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Subject:	Report to the General Assembly on the Current Situation in Europe
Responsible:	Council of the CPCE

Proposal

The General Assembly adopts the paper:

“Free for the Future – Responsibility for Europe”

Free for the Future – Responsibility for Europe

Statement of the General Assembly

The Community of Protestant Churches in Europe (CPCE) has gathered together in Florence on the occasion of its 7th General Assembly, convening just as the process of European integration is experiencing a fundamental crisis, the repercussions of which are quite immense for Europe's citizens, society, democracy and the process of European integration. This situation prompts the General Assembly to issue this address not only to the member churches of the CPCE but to the general public throughout Europe as well.

"Free for the Future" is the motto of the CPCE's General Assembly here in Florence. God bestowed this freedom upon us through Jesus Christ, whose message inspires faith and liberates us all to serve Him dutifully on this Earth. Thus the Protestant churches of Europe committed themselves in the Leuenberg Agreement to serve justice on Earth and promote peaceful relations amongst individual people and between the nations. "In consequence, they must join with other people in seeking appropriate rational criteria and play their part in applying these criteria." (Leuenberg Agreement: 11).

The current crisis in Europe has brought immediate and existential fear to many of its people. Many Europeans are affected by unemployment, falling income levels, cuts to welfare services, austerity measures that affect the state financing of public services, and growing levels of poverty. One of the most concerning developments must be the extremely high levels of youth unemployment that are emerging in many countries. Deep-seated existential fears and a complete lack of prospects are driving large crowds onto the streets.

The General Assembly of the CPCE is well aware that there are no simple answers to this crisis, that there is no single, noble cure that can simply be conjured up now that the European economy and financial markets are so closely bound up with their global counterparts. The General Assembly also wishes to express its respect towards as well as to assure its intercessions for the political leaders who have been placed under such extreme pressure by this crisis and who carry such enormous responsibility in the way that their actions today will so greatly affect the future.

Within our own countries, but also the world over, a deep chasm is opening up between rich and poor. The victims of this crisis are to be found not only in Europe but scattered right across the globe. Any proposals aimed at salvaging the situation must also be carefully evaluated in terms of their efficacy in assisting those people and societies most deeply affected, their potential effect on the stability of European integration and their contribution towards the promotion of global solidarity.

This profound crisis has multiple causes and diverse ramifications. The following aspects are of particular importance to the General Assembly:

Gathering Courage to Face the Truth

Christian belief derives from the experience that the truth liberates you for the future. It abides by the promise made in the Bible that: “the truth will set you free” (John 8:32). Their faith in this promise leads the member churches of the CPCE to the conviction that the truth about the extent and consequences of the current crisis in Europe is not only something with which the people can actually cope, but that this knowledge can even have a liberating effect. Only if we have the courage to face the truth can we open up new avenues for decisive action and reveal fresh perspectives for the future. On this basis the General Assembly seeks to encourage the leading figures in politics and the economy and indeed Europe’s citizens as a whole to face what clearly might be very uncomfortable truths.

Courage to face the truth renders us free to challenge any claims asserting that the current political strategy is the only option. Whilst there may well be certain situations in which one particular solution seems quite obvious, nonetheless an ideology that espouses only sole options is the antithesis of one that encourages truth and freedom. It runs the real risk of ruining any chance of future freedom. The admission of one’s own perplexity or uncertainty should not be considered a sign of political weakness, but is instead surely a sign of strength. This is precisely the way in which people’s faith in politics can be reinforced, a faith without which the European project is doomed to failure. This crisis will not be solved overnight. The main objective in facing the continuing crisis must be to generate new scope for creative action aimed at creating a society that can offer a greater degree of justice, solidarity and harmony.

This call for honesty and integrity is simultaneously aimed at the churches themselves, who after all are not perched somewhere on the periphery of society, politics and the economy, but are themselves protagonists in their own right. For this reason the General Assembly encourages its member churches to critically evaluate their own involvement in this crisis. Only then can they speak with any credibility towards others.

Reinforcing Democracy

This crisis is exerting enormous pressure on *democracy and democratic procedures* for decisive action. The impression has by now arisen that national parliaments or governments are no longer free to make these decisions independently, nor even the European institutions, but that the real power is exerted by the financial markets. People feel increasingly at the mercy of decisions reached by distant forces. This development is due not least to the political decisions of

recent years to increasingly liberalise the financial sector and withdraw previous forms of public control.

The General Assembly is convinced that the only way to overcome this crisis in an effective and sustainable manner is via the application of stronger transparent and democratic procedures at all levels of the state throughout Europe. Protestantism considers full participation and active involvement in decision-making processes as the absolute prerequisite for good neighbourly relations and peaceful co-operation within Europe.

Considering the Consequences for Society

Any proposals conceived to date for countering the crisis have failed to sufficiently consider its *social consequences* or the social hardship caused by the very strategies that have been adopted thus far. The repercussions of concentrating on austerity measures and budgetary discipline, however necessary and desirable the latter might be deemed, have proved quite disastrous in immediate social terms throughout the countries concerned.

The General Assembly welcomes the European Council's decision from June 2012 to invest €120 billion of EU structural funds in a "Compact for Growth and Jobs", but still misses any systematic consideration of the potential social repercussions of any political decisions, as indeed formally demanded in the social clause of the Treaty on European Union itself (article 9 of the Treaty on the Functioning of the European Union).

This imbalance is particularly obvious within the recent formulation of the *European economic governance* of the EU, which over the last two years has placed overt emphasis on savings and budgetary consolidation way ahead of any consideration of socio-political aims. The formal aim of establishing a "highly competitive social market economy" (as declared in the Treaty on European Union, article 3.3) requires corresponding regulatory procedures, however, that address both economic and social concerns to the same degree.

Fair Taxation Policy

Fiscal policy is generally paid too little regard in comparison with austerity measures in consideration of the instruments available for the consolidation of budgets.

The General Assembly reminds all concerned that our societies and states live from the taxes and solidarity of all members, and that all citizens have equal obligations towards the common good. These times of crisis, and particularly such high levels of youth unemployment, clearly highlight yet again the importance of public investment in the general sphere of education, for example.

It is the Christian belief that the strong can and should contribute and bear more than the weak. A higher level of taxation on high income and assets – even just temporarily – or a one-off levy on such would make quite appropriate measures under these current circumstances as a means of distributing the burden of this crisis more fairly. At the same time, effective and serious measures must be undertaken for the detection and combat of tax evasion and fraud, and the workings of the tax administration authorities need both reinforcing and expanding.

Regulation of the Financial Markets

The financial, economic and national debt crisis has arisen for various different reasons in the individual states throughout Europe, and these aggravating factors must be subject to careful analysis and suitable correction. However, any policy that consistently relies on accruing debts to an extent that will inevitably burden and severely hamper the welfare of future generations is quite unethical. Nonetheless, we must not forget that the current credit crisis ultimately stems from the crisis in the *financial markets*: the rescuing of stricken banks has, along with various economic stimulus programmes, falling tax revenues and climbing social spending, led to an unprecedented increase in national debt in every single country to have been hit by the crisis. As such, it should go without saying that the future regulation of banks and the financial market should be considered of key importance for the future of not just the European Union but the continent as a whole.

Protestant ethos views freedom and responsibility as intrinsically linked. This fundamental relationship between risk and accountability must therefore be restored in the financial sector as well. In addition, the financial sector and those who have gained from the crisis should be more closely involved in its remedy. It is an absolutely unacceptable ongoing state of affairs that any profits are privatised but losses inevitably passed on to the whole of society!

The financial and banking sectors require continuous monitoring and ethically-minded regulation by efficient and enforceable means. One tangible step in this direction is the financial transaction tax that is envisaged for as many participating states as possible. This could be further improved by means of a European Banking Union that would provide common regulations and a joint supervisory body.

No to Resurgent to Nationalism

The crisis has magnified people's general mistrust towards the European institutions, in many countries blowing fresh wind in the sails of nationalist and populist leanings and political parties. We must be careful to make a clear distinction between a state's absolute right to self-determination and the protection of its genuine national interests and these aggressive forms of

nationalism that incite raw competition and animosity between different nationalities as well as the repression of ethnic minorities. It was precisely as a counterforce to the *nationalism* that arose in the 19th century, eventually wreaking such devastating havoc during the 20th century, that the process of European integration was conceived. For this reason the Protestant churches – who in part were deeply embroiled themselves in this nationalism – are strongly affiliated with this integration process and offer it their full support. In this context the General Assembly also refers to the CPCE's 2001 report entitled "Church – People – State – Nation".

Rethinking our Economic Model

Alongside these contemporary and immediate considerations, many Christians are pondering the broader possibility that this crisis might actually warrant a reconsideration of the prevailing *economic model* that defines any increase in prosperity primarily in terms of economic growth and automatically extends the logic of market forces to all fields of life. The General Assembly welcomes any ideas and discussions that suggest different economic approaches and alternative ways of life amongst the churches and their congregations as well as throughout broader society as a whole, such as those identified in the report "Stand Up for Justice" presented here at the General Assembly. This does not represent an outright rejection of the principles of the social market economy, which Protestantism does not view purely as an economic paradigm, but in much broader terms as embodying a whole system of intrinsic values. Rather, it presents the argument for a turn towards greater distributive justice, guaranteeing meaningful and secure employment, providing stable social systems, offering adequate and appropriate public services and, ultimately, establishing sustainable economies that preserve Creation rather than destroy it.

Call for European Solidarity

To date the European Union has made an important contribution towards peace, freedom and prosperity in justice throughout Europe. The CPCE is also committed to these aims itself. It seeks to strengthen the partnerships between churches and their congregations and communities right across Europe, and in so doing strengthen the solidarity that is felt from one end of the continent to the other. Right now church partnerships and ecumenical co-operation are more important than ever as an exemplary form of the way that we can live together in Europe, providing, as they do, a valuable means of promoting understanding and solidarity in the midst of this crisis. The major challenges now emerging in the 21st century – such as globalisation, climate change, demographic shifts, changes to the world economy, and political transformation in Europe's neighbouring regions – all call for a free and united Europe whose capacity for solidarity does not end at the borders of each individual state, but instead stretches even beyond Europe's own continental frontiers.