



International Ecumenical Seminar

Debt(s) – Forgiveness - Liberation Debt as a weapon of death - theology for life?

22- 25 January 2015, Cardijn House, Linz, Austria



The Cardijn Association organised an international ecumenical seminar, 22 to 25 January 2015 at the Cardijn Haus, Linz. The theme: **Debt(s) – Forgiveness - Liberation Debt as a weapon of death - theology for life?** The thirty-three participants from seven countries shared together impulses, analysis, sharing and discussion.

Individual lives and national crises were brought into focus in discussions of psychological, sociological, theological, economic and political aspects.

Motivated by Reformed, Lutheran, Catholic and other expressions of Christian faith, participants shared experiences in social pastoral engagement, deepened social and economic analysis and developed liberation theology approaches. The seminar worked in English and German with the support of professional interpreters.



33 participants from 7 countries dealt with the issue of indebtedness and debt relief.

Small steps to debt

Wulf Struck, from the debt advice service, Linz described the situation in the city and his experience in working with people to enable them to take small steps to overcome indebtedness. In this situation, those in debt must have a thick skin when constant reminders to pay come and the debt grows massively through the growing interest and the impact of the debt collection processes. But for people at subsistence or minimum income level, it is often not possible to pay. The first step towards a solution is to agree not to take on any additional debt and to pay back a small amount in order to show good will. The solution is, however, most often through personal bankruptcy. That means perhaps 10% of the unpayable debt can be repaid in 7 years if no new debt is taken on. However, this is still

a great challenge and stress. Struck concluded by remarking that many people who found the way forward felt that once again they could sleep soundly again and felt free.

Loss of dignity

Christian Rathner, journalist and author of the book 'Durch die Krise kommt keiner allein: Was Griechenland Europa lehrt' ('No-one comes through the crisis alone – What Greece can Teach Europe')(Styria, 2013), reported on his conversations with people in Greece. Of the total labour force, more than a third are unemployed and workers' rights have crumbled. Often one or two employed people support a whole extended family with parents, children, older young people, grandparents, aunts and uncles. The pressure on those in work is enormous – they stay in their job, regardless of the worsening conditions. Rathner reported on a specific case: The salary of a worker was reduced from 1600€ to 800€, without negotiation, which meant that 480€ ended in his account. When he demanded more than he was offered, he was told that he could indeed solve his problem by ending the employment relationship. Greece is bankrupt, it cannot pay. But in a culture marked by hospitality and a love of freedom, the worst aspect is the loss of dignity, which goes hand in hand with it. The humiliation of an entire people is strengthened by the one-sided information policy in other European countries, which insists the crisis one made by the Greek people themselves. Rathner rather insists it is not a Greek crisis, but the impact of a European crisis on Greece.

Devastating impact on an entire people

The Greek psychologist Catherine Notopoulou had to cancel her participation at short notice, as she ran in the election for Syriza party, the same weekend. For several years she has been working without pay for the so-called Clinic of Solidarity, which through voluntary contributions and support of associations, trade unions etc. in Thessaloniki. In advance she informed the organisers that she was the only one of her high school year who still lives in Greece. Many young, well-educated people go abroad. Five years of austerity have sucked the country dry; many only survive by barter and because families are together, but the numbers suffering from exhaustion are very large. Hunger is devastating, especially for the children. (see: www.klinik-der-solidaritaet.at)

The unaffordable cost of living

Balazs Lutar works for Reformed Church Aid in Hungary in project working on household debt and the prevention of eviction. 300,000 households are currently cut off from electricity. Housing and utilities costs alone exceed the median income for a household. Of particular concern is the situation of children in poor families. The purpose of the Church is to make sure that families are able to stay together and not be torn apart. The project has developed mechanisms to support rehousing and whilst the state supports these efforts, the project also depends on finance from voluntary and church donations. Household debt problems often arise because families previously took out loans denominated in the Euro or Swiss franc to purchase their flats and exchange rate shifts have impacted severely on repayments, whilst unemployment has affected income. Furthermore, as external debt rises in Hungary, social spending is being cut, and many new taxes introduced. Hungary has both a flat tax approach and a VAT rate of 27%, except for food, which is taxed at 18%. This regressive approach to tax policy hits poor families very hard.

Call for a Transparent Bankruptcy Process for States

Turning to the wider context, Jürgen Kaiser from Jubilee 2000, an organization that deals with debt - especially the debt of states, pointed out that there is a need for a transparent insolvency procedure, which could be invoked by States unable to repay their debts. At the G77 summit this proposal has received majority support, but in the international debate among creditor countries, Germany and Austria have abstained. Kaiser insists that we need to pressure the respective governments to rethink. Again and again debt relief that has been negotiated through the Paris Club of creditor countries, but this means that only the creditors decide. Massive austerity measures are being forced on countries through decisions made by such bodies. These decisions not only destroy the economy, but also the social fabric, as is clear in Greece.

Credit transfer is a transaction from which both sides – the lender and the borrower can benefit - but what happens if things go wrong going? That only one side, namely the debtor – and the one with least power - would be made liable, is incomprehensible. A debt relief organised so that the credit worthiness of the borrower will be restored, is not enough. Through existing agreements, interest on existing loans must be repaid with new loans, which is absurd. Kaiser insisted that by the fact that the process of decision making about Greek insolvency was drawn out by the creditors from 2009 to 2012, before taking action, Greece more or less everyone has lost! This includes both debtors and creditors, except those who had withdrawn their private investments in time, as emperor. A regulated insolvency procedure for states, with the involvement of debtors, leading to an independent decision on debt relief based on an independent expertise, is essential.

Debt as part of the economic cycle

Judith Vorbach, of the Chamber of Labour, Upper Austria, argued that debt is part of the economic cycle. Taking on debt is a normal response to economic downturns as the government tries to compensate for the downturn and supports people who lose their jobs. The problem is that as a consequence of debt related to the present crisis, government spending is reduced and this leads to a reduction of social measures and in health services. Government spending which mostly rescued the banks, dealt with the banking crisis and the effect is that instead of speaking of a banking crisis, we now speak of a public debt crisis. The massive rise in interest rates from 2010 to 2012 in countries such as Greece, Portugal, Spain, Ireland and Italy show consequences, which can be explained by this causes. The debt had increased enormously as a result of banking crises. Furthermore, the cut enacted by these and other states also leads to more debt. The purchasing power decreases, the private debt rises, companies come under pressure, and tax revenues are lower. In this way the crisis also becomes a political crisis.

Debt recovery at any price?

This vicious circle will only be interrupted if there is remission of the structural debts, argued the theologian Franz Segbers (University of Marburg). Those who lend money, know the risk, otherwise there would not need to be any interest surcharge. Therefore debt and interest is related to the responsibility of the creditors. In the Mesopotamian area, 3,500 years ago, there was already experience of the practice of release from debt. If, for example, a new king came to power, all debts were cancelled. However, an individual could also be freed from all their debts. The response of the liberated people was 'Hallelujah'. The people of Israel made this debt control measure a regular part of life and it is codified in the Torah.

Examples include the recognitions of the Sabbath, as a Jewish practice, until about 100 years before Christ. In the 10 commandments the prohibition on coveting one's neighbours wife, goods refers to the fact that debt bondage is to be avoided. Following these kinds of main lines, there was an attempt to limit the period of debt (before absolution) to a maximum of 7 years. Jesus refers to this practice in the Lord's Prayer. After asking for bread the request is for debt relief ('And forgive us our debts'). The point of this is to protect the right to life of the poor.

In this context the translations of the Bible are very interesting. There, the word 'debt' is used, but also you find 'guilt' and then sometimes, on the other hand, 'debt' is rendered sin and we can see what has become of the economic concept. But Jesus also demands the waiver of enforcement of the law that debt should be repaid, "as we forgive our debtors." To be before God without fault, it needs the waiver of the collection of un-payable debts, so that the debtor can live in God's image.

It was devastating that the moral guilt of debt of both people and countries were spoken about in the same breath! The demand that debt should be paid at any price is inhumane, but also economic nonsense. This can also be seen in the case of the remission of German debts in 1953! In the sentence Christian resistance is necessary to the demand that, because 'the Greeks are bound by the laws, they have to pay'. The right to life and the right to freedom need an instrument, in this case, we can rely on the Judeo-Christian tradition!

How can we go on?

An impressive part of the seminar was the concrete commitment and compassion of all the participants, the speakers were actively part of the group, being continually present. Lectures, group discussions, the exploration of Linz along the bus route 27 with respect to debt-poverty/surplus-affluence as well as a jointly produced liturgical celebration were inspiring and encouraging. Or, as one participant put it: 'I have found again that motivation that led me to my career in social work'. Participants discovered concrete individual and collective consequences and shared proposals for new practice and political action. An atmosphere of empowerment and liberation marked the end of the seminar.

International ecumenical seminar on Debt(s) – Forgiveness - Liberation - Contact:

Austria/Germany:

Edeltraud Artner-Papelitzky

Email: edeltraud.artner-papelitzky@dioezese-linz.at

Mobile +43 67687763640

International/English

Tony Addy

Email: tony@pro-vocation.org

Mobile +43 660 5736161

Web: www.cardijn-verein.org



The Cardijn Association

The Association was founded in Linz in 2011 and operates internationally & ecumenically. The honorary board is elected every two years, in the General Assembly.

the Cardijn Association:

- organizes seminars and workshops on theology, work and economy
- organizes education and training for professionals and volunteers who work with people in difficult working and living conditions and who want to work for change unemployment and job seekers, people and get involved with them for a change
- publishes materials for Christian motivated criticism of existing social and economic conditions, as well as participating Methods and Actions
- provides space for ecumenical networks and initiatives
- creates contributions to a liberating and contextual, transformative theology

The Cardijn Association is

- independent and invites individuals, church communities, ecumenical groups, as well as all those who agree with the aims to participate in and contribute
- ecumenical in the sense of supporting Christian cooperation for justice, participation, sustainability and viability of European society and globally

The core ideas to which Joseph Cardijn was committed are expressed in terms of the value and dignity of all people, especially workers, as well as to participatory methods and work for change through joint action.

To the website of the Cardijn Association: www.cardijn-verein.org