://www.romanherzoginstitut.de/publikationen/detail/oekonomik-und-theologie.html>.

⁹ Franz Böhm. *Demokratie und ökonomische Macht*, in: Institut für ausländisches und inter-nationales Wirtschaftsrecht (eds.): *Kartelle und Monopole im modernen Recht* (Karlsruhe 1961). Vol 1. 3-24. p. 22. Emphasis added.

But contrary to common belief, competition is not self-maintaining and, as Thomas Hobbes knew in 1651 already, limitless competition leads to the “war of all against all”.¹⁰ Instead, keeping competition fair and productive requires active enforcement by anti-trust legislation and institutions armed to enforce it. Only then will the selfish instincts of economic actors stay turned onto each other and limit individual abuse of market power. Absent enforcement, markets over time deteriorate into spaces where private economic power clusters become so dominant that with impunity they dictate their price to the markets in pursuit of maximizing their own profits. Out of the many distortions found in economic reality it is only “competition on the merit” of the product or service that enables fair pricing. Any supplier offering a better product at a lower price forces their competitors to follow suit or be pushed out of the market. But this means we force compulsory self-improvement on every market participant—anyone failing to perform will be forced out of the market by their (less moral) competitors. On the personal layer, the morals of the players are not allowed to affect their choices.¹¹ Such competition is the brutal mechanism we design into our exchange economies: It guarantees constant pressure to innovate and reduce cost. It therefore stands to reason that only markets where “competition on the merit” freely determines price formation¹² indeed implement our closest approximation of the “just price” of the scholastics—that medieval idea of *pretium iustum*.

(1) As a **first insight** from our analysis we can therefore summarize:

Under conditions of perfect competition the personal morals of the individual actors are not decisive for accomplishing desirable material outcomes.

In other words, modern societies and the exchange economies they host routinely harness the activities of selfish economic actors to sufficiently and reliably produce material outcomes the society deems morally right and desirable. This insight remains problematic for many in the religious realm: Modern markets that so demonstrably provide for our daily needs seem to do so at the moral price of promoting selfish, antagonistic behavior—the precise opposite of what religious morals advise.

But using competition in this way comes with a twist. Omnipresent competition introduces a new vulnerability for modern economic actors that decide to act morally for it incentivizes less moral competitors to ruthlessly exploit any voluntary moral action. In other words, morally motivated behavior in excess of what customers are willing to pay for is exploitable by less moral competitors. Given the opportunity, less moral competition will—unburdened by (Christian) moral regrets—jump at their chance to “sell for less” by polluting more, cheating or firing employees, or as the case may be, fool a dimwitted regulator. Less moral competitors will thus hurt moral actors economically by taking business away from them. Over time, any moral actors unwilling or unable to change their ways risk to be pushed out of the markets altogether. This

¹⁰ Hobbes, Thomas, and William George Pogson Smith. *Hobbes’s Leviathan : Reprinted from the Edition of 1651*. Oxford : Clarendon Press, 1909. Chapter 14. Available at <http://archive.org/details/hobbessleviathan00hobbuoft>.

¹¹ This is indeed the insight captured in Adam Smith’s famous quote: We are *precisely not* relying on the butcher’s or the baker’s morals to serve us, but rather on their selfishness.

¹² “market prices” forming freely are opposed to prices set by cartels, monopolies and other private economic power.

has consequences. For example, in a competitive system with no laws to limit pollution, certainly, the dirtiest, cheapest production process will dominate the scene—for no one can afford to use cleaner but more expensive alternatives.

(2) It follows as **second insight** from our analysis that

moral behavior in competitive economies relocates from the level of the individual economic actors to the higher level of making the rules for their interaction.

Like in sports, we now need to distinguish between the rules of the game—enforced by a referee—and the moves of the players within these rules. This idea deeply influenced the Freiburg School of Economics developed in Germany beginning in the mid-1930s.¹³ Their designs featured a state defining the rules of the game, a state created not too strong but sufficiently strong, determined and equipped to enforce its rules ensuring a fair economic game for all players. Secretly elaborated at the behest of the Confessing Church¹⁴ during the war, the Freiburg concepts provided the theoretical foundation for West-Germany's Social Market Economy after the war and its “economic miracle”. Today their further developments continue to inform the European idea of a proper economic framework.

(3) As the **final insight** from this brief analysis it then follows:

The observable lack of moral behavior in unconstrained markets is, therefore, not caused by a moral lapse of the players: It is a policy failure to properly set the rules of the game.

Research has demonstrated that players' seemingly ruthless behavior is the only way they can protect themselves and their organizations from being exploited by less moral competitors.¹⁵ It further follows that if we desire moral behavior from economic actors we have to engineer these morals into the rules of the game; and we have to be prepared to enforce the rules against the smart, enduring, powerful, and well-financed resistance of all players. What is more, in an economic environment with lax or without enforcement of the rules, the most ruthless players who game and manipulate the system stand to profit the most, and, over time, achieve dominant

¹³ Eucken, Walter. *The Foundations of Economics: History and Theory in the Analysis of Economic Reality*. Translated by T. W. Hutchison. London: William Hodge and Company Limited, 1950. First published 1941 and available at <https://archive.org/details/in.ernet.dli.2015.187272>

¹⁴ Grzonka, Michael T. “The Freiburg ‘Bonhoeffer Circle’ (1943) on Theology and Germany’s Economic Order.” *Lutheran Quarterly* 32, no. 4 (2018): 371–97. <https://doi.org/10.1353/lut.2018.0060>.

¹⁵ The general situation is known as *Prisoners Dilemma*, a game theoretical model of cooperation and conflict developed at RAND Corporation in 1950. The “dominant strategy” for any actor is “pre-emptive counter-defection”. In an economic context this forces cost cutting through innovation or automation at the earliest possible time and at any cost as long as the cost is outside the firm’s balance sheet. For example, employers must lay off workers that automation makes redundant. Indeed, they do so as soon as possible, pre-empting competitors if possible. In such context the calamity of unemployed workers is of no concern, and cannot be allowed to be of any concern, to their former employers. The same logic holds for cheaper production processes that pollute more: As long as the cost of pollution are borne outside the firm’s balance sheets, they must introduce such processes as quickly and as thoroughly as they can—or risk suffering from competitors that beat them to it.

positions in their markets. And this is, after a generation of fewer and fewer constraints, how we arrive at the excesses of our present economic situation.

But before we further explore our current situation let us be clear: Any “market” economy is designed so each economic actor decides independently what products and services to offer and consume, which research ideas to follow and which to abandon. Any of our market economy has this mechanism of competition designed into the rules to ensure perpetual innovation for better, cheaper products and services. This design using competition proved superior over variants of centralized planning, showing resilience against unplanned and even unknowable adverse influences. As recently demonstrated, it also self-adjusts supply in real-time: it is precisely the competitive design of our economies that provided effective COVID vaccines in huge quantities within months of responding to a new, lethal threat to humankind.

Therefore, whatever our criticism, whatever our justified demand for necessary and overdue change, we must be careful not to squander such advantage in our quest for a fairer sustainable economy that must be harnessed once again to work for all people alive, keep the earth habitable for future generations and for the fellow life sharing this planet.

Relapse Into "Laissez Faire" Capitalism

In the early 21st century, unrestrained corporatism has again produced global private power that routinely outspends, outthinks, outlaws and outmaneuvers most governments in pursuit of even larger, private profits. Economic power in many countries, most notably the United States, is usurping the levers of power through regulatory and political capture. For the past half-century, this economic power installed a culture of "laissez faire", of deregulation and lax or missing enforcement. The proponents asserted, against plentiful historical evidence, the self-serving untruth of a “natural equilibrium”, a harmony markets were sure to find on their own if only they were freed from government interference.

The result is a re-feudalization of society where personal liberty is again curtailed by unelected power, this time of the private economic kind. Like their forebears the new overlords influence legislator, judiciary and the enforcement apparatus to further increase private profits, often at the expense of the poor or the public at large.

The result is outsized inequality in opportunity and material abundance not seen in a century, documented through the collapse of intergenerational social mobility and abysmal general health and life expectancy.

And as before, deregulation and liberalization of business practice from alleged government “interference” only liberated that omnipotent human invention of “the markets”—not the people. Indeed, the recent financial “innovations” of derivatives have propelled neoliberal capitalism to a new, higher level. The larger part of world economy now generates profits betting on probabilities of future scarcity or abundance that are unrelated to any material benefit to the real world. This new economy exists only for its own sake, maximizing shareholder value at the expense of all other stakeholders and no longer serving any tangible material needs of humankind. Today’s neoliberalism, the all-out deregulation and liberalization of markets combined with the privatization of profits, is intoxicating and thrives on mammonian uses of

money. Further increasing already-outsized private wealth for the few now too often impedes well-being of the many.

The resulting extreme, structural and entrenched inequalities and their social consequences are again poisoning our societies. As their social cohesion vanishes together with most of civic society, their communities relapse into “the war of each against all” observed by Thomas Hobbes in the 17th century. This time, however, that war is waged globally with worldwide consequences of intergenerational duration.

2. Concrete Challenges And Failures Of The Neoliberal Economic System

a. Challenges To Environment And Other Creatures

Climate Crisis

“Climate change impacts and environmental threats interact in complex relationship with other factors, resulting in cascading risks across sectors and regions!”¹⁶

At its assembly in September 2022 the World Council of Churches named Climate Change as perhaps humankind’s most daunting challenge: *„In humanity’s relations with the earth, a crisis has become a global emergency, due to this generation’s failure to recognize ... the unprecedented threat of climate change, and to take the actions at governmental and societal level that are needed to avert it.”* The statement continues identifying the effect on *global food supplies* as one effect of sudden and immediate consequence: *„For example, climate change—and the increasingly frequent and severe natural disasters it provokes—is one of the main drivers of global hunger, but has combined with conflicts and with the ongoing economic effects of the Covid-19 pandemic to produce an amplified global food crisis.”¹⁷*

¹⁶ Quotes are from documents of the World Council of Churches (WCC), Assembly 2022 “The Living Planet: Seeking a Just and Sustainable Global Community”, <https://www.oikoumene.org/resources/documents/the-living-planet-seeking-a-just-and-sustainable-global-community>, here page 9, and “The Things That Make for Peace: Moving The World to Reconciliation and Unity”, <https://www.oikoumene.org/resources/documents/the-things-that-make-for-peace-moving-the-world-to-reconciliation-and-unity>.

¹⁷ “It is estimated that about 828 million people currently face hunger, and the prevalence of undernourishment, having been stable for the past five years, has increased by 1.5% to 9.9%. Moreover, if average global temperature should rise by 2°C from pre-industrial levels, an additional 189 million people are expected to be pushed into hunger. In a 4°C warmer world, this figure could increase to a staggering 1.8 billion. 10% of the world’s population own 75% of all wealth, receive 50% of all income, and are responsible for nearly half of all carbon emissions.[18] These figures represent a monumental injustice. ... continuing willfully on our current destructive path is a crime—against the poor and vulnerable, against those least responsible for the crisis but bearing its heaviest impacts, against our children and future generations, and against the living world.” WCC, “The Living Planet”, 10f. The dates are from *World*

“Concurrently, increasing levels of deforestation are weakening the Earth’s own resilience and accelerating the disastrous rate of biodiversity loss, while environmental contamination by microplastics and chemical pollutants raises further concerns for human and environmental wellbeing. A deteriorating environment, and the diminution of Earth’s capacity to sustain human communities, incidentally, increases the risks of armed conflict due to increasing competition for water, food, land, and other essential resources for life.”¹⁸

Recognizing the currently prevailing unjust and unsustainably exploitative economic models as the root causes of the climate and environmental crisis, the WCC has called for the urgency of “system change.”

Pollution And Ecocide

Creation (the natural elements and creatures) is victimized in times of peace and in times of war, without respite.¹⁹

The UN processes to create a legal framework for a binding 'Universal Declaration of the Rights of Mother Earth' (Cochabamba 2010)²⁰ are to be promoted as well as a system of international jurisprudence on the Earth. Likewise, we have to explore the possibilities of a UN Council for the Rights of Nature and the recognition of ecocide as a criminal offence in the International Court of Justice.

b. Challenges To Our Social Fabric

Social Injustice And Inequality

Economic injustice, inequality and the gulf between the richest few and the overwhelming majority of others has become vastly greater, especially during the Covid-19 pandemic and more recently the war in Ukraine.

The World Inequality Report 2022²¹ demonstrates that the richest 10% of the global population currently takes 52% of global income, whereas the poorest half of the population earns 8.5% of it, and that whilst the poorest half of the global population barely owns any wealth at all—possessing just 2% of the total—the richest 10% of the global population own 76% of all wealth.

Inequality Report 2022, edited by Lucas Chancel, Thomas Piketty, Emmanuel Saez, Gabriel Zucman. Harvard University Press.

¹⁸ WCC, “The Things That Make for Peace.”

¹⁹ Cf. WCC, “Kairos for Creation – Confessing the hope of earth”, Wuppertal, 2019, <https://www.oikoumene.org/es/resources/documents/kairos-for-creation-confessing-hope-for-the-earth-the-wuppertal-call>.

²⁰ Cf. <https://www.garn.org/universal-declaration-for-the-rights-of-mother-earth/>

²¹ Cited above; see footnote 17.

Income and wealth inequalities have been on the rise nearly everywhere since the 1980s, have escalated significantly in more recent years, and currently stand close to early 20th century levels, at the peak of Western imperialism.

Such inequality is not inevitable, but a political and (im)moral choice, with grave consequences for social stability, peace and justice. Although agreement was reached in 2021 on a global minimum corporate tax rate of 15%, corporations and the wealthiest individuals routinely continue to avoid the redistributive mechanism of taxation through the widespread use of tax havens and other techniques. The appeal for tax justice goes largely unheard and unmet.”

In a financialized economy most of the money is tied up not in real assets or products, but in so-called “derivatives”, many of them purely speculative bets on the future prices of underlying real goods. When the value of the underlying assets becomes unclear, or the assets disappear altogether, such bets can turn worthless overnight and many institutions holding them go under with them—just as it happened causing the “Great Recession” of 2008-2009.²²

Vanishing Space for Non-Marketable Wealth

Before the market became hegemonic, people used to enjoy well-being by creating and sharing non-marketable wealth like mutual love and caring in their communities. Beyond material well-being this is part of the spiritual wealth the Bible reports and it is essential for the formation, fortitude and endurance of healthy societies. This form of wealth, however, cannot be traded: it lives in the spaces and relationships that interconnect people forming the fabric that keeps societies together, not in economic transactions between its members.²³

As a result, in societies colonized by market thinking—what Kenneth Galbraith called “market societies”— the space of cultivation and sharing of this form of wealth vanishes. And perhaps tragically, the transition from a “market economy” to a “market society” necessitates the exchange of social values that join its members together for market value that turns everyone into a competitor to everyone else. Despite their material abundance market societies experience crumbling social coherence and a diminished sense of belonging—with social ills to match. Like a contrast-enhancing agent, the Covid pandemic has made very visible the psychological fallout from this social erosion that already plagues so many, especially “Western”, societies. Neoliberal capitalism promises that people can increase their well-being by producing and consuming more. This path, however, is a false promise that only leads into that Hobbesian wilderness we already mentioned. Jesus already taught: human beings do not live by bread alone.

²² King, Mervyn. *The End of Alchemy: Money, Banking, and the Future of the Global Economy*. New York, N.Y. and London: W. W. Norton & Company, 2016. 26-39. See also his brilliant explanation of derivative bets on page 143.

²³ Sandel, Michael J. *What Money Can't Buy: The Moral Limits of Markets*. New York: Farrar, Straus and Giroux, 2013.

“Just leaving it” to “the markets” fails to address many of the most pressing and urgent of humankind’s problems.

Progress Metrics That Exclude Well-Being Of The People

The recognition of social decay in market societies is usually obscured by metrics of progress that are also derived from market thinking. For decades we widely use Gross Domestic Product (GDP) as the sole measure of human well-being. The more and the larger of it, the better, we assure each other. But this single-dimensional view ignores the price at which our “progress” is so often bought. Let’s be clear about it: The choice of socioeconomic indicators that measure societal progress and well-being is a political choice. For example, to only praise American per-capita spending on healthcare without acknowledging that this spending delivers bottom-board ratings of citizen’s life expectancy, child mortality, maternal deaths or deaths from preventable illnesses²⁴ is deliberately misleading. GDP, as its inventors already warned, is a misleading and inadequate measure for progress and well-being.

Fortunately, the global conversation on replacing GDP with more holistic measures is well advanced. For example, in 2008 the government of Bhutan enacted a *Gross National Happiness* (GNH) as their guide to a better future. In 2011, the United Nations urged its members to follow the example of Bhutan and use GNH as a more holistic metric of national development.²⁵ Many additional and relevant concepts were proposed that are far superior to just measuring economic output.²⁶ From among them, we urgently need to replace GDP with a basket of socioeconomic indicators that provide governments with meaningful guidance into a more equitable, sustainable future that improves the well-being of all. We do not believe it a coincidence that it is the pre-dominantly Lutheran countries of Europe’s North that for many years now share the top ranks in the World Happiness Index, with Finland leading the group for the sixth year in a row.²⁷ There is, we believe, a clear message here and we need to act on it.

²⁴ According to OECD data the United States—despite spending on health care per capita almost double the country ranking second—still scores way below OECD average in mortality from preventable and treatable causes. See <https://www.oecd-ilibrary.org/sites/3b4fdbf2-en/index.html?itemId=/content/component/3b4fdbf2-en> <https://doi.org/10.1787/888934014973>. Data on life expectancy, child mortality and maternal health available from the same source. On healthcare cost: OECD (2023), Health spending (indicator). <https://doi.org/10.1787/8643de7e-en> (Accessed on 10 April 2023)

²⁵ UN General Assembly, resolution 65/309, "Happiness: towards a holistic approach to development". Available at: <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N11/420/70/PDF/N1142070.pdf?OpenElement>

²⁶ For a recent summary see Piketty, Thomas. *A Brief History of Equality*. Translated by Steven Rendall. Cambridge, Massachusetts: The Belknap Press of Harvard University Press, 2022. 21-29.

²⁷ World Happiness Report 2023, available at <https://worldhappiness.report/news/happiest-countries-prove-resilient-despite-overlapping-crises/>

Hegemony Of The Market With Military Support

It is the hegemony of the market that intensifies all anti-people features of the economy. Supply drives demand, Transnational Companies are the outpost of states (often with Christian missionaries in tow) not unlike merchant companies in the 1600s. The hegemonic market not only takes decisions about what to produce, how to produce, for whom to produce, and directs mobilization, control, and pricing of resources and products for the interests of big corporations, but also subjugates the political system—the parliament, the executive branch, the media, and even the mind-set of the judiciary—to serve the interests of its masters.

“Globalization and militarization should be seen as two sides of the same coin. On the one side, globalization promotes the conditions that lead to unrest, inequality, conflict and ultimately war. On the other side, globalization fuels the means to wage war by protecting and promoting the military industries needed to produce sophisticated weaponry. The weaponry is used – or its use is threatened – to protect investments of transnational corporations and their shares.”²⁸

„Increased military spending” – in the global context – “inevitably comes at the cost of essential investment in peace building, the elimination of extreme poverty, climate action, a just transition to renewable energy, and other investments in sustainable development and economic justice that are necessary for true human security and global stability. The direction of even more financial resources away from these purposes and towards the means of making war is self-defeating and unacceptable.”²⁹

c. Challenges Through Accumulation And Privatization Of Resources

Private Property

Market-centric economy is rooted in the belief that the institution of private property is inalienable and divine. Privatization of natural resources that are not human-made denies the right to free access and amounts to confiscation of common, life-sustaining goods through unchecked, private power (including corporations).

Although some form of private property rights seem required to enable the production of more wealth, in many countries these private rights to property are overdone. We believe that ownership of land or clean water needs to be treated differently from that of humanly constructed items one can possess. Land, like water, is essential to sustain the life of humans, animals, and plants. Free access to water is the birth right of all living organisms. Neither governments nor private power clusters (including corporations) have any right to privatize such

²⁸ Staples, Steven. Neoliberalism, Militarism, and Armed Conflict. *Social Justice Magazine*, Vol.27 No.4. 2000. 18.

²⁹ WCC, “Things that make for peace”.

goods. As they are not human-made goods, individuals should not be allowed the absolute right to own and control it, for those controlling land and water also indirectly control people and their well-being. Especially in the agricultural societies, private appropriation of land widens inequality in the distribution of wealth and power and is a main contributor to raise levels of hunger and homelessness on one hand, while on the other land ownership returns as the source of political power. Furthermore, absolute and unrestricted rights on land are unproductive and unjust from a social and ethical point of view.

Therefore, who exercises control over land—how much, for what purpose, and for how long—determines the life of the people, the level of social justice, and the pattern of the political system. This calls for social control over the ownership and use of land—especially in economies dominated by the use of land and its products.

In industrialized societies, ownership of land usually ranks as just one form of ownership of the means of production. And while technology and innovation constantly reshape what “means of production” actually look like, their control by the *haves* and its consequences for the *have-nots* remain. As with agricultural resources, what is important here is not who formally owns and possesses these resources, but who controls what they are used for. While ownership and control often fall together, this is not a given: Owning shares of a corporation through a mutual fund, for example, typically still leaves control with the corporation’s managers; and while care is taken to align management’s interests with that of shareholders, in practice this concept often foregoes sustainable, long-term benefits for responsible owners in pursuit of the short-term gains for managers and speculators.

Privatization Of Health Care

Due to the influence of neoliberal economic policies, many governments adopt the policy of commercialization of health care services.

Unlike all other fruits of development like income, employment, wealth, education, water, energy, etc., personal health and well-being cannot simply be bought like other individual property. This is because healthy and sanitary surroundings, a pre-requisite for the health of the people are not tradeable goods. In genuinely unhealthy environments, neither the purchasing power of individuals nor the availability of healthcare facilities can guarantee freedom from disease.

While the standards of care need to be adjusted upwards to follow technical and medical capabilities, individual’s price for adequate care needs to be informed by their ability to pay. To be clear: there is a place for market-driven contributions to a healthcare system, for example in the for-profit development of new medications and vaccines. But it is outright irresponsible to leave health care outcomes to market forces, because it virtually guarantees that adequate care will be limited to only those that can pay for it at market prices. The privatization of healthcare

in this fashion condemns many to perish from treatable and preventable illnesses.³⁰ Therefore, we demand a system that guarantees affordable and available healthcare for all.

Threats To Democracy

The ubiquitous alliance of economic, political, and religious powers into forms of plutocracy and crony capitalism threatens the democratic system.

Liberal Democracy combined with a "laissez faire" market economy inevitably brings about a coalition of the economic elites with political power. This, in turn, reshapes policies of nations to serve the interests of the powerful at the expense of the broader citizenry. In countries affected by economic crises this often forces democratic governments to share part of their power with big corporations and international lending and regulating institutions. In the past, institutions like the World Bank, the International Monetary Fund (IMF), and World Trade Organization (WTO) were instrumentalized by the world's economically dominant countries to subjugate nation-states and national economies for their interests, usually aggravating the economic malaise at the expense of local populations. Regrettably, dominant religions often fail to speak up for the victims of such policies: Instead they legitimize unholy and undemocratic alliances of business and state that fly in the face of genuine democratic participation in government.

The geo-economic upheavals of recent years, on the other hand, have shaken the globally interconnected world economy: the Covid 19 pandemic dramatically showed how vulnerable we are when global supply chains stop to deliver. The ever-more polarized world, economic decisions, especially those of small and medium-sized states, would thus be politicized, depending on where they decide to place their allegiances. Digital automation in the industrialized countries not only increases the economic dependence of the countries of the global South; where it is left unmitigated in developed countries it also aggravates material inequality causing deteriorating well-being of the many. The anger and blind rage of those who recognize—often correctly—that “the system” is manipulated and now stacked against them is predictably exploited by right-wing populism and its deceptive conspiracy theories. Under such circumstances liberal democracy is all-too-easily swept away to the cheers of the masses by autocratic rule of one form or another.³¹ De-globalization must not be allowed to be replaced by nationalistic economies thriving for autarky at the price of undermining democratic freedoms, regional networking and trade. We therefore urgently require a rule-based economic order that remains open for fair, sustainable and genuinely and mutually beneficial international trade.

³⁰ See footnote 24.

³¹ Wolf, Martin. *The Crisis of Democratic Capitalism*. New York: Penguin Press, 2023.

II. Christian Ethics And Economy

Faced with the existential crisis of humanity and the planet, triggered by the dominance of a neo-liberal capitalist market economy, we ask for potential solutions from the perspective of Christian faith and theological ethics. Are both perspectives connected at all? On this, six theses.

Thesis 1

Christian faith asks for reason, purpose and objective of life under the premise of a transcendent perspective, i.e. of the inference of meaning and objective from the relationship to a transcendent reason of all existence, which we recognize in God. Theology, the reflective figure of faith, thus marks out a critical and transformational view of all self-empowering or even totalitarian systems.

This view contradicts modern development of the economy towards a domain of society ruled by autonomous laws apart from society as a whole. Technical and economic modernization produced domain-specific rationalities that prevail in the respective social subsystems and elude general social norms and value orientations. The economic sub-system follows its own "practical laws", aiming above all for efficiency and profit maximization. These autonomous laws are then presented as unassailable, unquestionable and unreformable. Potential criticism is dismissed with reference to growing prosperity as the sole goal of economic activity. These are characteristics of a hegemonic or totalitarian system. The sub-system of economy, which was oriented towards a comprehensive context of meaning and thus committed to the common good, has degenerated and transformed itself into an overall system that redefines all areas of life as mere functional contexts of itself, thus subjecting them to its own principles and criteria: This is the tragic transition to a "market society", to the economization of all areas of life, a view that elevates thinking in terms of practical constraints and blind faith in the total market to an ideology.

From a Christian perspective we must dispute such claims of autonomy for the economic domain. The economy, like all other areas of life, must be recognized as embedded into a comprehensive landscape of purpose.

Thesis 2

In view of the existential crisis of civilization the meaning of the various areas of life only makes sense in a context of their contribution to sustain life. The economy, as one of these, is only sustaining life if it is also aligned with serving the common good—instead of capital accumulation and profit maximization.

The Protestant reformers some five hundred years ago already realized that the three institutions of society at that time—the state, the church and the economy—were aligned with and bound into an ethical framework which they deduced from God's will, using biblical arguments. In this

framework, the state ensures and upholds peace and order, the church attends the spiritual dimension of life, and the economy provides for the common good. Through all three institutions, Martin Luther argued, God wants to build his kingdom in the world. But this is always done in open confrontation with the forces of "evil": They work to transform the state into dictatorship, the church into a false, complacent church, and the economy into institutionalized avarice. Luther castigated this as demonic distortion. Christian persons are called to live in all three institutions with the mandate to work for the positive side of each.

Modern pluralistic societies that replaced pre-modern feudalism and estates with functional systems and subsystems did not do away with the insight that the various spheres of life require as their framework an alignment with political, social and ethical values to yield a society that fosters and serves life for all people. From a Christian perspective the alignment with God's will, as highlighted in the 10 Commandments and the Sermon on the Mount, for example, combines the guiding principle of a good life with direction from a just coexistence. Luther recognized this in Jesus' demand to "seek first the kingdom of God and his righteousness" (Mt 6:33). In a single sentence he joins together as key questions the elements of a good life and a just life.

Thesis 3

At the core of every political ethics are two categories of questions economy also has to answer: questions of meaning and questions of legitimacy.³²

Questions of meaning include: How do we want to overcome the life-threatening crises of the world and how do we envision what that future live looks like? (Question about the cultural life design). How and for what purposes do we want to use technological progress in sensible ways? What societal values has economic activity to create?

Questions of legitimacy include: Who shall benefit from these values (question about the concept of a just society)? How do we fairly distribute the costs and benefits of economic and ecological development? What international conditions are necessary for a just (global) economic framework?

From these basic questions we must question the spirit, the inner logic and daily practice of our current economic framework, a system that is unequivocally neoliberal and money-driven.

Thesis 4

Never-ending capital accumulation is the mindset that drives exchange economies since their regionalized beginnings in the 11th, through industrial capitalism of the 16th and 17th century, and the social market economy after the 2nd World War to contemporary neoliberal

³² Cf. Peter Ulrich, *Zivilisierte Marktwirtschaft. Eine wirtschaftsethische Orientierung*, Freiburg i.B.: Herder, 2005, 28.

financial capitalism. In the course of this development the mindset of perpetual growth subdues modern ideals of reason, progress and freedom: Autonomous reason becomes economic rationality, human progress becomes economic growth and civil liberty becomes freedom of the markets.³³ But the ongoing existential problems of humanity and its habitat reveal this reliance on purely economic principles to merely be blind faith in an ideology that leads us into collective suicide.

A Christian perspective requires objection and resistance from two angles:

First, from critiquing the *ideology*, Adam Smith's "invisible hand of the market", which omnipotently balances self-interest and the common good, is increasingly claimed to be a divine principle. There is supposedly no alternative to it (TINA principle: There is no alternative). The Lutheran World Federation already declared this as "idolatry" at its General Assembly in Winnipeg 2003. The theological foundation of this criticism is the first and fundamental Commandment "I am the Lord your God, you shall have no other gods before me." (Ex 20:2) Responding to the rise of early capitalism, Martin Luther already identified serving Mammon as violating this Commandment. Beyond objectionable individual economic behavior Luther recognized, the basic economic postulations and the spirit behind them need to be questioned: For through "Mammon", economics aspires to speak of God.³⁴ And with this aspiration, economic issues transform from ethical into theological problems. Luther opposes the ideological justification of capital designed for accumulation by subjecting it to the critique of divine commandment. This ideological justification is merely crude, vulgar idolatry as most people despise God and adhere to Mammon and worship their own righteousness.

Many a one thinks that he has God and everything in abundance when he has money and, possessions; he trusts in them and boasts of them with such firmness and assurance as to care for no one.

Behold, such a man also has a god, Mammon by name, i.e., money and possessions, on which he sets all his heart, and which is also the most common idol on earth.³⁵

The basic attitude or the spirit of capitalist economics is called by its true name: absolute egotism and selfishness. This characterizes human beings and an institution confident only in their own abilities, thus becoming idols by elevating themselves to deities: For what a person trusts in and relies on is his god. In a growth-oriented economy, the "well-being of all" is claimed to be the goal. But in fact it is mainly the large corporations and their shareholders who benefit. Yet, only a small fraction of citizens are also shareholders. Both the ever-widening gap between rich and

³³ Cf. *ibid.*, 17f.

³⁴ See for example: Phillips, Matt. "Goldman Sachs' Blankfein on Banking: 'Doing God's Work.'" *Wall Street Journal*, November 9, 2009, sec. Marketbeat Blog. <https://www.wsj.com/articles/BL-MB-13358>.

³⁵ Martin Luther, Large Catechism. Book of Concord, 1st Commandment, items 5 and 6. Quoted from <https://thebookofconcord.org/large-catechism-single-page/>.

poor, especially in the countries of the global South, and the catastrophic destruction of their livelihoods show that the system indeed ignores both, the question of the purpose of the economy (that "well-being of all") and the question of legitimacy (how do we ensure goods and burdens are distributed fairly?).

Secondly, the spirit of self-interest and egotism must be opposed with *the spirit of the common good and the support of life*. In social contexts the basic norm of Christian ethics, love of neighbor, translates into a pursuit of justice and solidarity. Luther already explicitly endorsed the commandment of helping one's neighbor from the *Sermon on the Mount* and also promoted it to a guiding perspective for economic action (cf. Mt 5:40-42). From this angle, he criticized the newly emerging capitalist economic practices of his time: usury as exploitative interest, the practice of what we would call consumer debt, the monopolies and cartels formed by commercial and capital companies, the differentiation of banking transactions (e.g. bills of exchange as a means of payment) as well as price manipulation and fraud.³⁶ For Luther, they implemented the spirit of egotism. In contrast, alignment with the common good requires solidarity with the weak in society, the pursuit of just distribution of goods (question of legitimacy) and answers the question of purpose of economic activity as producing well-being for all. In this way we can regain the primacy of political ethics over the instrumental spirit of a pure market economy.

Thesis 5

The inner logic of the neoliberal economic system is one of economic rationality, which results from setting absolute the autonomous individual. From a Christian perspective this must be overcome by a logic of solidarity and human interdependence and the solidarity between beings embedded in their joint habitat.

The prerequisite of modern economic logic is, subjectivity, the separation of the "I" from "you", the split into subject and object. Asserting the autonomy of the acting and economic subject thus transforms fellow human beings into competitors and nature becomes a mere storehouse of resources open for grabs. In this context, economics as a science is reduced to the study of rational action. Rational behavior understood this limited way means only to maximize benefit with minimum use of resources. Rational action is therefore no more than shrewd, calculating, utilitarian thinking and behavior. It is based on power and interests. Only what is useful, counts. Maximization of material success and monetary profit becomes the ultimate goal, making efficiency and competitiveness its only guiding principles. Rational action follows the requirements of the free market: Its transactional nature ensures perceived advantages of selfish players drive the process, not mutual interest. This, in turn, transforms the actors themselves

³⁶ Cf. Martin Luther, Trade and usury, Luther's Works, ed. Jaroslav Pelikan and Helmut T. Lehman, St. Louis-Philadelphia: Concordia-Fortress, 1955-1986, v. 45, 245-310.

into calculating, self-serving subjects. Pure materialistic calculation for profit, however, robs reason of its humanity.

We must move beyond such abbreviated and distorted rationality into a new culture for life, which is supported by an economy that serves, honors and supports its goals. Christian ethics tells us that only a transformation of thought and behavior is what produces solidarity between beings embedded in their joint habitat, way beyond a mere environmental compatibility of human existence. The central symbol for this transformation is the cross of Jesus.

It was the scheming of human wisdom that brought Jesus and his "program for life" to the cross. It made sense for the Roman Empire to eliminate rebels, made sense for the chief priests that a single person should die and not the entire nation. The calculated, profitable transaction of trading death for peace is what propelled the actors, what literally murdered the new, genuine humanity in Jesus' life. Calculating rationality without compassion or concern for beings thus reveals its cruelty and hostility to life.

Luther therefore designed his *theology of the cross* as an alternative model opposing the power- and profit-oriented ecclesiastical and economic structures of his time. In it, he developed a dialectical logic: human-ness is not to be inferred from human wisdom and the rationality of the discerning subject, but from the encounter with other beings, from meeting and getting to know the one made victim by my human "wisdom" and "reason".

Against this background, we can identify three fundamental aspects the cross demands of any humanity of reason:

- (1) First, Christ crucified does not embody some "humanity from above", from glory or power. Instead, he demonstrates a *humanity from below*, taking the perspective of a sufferer. This means there can be no humanity or well-being without respect for the victims and responsibility for the weak in a society.
- (2) Second, Christ crucified does not define humanity from the center of human thought, achievements, abilities and intentions, however good they may be. Rather, he describes *humanity from the margin, from the verge of the familiar*, that is, from the wounds and deficits of human beings and human society. Thinking from the margin is an act of freedom and aims to create more freedom.
- (3) Third, the cross in connection with resurrection symbolizes not only the defeat of a person and their program, but at the same time their *victory over the power of violence and the logic of enforcement*. What creates the space for genuine re-orientation is what is human(e)ly reasonable from the margin, from the periphery, from the perspective of the victims—and that also applies for the economy. The purpose and legitimacy of economic action cannot be separated from humanity and reason. Ultimately, therefore, moral principle must question and contest the limitless, absolute market principles. No other

way can turn around and transform an economy—and indeed: a politics—and stop it from acting hostile against human life and nature.

Thesis 6

The practice of the existing neoliberal economic system is designed for capital accumulation and profit maximization. This model is disastrous, as the existential crisis of humanity shows. Climate change, migration flows as well as violence and wars, which have their roots in an aggressive and exploitative capitalism, are plunging humanity into a catastrophe. The transformation of the spirit and logic of neoliberal capitalism must lead to a complete reorientation of economic practice. It must be reimagined as a practice fostering the common good, not for its mindless consumption; as a practice for serving human beings and Earth's web of life, not for sacrificing their well-being in the process.

The modern *understanding of freedom*, which results from setting absolute the autonomous individual, is no longer sustainable within the fracturing web of life on our planet and in the face of disintegrating interpersonal relations. It must be tethered to a *perspective of justice and service to the widespread good*.

The fundamental relations of life require designs built on justice and equity, that is: respecting the rights of others, including those of nature and generations yet unborn. Freedom does not only refer to the self-determination of personal life including the right to completely liberalized and deregulated economic action. Simultaneously and inseparably it bears the responsibility for sustaining the elementary relations of life: relations to others, to nature and to God as the transcendent destiny of being.

Freedom is also responsible for the well-being of others and the success of all fundamental relationships. In this way, it is accomplished justice that erects the framework for freedom. From the belief in a God before whom all human beings are equal, follows respect for their dignity and equal rights of all. This responsibility has both a synchronic and diachronic aspect. It concerns the people and generations living at the same time (synchronic) as well as all future generations (diachronic), who have to endure the consequences of today's decisions without being able to influence them. Such an ethic of responsibility will recognize nature's intrinsic value: It arises from the fundamental requirements of life that nature provides and thus enables life itself in the first place.

The primacy of such political ethics requires a *restructuring of the markets* in a social-ecological systematic way. Systematic here means not only a retrospective redistribution of capitalistically generated profits, but that we shatter the economy's compulsion to never-ending growth. Instead of the principle of profit maximization at any price, an "enough" in the sense of sufficient supply for all and in coherence with nature must become the guiding perspective of the economy.

We need to realign the *four basic pillars* of the prevailing system that implements “capitalist” exchange economies and reimagine how to better manage property, finance, labor and nature in ways that support and sustain life.

- *Land* plus all goods and services for basic needs (clean water, clean air, energy, transportation, education, affordable housing, health care etc.) would have to be comprehensively made subject to the common good, i.e. embedded in social relations, e.g. by transferring ownership of land into public ownership and by separating ownership rights of disposition from ownership rights of use.

- *The money and credit system* would have to become a public good, as called for in alternative models known as Sovereign Money or public credit.

- *Work* is to be organized in a participatory and cooperative way that recognizes equal participation of labor and capital and the right of both sides to decide their joint future.

- *Nature integrity* requires an "economy of connectedness", e.g. the design of a circular economy, especially in agriculture.

Economic practice thus follows *new criteria*:

(1) *Sustainability* becomes a primary criterion.

The right of nature to live in the future is affected by the consequences of current actions. Therefore, sustainability of current activities connects freedom to criteria of justice. For example, the current use of land must also be measured against the needs of future generations. This will likely include repairs and healing of damage already done. This particularly affects agricultural monoculture, deforestation and the disposal of nuclear and contaminated waste. Sustainability can be understood as alignment with a triangle of ecology, economy and social issues. This links three dimensions of sustainability: unharmed environment, viable economy and social justice.

(2) New economic thinking must be based on the *network paradigm*.

It takes into account the interdependencies of the different basic dimensions of life:

1. The freedom of the acting subjects,
2. The responsibility for a just coexistence and
3. The preservation of the foundations of life.

In a life-sustaining economy, it is not only the growth of the gross domestic product that is decisive, but the so-called *prosperity quintet*:

1. The gross domestic product per capita,
2. The relation between the top and the bottom fifth of the income pyramid,
3. The extent of social exclusion,

4. The ecological footprint sized to match global biocapacity,
5. The public debt ratio.

According to this model, the prosperity of a society is to be measured according to the five aspects of economic performance, social justice, social integration, an ecological footprint and public debt levels that are sustainable indefinitely.

Christian ethics thus aims at *a new culture for life* in which the preservation of human dignity and the right of nature create the moral framework for economic action.

III. Alternative Models For A Life-Serving Economy

Invitation To Join Our Conversation

The cry for a life-serving economy, especially from the countries of the Global South, is unmistakable. Only those who profit from the "status quo" continue to refuse acknowledging that the dominant, mostly neoliberal economic models responsibly plunged the world into this existential crisis. This crisis not only endangers our current generation, their habitat and fellow creation, but also all generations yet unborn. Capitalism in its current form has lost all credibility. That is why we must question our current economic order. The idea of unbridled "free" markets, in which a few outsized economic actors are allowed to confiscate authority to define and implement their take on the "well-being" of all, is not acceptable. Rather, it represents a dangerous degeneration of a market economy that urgently needs correction.

What we need is a new economic paradigm that enables a livable future. We have to reimagine the system's framework so that our economic activities are not at the expense of people, their habitat and their fellow creatures. Rather, the basic needs of people, their long-term well-being and sustainability with regard to future generations must be the yardstick that judges economic activities and their regulation. In addition, this reformed economy must provide the supplementary resources and technologies required to repair and compensate for the negative consequences and damage from the predatory economy that got us to this point.

Our theological and spiritual perspectives allowed us to formulate some basic requirements for such a paradigm (see above). However, for their refinement and concrete implementation, we require and must rely on the help of subject matter experts: We therefore invite economists and people with economic expertise to join us and actively contribute the quest for forward-looking solutions.

Examples for Forward-looking ideas

In the past few decades, numerous proposals and alternative models have been developed by universities, institutes, economic experts, the World Council of Churches and social and church movements that, like us, pursue the goal of reimagining an economy that by design serves life and is aligned with the common good. We can only give a few examples here as prolog of what we request.

It should be noted that alternative models are usually related to their respective context and depend on their respective social, political and cultural circumstances. The landless movement in Brazil, for example, reacts to the local property and agricultural situation in Brazil and may be transferrable only in part or not at all to other (regional) circumstances.

What these alternative models have in common, however, is their alignment with the goal of economic activity to serve, sustain and improve life for all. What unites these ideas is their goal to reimagine a framework that realigns humankind's economic activities with the preservation of our planet and all creatures that call it their "home".³⁷

Model of a common good economy

To be mentioned is the model of a common good economy. It works with five criteria according to which the contribution of companies to the common good is to be assessed. In the balance sheets, private profit maximization no longer counts exclusively, but human dignity, solidarity, ecological sustainability, social justice, democratic co-determination and transparency. A score-based evaluation system yields a common good balance sheet. Better scores can be rewarded by the state with a preferred VAT rate or customs tariff. Favorable scores could also determine cost for borrowing, procurement and even the receipt of direct public subsidies.³⁸

Zacchaeus Tax Campaign

The Zacchaeus Tax Campaign is a joint initiative of the World Council of Churches, the Lutheran World Federation, the World Communion of Reformed Churches and Council for World Mission. It is a part of these networks' more comprehensive joint initiative to support the development of a World Missionary Council for a New International Financial and Economic Architecture (NIFEA). NIFEA is aimed at both social and ecological justice. The Zacchaeus Tax Campaign was presented at the United Nations in New York in 2019.

The campaign criticizes tax policies that mainly benefit international corporations and wealthy individuals. At the same time, however, these evade their responsibilities through tax

³⁷ Greek: oikos

³⁸ Felber, Christian. *Gemeinwohl-Ökonomie*. 3. Ed. München: Piper. 2018.

avoidance and tax evasion. In order to strengthen public finances again and to allocate them to the common good, the campaign calls above all for

- The enactment of progressive wealth taxes at global and national levels to curb the growing concentration of wealth in the hands of an increasingly powerful few, hand-in-hand with increased public spending to stamp out poverty,
- A stop to tax evasion and avoidance by multinational corporations and affluent individuals,
- Progressive carbon and pollution taxes at different levels to protect our only planetary home,
- The immediate implementation of a financial transaction tax on trade in equities, bonds, currencies and derivatives to curb harmful speculative activities.³⁹

The Zacchaeus Campaign considers the development of new international mechanisms to address and pre-empt chronic sovereign indebtedness including the cancellation of unjust foreign debts incurred by developing countries as essential to free up resources for decarbonization and increasing climate resilience projects. The campaign includes demands of reparations for colonialism and slavery, at local, national and global levels and serves to educate churches about the issues involved.

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From our perspective, the Zacchaeus Campaign is a good first step to global tax justice that aspires to initiate systemic transformation.

Doughnut Economics

The concept of "economy within the Doughnut" offers a vision of what it means for humanity to thrive in the 21st century without transcending our planetary limitations.

It follows the idea that no system can grow permanently and expand beyond all limits: Sooner or later, growth is only possible at the expense of the future—per unit of time the human economy consumes more planetary resources than the planet can regenerate in that time.

³⁹ Cf. "WCC supports Zacchaeus campaign for tax justice", <https://www.oikoumene.org/news/wcc-supports-zacchaeus-campaign-for-tax-justice>, access 13.03.2023.

Directly linked to this question of resource consumption is the question of what exactly the people get in return for progress purchased at this planetary expense.

But that's where all neoliberal economies have now arrived: they are doomed to nonstop growth—regardless of whether that growth helps people and their communities thrive. As Kate Raworth puts it in her book⁴⁰, they are like airplanes that, once in flight, can never be allowed to land.

At the same time, we pay for this growth with an overconsumption of (often irrecoverable) planetary resources. Global economic activity and its growth, which has become an end in itself, are so successful that they reach global limits and deplete global resources for nothing much in return than further growth for growth's sake. In contrast, sustainable development means ensuring that all people have the resources they need to fulfill their human rights—such as food, water, health care, and energy. And it means ensuring that humanity's use of natural resources does not stress critical planetary processes—for example by causing climate change or biodiversity loss—to the point that Earth is pushed out of that stable state, known as the Holocene, which co-enabled humankind's development over the past 10,000 years.

This is where the idea of the "Doughnut"—pictured as a ring on which planetary resource consumption and consideration are in balance—can help. When we leave the Doughnut headed outward we cross planetary boundaries (there are 9, including air pollution, species loss, fresh water consumption, eutrophication, ocean acidification, climate change. If we leave it heading inwards, we fall short to provide the 12 social foundations or humanity identified as sustainable development goals (including water, food, health, housing or energy, but also social necessities such as peace and justice, income and work, social participation, and gender equality).

First published in 2012 in an Oxfam report⁴¹, the concept of economics within the doughnut rapidly gained traction internationally, including the Pope and the UN General Assembly. The main goal of Doughnut Economics is to change the goal of economic activity, embedding markets into the larger society. The redesigned system needs to nurture human nature, distribute and regenerate by design, and become agnostic about growth.

Global progressive Carbon Tax

Like many other aspects of the global consumption profile, individual CO₂ emissions are highly unequal and subject to constant changes resulting from different (economic) developments of

⁴⁰ Raworth, Kate. *Doughnut Economics: Seven Ways to Think like a 21st Century Economist*. White River Junction, Vermont: Chelsea Green Publishing, 2017.

⁴¹ Raworth, Kate. "A Safe and Just Space for Humanity: CAN WE LIVE WITHIN THE DOUGHNUT?," 2018. https://doi.org/10.1163/2210-7975_HRD-9824-0069.

individuals and nations. In 2015 a study examined this distribution and made proposals for the implementation of a global and progressive carbon tax. Proceeds from this tax can then finance global decarbonization measures.

New in this study is that it considers individual CO₂ emission—most other studies remain at the country level. However, the national perspective is too coarse: Even in developing countries there are individuals who generate many times the global average of 6.2 tCO₂e with their lifestyle. Globally, the top 10% of emitters produce more than 2.3 times the global average—14.3 tCO₂e. The top 1% even produces more than 9.1 times—56.4 tCO₂e. The study estimates that the richest top 1% of Americans, Luxemburgers, Singaporeans, and Saudi Arabians are the highest individual emitters in the world, emitting above 200 tCO₂e.

As the study showed, global CO₂e emissions are highly concentrated and unevenly distributed. The top 10% of largest emitters contribute about 45% of global emissions, while the bottom 50% of emitters produce only 13%. In the recent past, the remaining middle segment has also generated an increasing share, relative to the other two. The top 10% of the largest emitters are spread across all continents, a third of them in developing countries.

In our opinion, the idea of an individual, progressive carbon tax, the proceeds of which finance global decarbonization, addresses the problem in the right place. Full-scale practical implementation requires further discussion, a discussion that we would like to help shape. As the authors suggest, one should fairly estimate the amounts of CO₂ historically generated during industrialization and include them in the calculation.

The Landless Movement in Brazil

The concentration of land in Brazil is one of the largest in the world. Since colonial times, large farms are producing for export. Brazil is currently one of the world's largest exporters of meat and grain. In contrast, about 30 million people live below the poverty line and suffer from hunger.

From the time when Brazil was a Portuguese colony (1500-1822) there were conflicts between landowners and impoverished people (indigenous people, enslaved people, mainly from Africa) fighting for a piece of land. These conflicts have come to a head since 1850, when a law decreed the only legal access to arable land was through purchase.

The Movement of the Landless (*Movimento dos Sem Terra – MST*) professes to be the successor to this long-term agrarian conflict in Brazil. It was founded in 1984 with decisive support from the churches. At that time, the movement pursued three strategic goals:

1. Land for landless small farmers,
2. Agrarian reform, and

3. Transforming social structures.

Since then, one of the most important actions of the MST has been the targeted occupation of large farms in order to put pressure on the government and to carry the cry for social justice into the public. Among other things, the success of this strategy is visible in the fact that around 500,000 families of small farmers have already received a piece of land.

At present, the MST is fruitfully campaigning for organic farming. The movement rejects private land ownership. More than 100 small and medium-sized cooperatives have been formed to work the land collectively. Their production of healthy food is mainly destined for the domestic market.

Another important aspect is the cooperation of the MST with various universities. Specialists are trained in ecological agriculture, but also in areas such as medicine, veterinary medicine, etc. This helps developing a highly modern agriculture aiming to fundamentally change the country's agricultural structure. The movement is constantly being prosecuted, especially by export-oriented, highly lucrative agribusiness, real estate dealers, conservative political parties, fundamentalist churches and others. Many landless people were and are still being murdered in this conflict.

Another success is shown by the methodology of the MST. Every land occupation requires all participants to take on certain responsibilities, in areas such as health care, nutrition, education, security, etc. All decisions are discussed and taken collectively. In this way, the struggle for agrarian reform and ecological agriculture also produces politically mature citizens. This means that former landless people appear as spokespersons, for example in politics. In a country dominated by its upper social class this is an important sign of hope.

Open list

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