



The Lutheran World Federation

A CALL TO PARTICIPATE IN TRANSFORMING ECONOMIC GLOBALIZATION

(This call was affirmed by the LWF Council on September 16, 2002, with the request that it be distributed to member churches, agencies and institutions, urging them to give attention to the theological, ethical, vocational and advocacy challenges raised by economic globalization, and to forward their responses for consideration at their regional pre-Assembly meeting in preparation for further action on these matters at the 2003 Assembly.)

LWF Tenth Assembly
Winnipeg, Canada
21-23 July 2003



Communion, Responsibility, Accountability

For many years, the Lutheran World Federation and member churches have been addressing concerns for economic justice. For example, the 1990 Curitiba Assembly (“I Have Heard the Cry of My People”) called churches, governments, transnational corporations, banks and other institutions to work for a more just economic order:

Christian discipleship demands that we reject unjust economic systems... We in the LWF will, together with our ecumenical partners, seek to develop appropriate and realistic means by which definable injustice can be addressed. A just economic order includes the right of people to control their own resources so that all have the possibility to live a dignified life.¹

Today, the complex realities of economic globalization challenge us as a communion to move to a further stage of commitment, spiritual resistance and responsibility.

The overall aim:

Within an ecumenical context, to raise up and together to pursue the spiritual and theological challenges posed by economic globalization, and to encourage member churches to participate in transforming economic globalization through a growing globalization of solidarity.

I. The scope of this call

A) What is economic globalization?

In general, globalization refers to the increasing interdependence of people and organizations around the world, which the church has long affirmed and encouraged. Trade and other interconnections between countries are not new, but since the end of the Cold War, a new stage has been reached through Internet technologies and the dominance of the neo-liberal paradigm.² On the one hand, globalization describes a stage in the historical evolution of humanity, while on the other, economic globalization has become a political project steering the world economy in a particular direction.³ Driven by neo-liberal theory, economic globalization places priority on the free movement of investment capital, profit maximization and growth, and the increasing reliance on market forces.

Prominent features of this form of economic globalization include:

1. *Mobility across borders*: There has been an escalating movement of goods, services, capital (trade and investment) and speculative money across international borders.
2. *Deregulation*: Regulations are dropped or liberalized in order to enable this movement to occur more freely.
3. *Corporate power*: A growing portion of the world's large economies are actually large corporations which are unaccountable to the public.
4. *Privatization*: Many public goods and services, such as water, electricity, health care and education are being privatized.
5. *Commodification of life*: A monetary value is being placed on more and more areas of life, which can then be marketed worldwide.
6. *Homogenization*: While Western consumer-oriented ways of life are marketed around the world local products and cultural practices are eventually disappearing.
7. *Speculative investment*: Buying and selling money instruments for the purpose of high short-term gain outpace trade in actual goods and services and long-term investment in production-oriented economic activity.
8. *Loss of sovereignty*: In the face of these trends, governments increasingly feel there is little they can do to protect their people and resources.

What is especially disturbing is how the mandates of economic globalization are promulgated as if they were the “gospel truth,” universally applicable to all people throughout the world. For example, structural adjustment plans (now, “poverty reduction strategies”) are imposed on developing countries to manage their debt, but often at severe social costs. In trade agreements, the rules typically do not account adequately for the consequences on people's human rights, communities and the environment. Neo-liberal theory assumes equal partners with equal access to information, technical know-how and trade conditions, but that is a far cry from the harsh disparities in the real world.

The multiple dynamics of economic globalization have divergent consequences for different people and lands. For some in our world, economic globalization brings economic growth, and with it, economic benefits. This has lifted people out of poverty and has created an abundance of goods and services, and even soaring standards of living for some. Nevertheless, on the whole the prevailing model of economic globalization is widening the

gap between the wealthy and the rest of humanity at an alarming rate and threatening the earth's life-support systems. The positive effects of globalization are far from being realized globally; globalization is *not* global in its benefits. Wealth and power are more concentrated than ever. Over three billion people try to survive on less than 2 USD a day, whereas the three richest persons have more than the GNP of the 48 poorest countries (according to the 2002 Social Watch Report).

What tends to be sacrificed through processes of economic globalization are spiritual values, cultural identity and diversity, and other aspects of life that cannot be measured in economic terms. The poor or otherwise disadvantaged are especially vulnerable. **These sacrifices—for the sake of economic growth or profit—pose a central theological and moral challenge today which the churches cannot ignore.**

B) What does "transforming" economic globalization imply?

Economic globalization is not static, but continually undergoing transformation. As Christians, we are called to play a role in this multi-faceted transformation, especially in light of the commitments and values we hold. Some insist that economic globalization must be decisively denounced, while others seek to reform or redirect certain aspects of it. Still others focus on restraining its harmful effects on human beings, communities and creation. "Transforming" implies at least this array of meanings.

This call to transform economic globalization is focused on *the basic challenge: the disempowerment or sense of hopelessness and helplessness* that most people, churches and countries feel in the face of policies and practices related to economic globalization. Most people feel that there is little or nothing they can do to counter or change these forces, which seem inevitable or even "the end of history." This powerlessness or hopelessness **reflects a spiritual crisis that needs to be countered from the heart of what it means to be people of faith, to be church, to be engaged pastorally with people.**

As a Lutheran communion, we are united in a common confession. We trust in God's justifying act of salvation in Jesus Christ, rather than in the assumptions, logic and outcomes of the neo-liberal paradigm. At an ecumenical gathering in 2001, representatives of central and eastern European churches declared:

In challenging economic globalization the church is confronted with Jesus' words: "You cannot serve God and mammon (Mt 6:24)." Will the churches have the courage to engage with the "values" of a profit-oriented way of life as a matter of faith, or will they withdraw into the "private" sphere? This is the question our churches must answer...or lose their very soul!⁴

We therefore are called to a renewed sense of what it means to be the people of God, living out our discipleship in a world continually being transformed by the forces of economic globalization.

Many churches are already working for a more just economic system through various activities, programs and emphases. But churches also risk being compromised by neo-liberal thinking. This occurs, for example, when in their zeal to reach people with the gospel, churches focus primarily on what will succeed, compete or be marketable (e.g., through "prosperity theology"), in ways that can run counter to their biblical calling. When this infects how churches view themselves and pursue their mission, a *metanoia* (conversion) is needed.

As the people of God, we are justified by God's gracious love and not by the justification of greed for endless accumulation of wealth, possessions or power. Economic globalization influences not only the economic but also the cultural aspects of our lives and identities.

Spiritual, cultural, social, political and economic aspects are involved. This needs to be made more conscious and intentional if spiritual resistance to the predominant logic and practices of economic globalization is to be nurtured and developed. Ongoing grassroots processes of awareness building, education and organizing are crucial. **This process begins with a transformation of how we perceive what is going on, how we analyze or reflect on it, and how we live with another.**

C) How are we empowered through the communion?

As people of hope we are grounded in faith convictions, and live in this world with commitments, values⁵ and an empowering vision that are in direct tension with the greed and quest for more that drives economic globalization. **Thus, in light of our faith, we are called to think differently about who we are and what we are doing.**

- By raising questions and critically analyzing what is going on
- In and through our churches and development programs
- Through how we personally are involved in, or excluded from, economic activity
- Through our advocacy and other work in society.

For example, we are compelled to ask:

- How does what we are doing already in our ministries and programs connect with the wider political and economic scheme of things—with what’s going on, with how economic realities are structured?
- Who benefits and who loses, and how are these related to the bigger picture?

The Desk for Youth in Church and Society (YICAS/DMD) has initiated a three-year “International Youth Program: Transformation through Participation,” focusing on the negative effects of globalization.

Through Holy Communion, we are interconnected, and according to Luther, “changed into” our neighbors throughout the globe, many of whom suffer, cry out and die as a result of the dynamics related to economic globalization. Others in this communion are in strategic places to affect its course and outcomes. The communion is the sacramental and ecclesial reality that together grounds our identity, how we view one another, and the horizon of our actions as individuals and churches.

Through this communion, a different kind of ability to act (moral agency) begins to emerge. Rather than as an unquestioned reigning power, economic globalization begins to have faces and voices with whom we are related, who call us to act responsibly, and who hold us accountable for the decisions we make and the actions we are able to take in our everyday economic lives. Thus, we are moved to act out of a sense of **relatedness** (communion or solidarity), **responsibility** (for the effect our decisions and actions have on others) and **accountability** (holding other members of the communion, as well as political and economic institutions accountable to the values we affirm).

D) A globalization of solidarity

This “globalization of solidarity” contrasts with how the impersonal forces of economic globalization tend to set people against one another. This is what the church as a global

communion, with its many interrelationships around the globe, is distinctively called and empowered to live out.

Thus, we are moved to act in responsive and proactive ways that are consistent with who we are as a communion, called to pursue God's priorities through what we do in daily life—as we seek to make a living, or at least survive, as we participate in families, congregations and civil society, as we seek ways for our work, money and investments to serve human beings, as we advocate for the sake of justice and life for all. In these and other ways **we are empowered through the communion to participate in transforming economic globalization.**

In December 2001, churches in Argentina, in the midst of a severe financial crisis, called on the churches of the North to implement concrete signs of solidarity with those who are suffering: “The concept of communion offers the possibility and the duty of building solidarity networks which embrace the whole earth.”

II. The theological substance

A globalization of solidarity is grounded in what it means to be a **communion**, in which God in Christ sets us in relationship with one another. We are transformed into one another, and through God's Spirit empowered to speak and act whenever our neighbors are harmed or held captive by the powers that shape our world today. Through our baptism we are called to decide and act with a sense of mutual **responsibility** toward our global neighbors in economic and other arenas of life. Further, we seek to hold the institutions of our common life in this world more **accountable** to human beings, their communities, the rest of creation.

Further theological and ethical reflection on these three emphases is foundational for the development of a Lutheran social ethic in the face of economic globalization. This is occurring through program plans of the Department for Theology and Studies. The "initial" discussion of each emphasis will occur through a small consultation. E-mail will be used to widen the conversation, to share perspectives and stories, and further to develop strategies and models for action. To participate in these discussions, contact the director of the Department for Theology and Studies, Dr. Karen Bloomquist (kbl@lutheranworld.org).

- **Communion** shapes who we are and our perspectives. We are in relation to others. Thus, the central ethic is focused on what will benefit rather than harm our global neighbors with whom we are related through the communion. Communion provides an ecclesial/theological basis for challenging the neo-liberal logic at the heart of economic globalization, and for holding others in the communion more accountable. How can this ecclesial basis be further and more fruitfully developed as the spiritual core of the overall strategy?
- Through baptism, we are called to live out our vocation in society through economic life (as well as in other arenas). How should Christians be formed for this **responsibility** in ways that can transform some of the assumptions, practices and outcomes of economic globalization? How is this responsibility toward our global neighbors actually lived out? How does this draw upon, challenge and provoke further development of a Lutheran doctrine of **vocation**?
- Although Lutherans have developed theological perspectives on how government is a means by which God's work is done, most of this has been developed in much different contexts and realities than those prevailing today under economic globalization. In many places today, governments are experienced as the enemy or have lost much of their sovereign power, such that it is quite difficult to hold them accountable. How can we as churches be more effective in preparing members to participate as citizens in political life, and to engage in public policy advocacy with and on behalf of our global neighbors? How can churches, with civil society, **hold governments more accountable**?

How should we, on theological/ethical grounds, be responding to various attempts to limit or eliminate as much government influence or regulation as possible?

III. Some ethical benchmarks

This core of this Call, as set forth below, involves

- **Convictions:** based on the faith we confess
- **Analysis:** How do our convictions challenge assumptions and effects of economic globalization?
- **Action:** In light of the above, what are we as a communion of churches called to do?

A. From radical individualism to communion

Human beings: God has created all persons with inherent dignity and worth. We *are* in relation to others for the sake of loving, sharing and enjoying what each individual can contribute to the whole community. Structures and policies in society need to be challenged when they distort or violate this.

Economic globalization tends to weaken those very bonds that theologically are constitutive of who we are in relation to others. Vast inequities are troubling because of this relational nature of human life. This understanding transforms radical individualism into community with others, ruthless competition into cooperation with others. Production that uses others is transformed into participation in the life of others.

On this basis, we are called to challenge and resist, whenever

- Some members of the human community are excluded from what they need to live, or treated as if they were disposable
- Life is measured in monetary terms or commodified, rather than its inherent value and diversity celebrated
- Needed public goods and services are privatized in ways that make them less accessible or affordable to all
- Economic globalization tends to push aside other values, leaving a deepening spiritual void.

What particularly needs to be challenged and resisted in your context? What are you and your church doing? How could this be further nurtured through the church's teaching and preaching?

Economic life: From an ethical perspective, the primary purposes of economic life are to sustain and promote the well-being of just and sustainable communities the world over, rather than to maximize wealth or increase consumption by those who already have more than they need.

Economic globalization must be transformed to serve the well-being of human beings and the rest of creation, rather than human beings and the rest of creation being sacrificed for economic ends.

Therefore, we are called to challenge and resist

- Those ways in which processes of economic globalization put profit-seeking over what is needed for human life to flourish

- Speculative financial and investment practices that lead to even more wealth for a few, and jeopardize the livelihood of many
- Financial and economic policies and practices that widen the gap between the wealthy and the rest of humanity
- Conditions for receiving financial assistance imposed on a society that will lead to the further impoverishment of those most in need.

The scope of the communion: What holds us together—despite what may be our significant economic differences—is the transforming, relational power of God’s Spirit. Members in privileged economic positions are linked with and held accountable by those living in situations of impoverishment.

There are countless ways in which 60 million members of the Lutheran communion are involved in economic life and under economic globalization have access to decisions that affect people in much different parts of the world. Those of us who are adversely affected by policies and practices of economic globalization must speak out and expect others in the communion to act in solidarity with us. Those of us who are relatively well off cannot ignore but must address economic (and other) practices which adversely affect those with whom we are deeply connected in this communion, and through them, the rest of the world. We cannot ignore the cries of others because God has made them a part of us and us a part of them. Private and public interests come together in new ways. We need to be in dialogue with one another across the economic and political chasms that separate us, and through which transformative possibilities—and hope—can emerge.

Therefore, we are called to live out what it means to be a communion by advocating for specific policies and practices that are

- Just and inclusive of especially those who are poor
- Responsible for the sake of the well-being of all, and
- Accountable to human beings, their communities and the rest of creation.

What are some examples or stories of how economic globalization is affecting your country, community and church? Share these with the LWF Office for Communication Services.

B. From helplessness to responsibility

Through our baptismal vocation we are empowered to act in relation to what matters in our lives and world, in light of a vision of God’s inclusive justice for all. The life and power of God are focused in what we receive, so that we in turn might serve or work for what will benefit others. Having received God’s love through grace alone, we respond by embodying God’s love for others, thus seeking the justice or well-being of the whole community, with priority given to those most in need. We are called to challenge and transform economic policies and practices that undermine this well-being or common good.

Our economic decisions, lifestyles and actions can no longer be considered as private or “my own business.” We continually need to ask how our economic decisions and actions can play a role in transforming economic globalization, especially for the sake of our global neighbors who are affected adversely by its consequences. Prayer, common reading of Scripture and worship inspire our hope, and are the basis out of which the church as the people of God can act faithfully and powerfully.

How does your church nurture this through its spiritual and liturgical life?

Therefore, we need to consider

- How a deeper sense of vocation can shape the ethical decisions and actions of members, be they in situations of economic privilege or impoverishment. How can this be done more intentionally through Christian education processes in local settings?
- Through the linkages or relationships we already have with one another around the world, how can we work for changes that will bring positive economic changes in the lives of others? How can we more responsibly live out the implications of these relationships?
- How are churches preparing people to make responsible economic and political decisions for the sake of others? How can this occur through educational institutions, conferences or workshops involving those in a given area of work?
- How can those who suffer from practices of transnational companies call upon and expect members with access to those companies to challenge their policies and practices (e.g., through corporate social responsibility initiatives)?
- How can investments better serve the values we espouse? Many member churches, and the LWF, have developed guidelines for ethical or socially responsible investment of church-related funds. What else should be done?

Which of these and other initiatives are you taking in your context?

C. From impunity to accountability

If economic globalization is to be transformed in ways that will further and sustain human beings, their communities and the rest of creation, effective and accountable governmental and intergovernmental policies and practices are a crucial means through which this needs to occur. Government must challenge and redress patterns of exclusion, injustice and exploitation that occur under economic globalization.

*Martin Luther declared in his explanation of the Commandment against stealing: "It is the responsibility of the princes and magistrates to restrain open wantonness. They should be alert and courageous enough to establish and maintain order in all areas of trade and commerce in order that the poor may not be burdened and oppressed and in order that they themselves may not be responsible for other people's sins."*⁶

Today a growing portion of the world's large economies are unaccountable to the public as a whole. This is especially the case for transnational corporations and financial institutions. The current system of economic globalization limits the ability of people, governments and nations to insist on respect and negotiation of conditions when an outside company comes in to use their natural resources, infrastructure and their workforce. Poor and other vulnerable people must be able to participate with dignity in society, while being protected from arbitrary, unaccountable actions by governments, multinational corporations and other forces.

We are called to hold government and economic actors more accountable through public policy strategies⁷ that seek:

- To apply international human rights instruments as an important means for holding economic globalization more accountable
- More democratic participation and transparency in multilateral institutions and decision making, especially involving those from the developing world
- To challenge patterns of corruption within governments and in their relation with other interests in society through more transparent and democratic processes
- Support for social policies that assure an adequate livelihood and income for all people and protection of the natural environment
- To question the legitimacy of the external debt of some countries on the basis of factors such as whether it was incurred under democratically elected leaders, the justice of the conditions of the loan, how it was used, how much has already been paid back, and how the life of the nation's people will be affected
- To cancel the unsustainable debts of severely indebted and impoverished countries, to hold their governments accountable for how funds made available through such cancellation will be used, and examine how cycles of indebtedness can be transformed
- To develop and implement effective means of deterring excessive, often destabilizing speculative movement of currencies and investments
- To negotiate more just international trade agreements and policies, especially in ways that benefit poorer countries
- To mobilize additional finances for development, particularly from the wealth generated by neo-liberal policies.

Possible ways of holding government accountable include the participation by the LWF and member churches in ecumenical regional consultations and efforts on economic globalization, as well as in various civil society movements and meetings aimed at developing alternatives to neo-liberal economic globalization.⁸

What other strategies are important for us to pursue for the sake of transforming economic globalization?

NOTES

¹ *LWF Report*, December 1990 (28/29), 86.

² U.v. Weizsäcker, for example, describes three causes of the phenomena of globalization: the end of the Cold War, the Internet revolution, and the pushing of the neo-liberal paradigm. The term “globalization” as it is being used in this Call, has come into common usage only in the past ten years.

³ This distinction was made by the Copenhagen Seminar for Social Progress, building on the results of the UN-summit conference on Social Development in Copenhagen in 1995. See also, Konrad Raiser, *For a Culture of Life* (Geneva: WCC, 2002), p. 6.

⁴ Serve God, not mammon, message from the joint consultation on globalization in central- and eastern Europe: responses to the ecological, economic and social consequences, 24–28 June 2001, Budapest, p. 5.

⁵ For example, a paper of the Conference of European Churches proposes the following Christian values as a basis for evaluating globalization: dignity, justice, freedom, peace, sustainability, responsibility, solidarity, subsidiarity, sustainability.

⁶ Martin Luther, “The Large Catechism,” *The Book of Concord*, eds. Robert Kolb and Timothy J. Wengert (Minneapolis: Fortress, 2000), p. 419.

⁷ “Global governance” refers to attempts to accompany and shape the process of globalization politically, in ways that will guarantee, for example, more democratic participation in its processes. This includes a fair trade system, standards for global justice, and equal access of all people to public goods like water, food, land and education.

⁸ Such as the Ecumenical Advocacy Alliance, ATTAC and the World Social Forum. 27.09.02