



Episcopal Network for Economic Justice

Twenty Years Later: Response to a Crisis

Strengthening Economic Justice Ministry in the Church
in a Time of Fiscal Crisis
Prepared for Bishops & Deputies
76th General Convention
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Dear Bishops and Deputies of the 76th Convention,

This paper originated in Oakland, California, at the combined meetings of the Episcopal Urban Caucus (EUC), the Episcopal Network for Economic Justice (ENEJ), and the Province VIII Economic Justice Conference in February 2008, even before we or the country realized that we were entering a period of very severe economic crisis. Workshop leaders asked participants what economic trends they thought important for the Episcopal Church to address at the coming General Convention. The first four trends clearly connect to the economy: the international and national financial crises, reduction of family income and wealth, and the need for strengthened economic justice programs in the Episcopal Church. Participants concurred on three other trends they thought important to consider in the context of our struggling economy: the questions of war, immigration and the environment. We ask Convention participants to review this document as you consider The Episcopal Church's program for the coming triennium.

Each trend chapter contains numerous suggestions for action which individual congregations and dioceses may want to implement. In addition the ENEJ has chosen five resolutions which have very solid roots in the Church's social teachings and in what society particularly needs now. We ask the Convention to study in particular the following trend statements as background for those resolutions:

- The Crisis of the Global Economy (Trend 1)*
- Cancellation of Third World Debt (Trend 1)*
- Regulation and the Financial Crisis (Trend 2)*
- Economic Justice Ministry for and with Lower Income People (Trend 4)*
- Immigration: Economic Justice Implications (Trend 5)*

We thank you for reading this document and supporting Economic Justice Ministry in The Episcopal Church.

*Dianne Aid, TSSF
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Twenty Years Later: Response to a Crisis

Just twenty years ago, at the 1988 General Convention in Detroit, the Diocese of Michigan presented a major resolution to the church gathering: "Taking Action for Economic Justice." Responding to a 1987 paper prepared by the Urban Bishops Coalition that decried the rise of poverty during a time of growth and prosperity, the resolution followed by several years the deep economic recession in 1982 when unemployment rose above 10%.

The resolution charged the Church to "establish a ministry of community investment and economic justice directed to community-controlled economic development programs of the disadvantaged, with a special focus on land trusts, housing cooperatives, worker-owned businesses and community development credit unions." Based on some successful models developed by faith communities around the country, the resolution encouraged the church to work with community organizations in rebuilding neighborhoods. The resolution envisioned a multiple roles for the church: to assist with its money, volunteers, facilities and staff, its community contacts, buying power, inspiration, and educational programs.

The resolution passed at the 1988 General Convention in Detroit and many dioceses and parishes took up the banner. They started community loan funds and credit unions or placed money in existing investment vehicles. Some supported housing development corporations to create low income housing throughout the country. Others created business incubators and micro-enterprise funds for small business development.

As congregations and dioceses adopted this program, the program itself broadened in scope:

- 1) Church people involved in service ministries to low income people often saw themselves called to an advocacy ministry: to join with the voices of the economically poor to demand increased and more effective government and agency services.
- 2) The Episcopal Network for Economic Justice (the ENEJ) led church efforts to increase wages of lower-income workers through living wage ordinances in local communities, to increase the federal minimum wage, and ultimately to support unionization of low-income workers.
- 3) Congregations joined community organizations through which neighborhood people developed the power and resources to improve their neighborhoods and government services.

In doing these things participants discovered that community investment and community development were not as easy as they sounded. Low and moderate income communities need public support and need to do serious advocacy with state and national governments to get that support. They need to overcome divisions among themselves based on race, class, ethnicity, as well as urban and suburban differences. They need to reach for new levels of cooperation and collaboration.

Two decades after the 1988 General Convention resolution, the current economic crisis impels the ENEJ to develop a new economic justice resolution. This crisis has impacted almost everyone but has hit working poor and lower income people hardest, those for whom the

Church is called to demonstrate special concern (Deuteronomy 15:7-8, Matthew 25: 34-40). People in the middle class have also lost much and many are no longer middle class. Changes in the world economy are fundamentally changing our lives and the way we do business. We find ourselves in an economic crisis containing both decreases in income and increases in prices, putting the squeeze on many.

The Episcopal Network for Economic Justice here offers a new economic justice resolution appropriate to these times. We start from seven current trends that affect all of us: the crises of the international and national financial systems, the reduction of moderate and middle class income and wealth, the need for strengthened economic justice programs in the church, and the economic justice implications of immigration, the wars in Iraq and Afghanistan, and environmental degradation. We seek to understand these trends more fully, especially their economic aspects. We ask what light our faith, our spirituality, and our theology reveal in this new situation. And we recommend to the 2009 General Convention some carefully developed action plans by which The Episcopal Church and its membership can respond to this economic crisis.

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This is a living document and we invite your suggestions and critique. You can send them to the editor, John Hooper, at hoopington2@yahoo.com. (Phone: 313-864-9562)

Note: The Episcopal Network for Economic Justice thanks John Hooper for all the work and the many hours he has committed to write and edit this document. Dianne Aid, President, the ENEJ.

TREND 1

The Crisis of the International Economic System

A. Description of Trend 1

Even before the current global crisis, the international corporate and financial system had already created many serious problems in developed as well as developing countries:

- Multi-national corporations moved their manufacturing plants (autos, for example) to countries with lower wages and less government regulation sharply reducing the number of jobs with decent salaries and benefits available in the country of origin.
- Global financial and corporate institutions acquired both financial and political power far outstripping national and international laws and treaties that previously held them accountable. The world's largest banks overwhelmingly dominated trading in global financial and currency exchange markets, largely marginalizing the role of local and regional banks that might otherwise have the best understanding of local and regional conditions.
- Free trade treaties enacted in the past two decades have generally lacked safeguards protecting the environment, often ruling out such safeguards as obstacles to free trade. This lack of safeguards often causes or accelerates environmental degradation in participating countries.
- Enforcement of labor and environmental laws is often lax or non-existent in less-developed countries and, if confronted with enforcement, transnational corporations often threaten to move to places with even lower standards.
- Farmers in Latin America could not sell corn and other essential crops in their own countries because of competition from subsidized farming conglomerates in the United States. These poor farmers moved to big cities in their own countries. When they didn't find decent jobs there to support their families, they sought entry to the United States (a source of our immigration problem).
- Companies often seek to privatize the sale of water and other necessities of life, threatening people's subsistence and making simple living even more expensive.

B. Analysis of Trend 1

We do not take issue with the fact of globalization. Global trade networks are growing and will continue to grow. But these changes need to happen in ways that minimize their negative effects, especially on the poor, on workers, and on the environment, and to maximize the direct participation of more marginalized populations in economic development decisions.

How did Globalization Develop?

Near the end of World War II, the leaders of the allied nations decided that trade among countries could best deter war. Meeting in Bretton Woods, New Hampshire in July, 1944, they created the World Bank and the International Monetary Fund to provide loans for economic recovery after the war and to promote economic development in poor nations. But in the 1980s these agencies and the countries that dominated them turned sharply towards a *laissez-faire*

approach to the global economy, allowing the unregulated market and multinational corporations free reign. They imposed structural adjustment (austerity) programs on developing countries as conditions for borrowing: cutting social programs such as public schools and health care, privatizing public agencies and services, and reducing the regulatory role of government in the economic sector. International debt payments became so large that interest payments alone placed impossibly huge burdens on the poorer countries. To attract international overseas investment, countries tended to join a “race to the bottom” in wage scales, taxes and environmental regulations.

The process of economic globalization also substantially reshaped the international trading system and international financial organizations created by the developed nations. The World Trade Organization, the International Monetary Fund and the World Bank, together with international financial and business institutions, increasingly followed a neo-liberal approach to trade and development. But in the last few years, both the WTO and the IMF suffered near collapse or were greatly weakened as the contradictions in their goals and policies became more visible, particularly to developing countries. In fact, the more powerful developing nations successfully blocked the implementation of more radical proposals by the developed nations, contributing to the collapse of the Doha Round of talks on agricultural reform.

People in the U.S. have also increasingly questioned the free trade emphases of the North American Free Trade Agreement (NAFTA) and similar free trade treaties, and have sought more provisions in treaty language to ensure worker rights and environmental safeguards in any treaties the U.S. might sign.

Within the last year the financial crisis rapidly became global, imperiling the very survival or viability not only of some developing countries but also those in the developed world. The crisis dramatically underlined the interconnectedness of the global financial and economic systems. As a result, hope arises that questions heretofore not seriously entertained may now be considered. For instance, how might the international community devise regulations of, or at least monitor, large financial or corporate decisions that may drastically affect entire populations or nations? In fact, recently international leaders have begun discussing regulatory review.

One interesting aspect of these developments has been the rising prominence of the IMF as the international agency now channeling urgent financial resources to the economies of nations in financial peril. In this role it has somewhat returned to performing its original purpose as envisioned at Bretton Woods.

The U.S. government and other governments monitor financial agreements between persons and corporations within their own countries. However, at the international level no corresponding monitoring body exists that is required to effectively represent the public interest of the global community. In the arena of international trade agreements and contracts a body is needed to ensure fairness for developing countries and to protect workers and the environment. At the international level, the first place we should look for such a governing structure is to a strengthened United Nations.

Debt Cancellation

Many poorer countries of the world received international loans and now cannot afford to make the loan payments. In fact, they often haven't even been able to make the interest payments. To make payments, they have been forced to cut money from programs needed by the poor within their countries. A Christian coalition called Jubilee 2000 lobbied and won substantial debt relief for twenty-six "Heavily Indebted Poor Countries" (HIPC) in 2005. However, far more remains to be done.

Current Jubilee 2000 criteria would limit further debt cancellation only to those countries with International Development Association status (the poorest countries). They would also add provisions to prevent "vulture funds" that take advantage of these countries (by buying up their debt for pennies on the dollar and then trying to recover up to ten times the purchase price from the indebted countries.) According to the website of the Jubilee 2000 Network,

Together with Official Development Assistance (ODA) and just trade policies, expanded debt cancellation forms a critical part of efforts to meet targets that the United States and nearly every other nation in the world set in 2000 to halve extreme poverty. Halfway to the target date of 2015, the world is still falling short of meeting the Millennium Development Goals. The World Bank and the United Nations have estimated that anywhere from \$40 billion to \$75 billion annually will be needed globally if we are to achieve the MDGs. Some of this can be achieved through additional aid, but expanded debt cancellation is critical as well.

Debt cancellation is not merely another "pot of money" for development, it makes our development assistance more effective. As Jeffrey Sachs and his team pointed out in the 2005 United Nations Millennium Project Investing in Development report, "Dozens of heavily indebted poor and middle-income countries are forced by creditor governments to spend large proportions of their limited tax receipts on debt service, undermining their ability to finance vital investments in human capital and infrastructure. In a pointless and debilitating churning of resources, the creditors provide development assistance with one hand and then withdraw it in debt servicing with the other.

C. Theological Reflection

So where might we call upon the biblical witness for the proposals made here? One sure place would be Leviticus 25, the "Jubilee passage." The Rev. Dr. Monrelle Williams, speaking at a Jubilee Training Event in May, 2008, spelled out some of the practical consequences of the Jubilee Year legislation:

The freedom and the recovery of the dignity of the enslaved person cannot be left to the charitable good will of the rich and powerful. Rather, they are demanded in Jubilee laws governing the community. There seem to be two important points being made here which carry implications for the poorer nations of the world. The first point is about the danger of entrusting the poor and disadvantaged totally to the charitable good will of other members of the community. Those who formulated the Jubilee laws in Leviticus 25 were very well aware of the fact that this

hardly ever brings the type of freedom and dignity that this group deserves and to which they are entitled. The law of Jubilee acknowledges the reality that persons in positions of power do not readily or naturally share their power with others. This is a harsh reality of human existence. This reality points to the necessity for periodic interventions into the economic systems to ensure the recovery of freedom and the dignity of the poor and the disadvantaged.

The second point is that, in the context of the poorer nations, the responsibility for these interventions will rest heavily on the shoulders of the government. While morality cannot be legislated, those who hold the reins of government can at least institute policies that will save the economically vulnerable from being crushed out of existence. Even though morality cannot be legislated, its presence can be cultivated and encouraged. (The complete talk can be found at the Jubilee Ministries' section of the website of The Episcopal Church.)

http://www.episcopalchurch.org/documents/The_Theology_of_Jubilee.pdf

Resolutions of the Episcopal Church

1997-D015: Reaffirmed the Church's declaration that the year 2000 would be a Jubilee Year, to focus on the Jubilee imperatives of debt forgiveness, environmental stewardship, and human liberation.

2000-A002: Established a list of ethical principles for the Church at every level to adopt with respect to international economic development: partnership, respect, empowerment, oneness with creation, distributive justice, and people-centered development.

2000-D033: Challenged all dioceses and congregations to set aside 0.7% of their annual budgets to contribute to international programs that address poverty, ill health, illiteracy, and economic injustice, and commended micro-credit entities as one way to serve the neediest nations.

2003-D006: Endorsed the Church's involvement in the United Nations' Millennium Development Goals...and called on the U.S. government to fulfill its commitment to fund international development aid at 0.7% of the U.S. GNP.

D. Recommended Actions

1. The Episcopal Church shall support the re-negotiation of trade treaties by the United States Government to seek fair trade rather than merely "free" trade: fair to the people of our country as well as other countries; environmentally sustainable and fair to working people and the poor. These treaties should be carefully reviewed and revised by our elected representatives and advocacy organizations.
2. The Episcopal Church, in order to help to cut in half extreme world poverty, (Millennium Development Goals), shall support legislation that extends debt cancellation to additional heavily indebted impoverished countries with "IDA only" status and a per capita income of less than three dollars a day (Jubilee legislation). The supported legislation shall include strong safeguards to ensure that the money freed by debt cancellation will be used to combat extreme poverty in qualifying countries, and shall call on the U.S. Treasury Department to prevent the practice of vulture funds by designing legal remedies to curtail

vulture fund activity, and to provide technical assistance to developing country governments.

3. The Episcopal Church shall support the Millennium Development Goals, particularly the extension of development aid to the poor in less-developed countries, in concert with fair trade and the reform of unfair practices by transnational corporations operating in these countries.
4. The Episcopal Church shall support the creation of a new regulatory agency at the international level, possibly within the structure of the United Nations, with the authority to promote and enforce agreed-upon principles of fair trade and regulations governing international trade, commerce and the environment.

TREND 2

The Crisis of the National Financial System

A. Description of Trend 2

Since the 1980s government in the United States has been deregulating corporations and has often relaxed enforcement of legislation meant to protect consumers, workers and the environment. Recent administrations have also reduced regulatory agency funding, personnel and resources, making enforcement of existing legislation difficult if not impossible.

Corporate interests make large contributions to the campaigns of those running for public office, thereby gaining influence in the development of policy and legislation. By means of advertising dollars corporations also control or influence much of the content of the news media, which means that all but the most egregious corporate abuses often fail to be reported to the public.

There is general agreement that government deregulation of the financial industry is largely responsible for the fiscal crisis of 2008-09. For example, lending institutions engaged in abusive and even fraudulent practices in the sub-prime mortgage market and exploited many low and moderate income families who actually qualified for prime loans. They also made loans to many who were ineligible or at best only marginally eligible. Lenders then bundled these questionable loans into what became nearly worthless investment packages. Finally in late 2008 the government felt compelled to intervene to save the large financial institutions which held these investments, and we do not yet know how the crisis will be resolved.

Consequences of this crisis include the closing and downsizing of large corporations, skyrocketing unemployment with consequent loss of income, and burgeoning costs of providing social services to the growing population without income. These consequences have also led to financial crises in many state governments. The banking crisis has led to devaluation of the nation's housing stock, major loss of share values on the stock market, closing down of loans to businesses and families, closing or scaling back of companies, a corresponding loss of jobs and income, and significant loss of retirement savings. Massive reductions in consumer spending, a deflation cycle in the economy and damage to world markets have followed.

B. Analysis of Trend 2

Corporations are licensed by the State with certain rights and responsibilities. Courts since 1886 have treated corporations as persons and as legal entities with equivalent or greater rights than individual persons have in society. In most instances, corporate stockholders are relieved of personal liability for the corporation's actions.

Corporations have multiple stakeholders: the owners (stockholders), management, workers, consumers, the environment, and the larger community. The board of directors primarily represents the owners (stockholders). The other stakeholders are not officially represented on the board of directors and often no one within the corporation is charged specifically with protecting their interests. The State acts as the advocate of last resort through regulatory legislation to protect the concerns of these other stakeholders. Examples of this regulatory activity include paying a minimum wage, recognizing the rights of workers to organize unions, and monitoring the quality of certain products (e.g., safety features in automobiles, health concerns in food products, protection of the environment).

The more conservative economic model, which has been very influential in the last 20-30 years, maintains that regulations on corporations should be minimal. People espousing this point of view believe that regulations have a negative effect on the equilibrium of the free market. For example, some believe that a law increasing the mileage per gallon of automobiles for the benefit of the environment should not be approved because it will raise the cost of cars and will negatively affect a company's ability to compete with other firms. Others may discourage more effective legislation protecting workers organizing unions because they think that such a law will give workers too much power in wage negotiation. This model maintains that corporations need a free hand in setting prices and wages and other policies.

The consequences of this period of deregulation of the economy are many. Our nation has not taken seriously global warming and other negative environmental effects. Union contracts in the United States now cover fewer than 9% of private sector workers. Corporations freely close plants in this country and move where they can operate more cheaply, with little or no responsibility to the communities they leave or to protect the environment in countries where they relocate. Corporations are allowed to renege on pension and medical plans. Many avoid paying taxes through the use of shelters outside of this country. Profit to shareholders and management becomes the corporation's primary mission and profit is too often very short term; the current quarter's profit. Those institutions and agencies entrusted with enforcing government regulation have often compromised their integrity by the linkages of their personnel to the very corporations they are supposed to regulate.

More recently corporations and financial institutions deemed too large to fail have been rescued with other people's money from the effects of their own imprudence and greed by heretofore unthinkable trillions of dollars. Almost none of this money has reached the middle class as loans for housing or automobiles. Perhaps for the good of the larger community a limit should be placed on how large a corporation is allowed to be.

The reduction of regulations on the banking industry and other corporations caused or greatly contributed to the current financial crisis. None of the stakeholders, not even the stockholders,

were adequately protected. This financial crisis has led to devaluation of the nation's housing stock, decline of stock market shares, closing down of loans to businesses, closing or scaling back of companies, the corresponding loss of jobs and income, and the significant loss of retirement savings, resulting in a massive reduction in consumer spending and a deflation cycle in the economy.

C. Theological Reflection

Every human organization, precisely because it consists of fallible and fallen human beings, is capable of and even prone to diverging from its original purpose or mission as it strives for self-preservation. Corporations also can all too easily lose their mission, their soul, the positive reasons for which they were created (such as meeting the needs of all their stakeholders), and succumb to greed, power, and other temptations. Moreover, such a fall can create a negative atmosphere in this "corporate person" that affects everyone in the corporation.

"Adam Smith...wrote that the ultimate goal of a business is not to make a profit. Profit is just the means. The goal is the general welfare. It is part of the church's task to remind corporations and businesses that profit is *not* the "bottom line," that as "creatures" of God they have as their divine vocation the achievement of human benefaction (Eph. 3:10). They do not exist for themselves. They were bought with a price (Col. 1:20.) They belong to the God who ordains sufficiency for all." (Walter Wink, **Engaging the Powers**, Fortress Press, Minneapolis, 1992, p. 68)

Each human organization (including churches or religious communities) needs built-in mechanisms to help it remain faithful to its mission. These regulatory mechanisms can be from within or without the organization. Because of the public purpose of corporations and because the State licenses them, the government bears an important role in monitoring corporations for the common good. The Church too should exercise its role: to offer values training, prophetic critique, calls to conversion, even exorcism. Of course like the prophets, the Church may be punished for such actions.

Resolutions of the Episcopal Church

1988-B015: requests a church consultation to identify and hold up significant economic issues and to frame ways for Church members to address these issues.

1991:D023: calls upon the federal government to designate community-based banks as critical to the health of communities.

D. Recommended Actions

1. The Episcopal Church shall support comprehensive government regulations of and procedures concerning economic transactions in the financial and banking sectors particularly to prevent practices that negatively impact moderate and low income people.
2. The Episcopal Church and individual dioceses shall make greater use of shareholder resolutions to bring their ethical concerns to the attention of corporate shareholders and boards of directors.

3. The Episcopal Church at every level shall develop and utilize social screens reflecting Christian values as criteria in the purchase and sale of corporate stocks and bonds and shall encourage individual church members to do the same.
4. The Episcopal Church at the diocesan and/or congregational level shall provide educational materials and training in business ethics for corporate boards, management, workers and consumers.
5. The General Convention shall sponsor and support a serious church consultation (or forum) as soon as possible to identify significant moral issues connected with the 2008-09 economic crises, and to adopt recommendations to be supported by the advocacy work of the Church.

TREND 3

Reduction of Moderate and Middle Class Income and Wealth

A. Description of Trend 3

Even before the current fiscal crisis began most working Americans were worse off financially than they were in 1988. Fewer jobs paid a living wage and people's savings had declined. As people sought to maintain a middle-class standard of living, while paying uncovered medical expenses and the rising costs of a college education, many incurred greater personal debt, leading to record-breaking numbers of housing mortgage foreclosures and bankruptcies. Most Americans (53%) identified themselves as middle class and 78 % of those said they found it more difficult than 5 years ago to maintain their standard of living, the worst 5-year assessment by middle class Americans of their own situation in 44 years. (*A more complete description of the financial situation of working people and the middle class can be found on the ENEJ website: <http://www.enej.org/pdf/How-to%20Manual/Appendix%20D.PDF>).*

Income decline for the lower and middle class and rise in income inequality

The trend of growing income inequality accelerated between the late 1990s and the mid-2000s (the latest period for which data are available). Incomes declined by 2.5% among the bottom fifth of families since the late 1990s, while increasing by 9.1% among the top fifth. The portion of income (50.5%) received by the top quintile constitutes the highest recorded share in the last 40 years, while the portions received by the middle quintile (14.5%) and the lowest quintile (3.4%) are the lowest recorded shares.

Another disturbing statistic illustrates the increasing gap between the wealthy and the middle class. Whereas 20-30 years ago the average CEO salary was 40 times that of an ordinary worker in the same company, as of 2007 the difference averaged 180 times the worker's salary. Even as CEO pay has risen so dramatically, weak labor laws and lax enforcement of existing labor laws have led to a major decline in unionization, furthering the disappearance of union jobs, with the concurrent loss of benefits.

Growing inequality of wealth

Additionally, according to the Economic Policy Institute,

America's 112 million families had combined wealth of \$50.3 trillion in 2004. When those families are ranked by the size of their wealth, however, the top 1% alone held \$16.8 trillion in wealth, more than a third of the United States' total wealth and more than the \$15.3 trillion held by 90% of U.S. families. The top 1% had average wealth of \$15 million per family in contrast to the \$22,800 average wealth of the least wealthy 50% of families or the \$313,500 in wealth for families ranked between 50% and 90%.

Decline in employer-funded healthcare and accompanying rise in uninsured

Unlike 40 years ago private sector employers no longer provide healthcare to the majority of their workers. As of March 2007, 60% of private sector employers offered healthcare insurance to their employees, and only 52% of the employees participated, down from 76% in 1990. Workers who do receive employer-sponsored healthcare now pay greater out-of-pocket costs and higher premiums. Non-union workers pay 32% of premiums compared to unionized employees who pay 12%.

Decline in defined pension benefits and rise in lost pensions

Both the number of employer-sponsored pension plans (traditional defined benefits plans) and the number of people participating in such plans have greatly declined since 1988. Union workers are primarily covered by "multi-employer defined benefits plans." In 1980, there were 2,244 such plans, but in 2005 the number of plans decreased to 1,567. Most of this decline consists of the demise of plans covering medium-size and small companies, and those single-employer plans still in existence mainly cover nonunion employees of large companies. The public sector contains the greatest number of employees still covered by defined benefits pensions.

In 1985 individual retirement accounts (IRAs) represented 10% of the total assets in retirement plans, but as of 2002 IRAs had grown to 24.1% of retirement plan assets, and IRAs were the biggest share of total US retirement assets, even though as of 2004 59% of US household did not have IRAs. In an April 2007 report almost half of workers who have saved for retirement have savings less than \$25,000, and 7 of 10 workers who have no savings for retirement also have less than \$10,000 in assets. In 2006, 39.7% of working Americans participated in an employer-sponsored pension or retirement plan.

Racial inequality in income and wealth

The difference in income and wealth between Whites and minority families (Blacks and Latinos) remains shocking. The income gap between Blacks and Whites since 1968 has narrowed by just 3 cents per hour. In 2005 the median per capita income in the United States stood at \$16,629 for Blacks and \$28,946 for Whites. In 2005 the homeownership rate was 47% for Blacks, 49.7% for Latinos, and 75% for Whites.

When we compare the wealth of White families to that of Blacks and Latinos we find the same story. Black families have a median worth of \$20,600, only 14.6 percent of the \$140,700 median net worth of Whites. Latino families have a median net worth of \$18,600. These figures signify an enormous negative impact to such long-term goals as sending one's children to college, starting a business, and retiring with dignity.

Although greater percentages of minorities experience higher poverty, Whites still comprise the greatest number of poor people in this country, and White working class families are also losing ground economically. These families live in Appalachia, rural and small town America and in our larger metropolitan areas. In our central cities 44% of the economically poor are White, 28% are Black, 24% Latino and 4% Asian.

Impact of mounting job losses

The current economic crisis has forced more Americans than ever into underemployment and unemployment. The wages of only one worker cannot support most middle class families. Our minimum wage, now \$6.55/hour (to be raised to \$7.25 on 7/24/09) needs to be \$9.90/hour to bring most workers up to the federal poverty level for a family of four (\$20,600). Currently 36.5 million people in the US live below this poverty level. Depending on the section of the country, the true **decent** living wage for a family of four ranges between \$30,000 and \$40,000. The Center for Economic and Policy Research reports “one in five Americans in working families have income below a minimum middle-class budget standard for the area in which they live.”

Decline in paid sick days

Nearly two-thirds (63 percent) of workers (both full-time and part-time) do not have access to paid sick leave to care for a sick child. The share of employees without paid sick leave for themselves or their children rises to 84% in construction and non-durable manufacturing and 94% in accommodations and food services, an industry that disproportionately employs women. Annually one in four families have sick children who need parental or other support caring for them three or more weeks each year. Every parent may find it difficult to work and care for a sick child but low-wage parents seldom have the flexibility that other employees have.

Bankruptcies and foreclosures

According to the latest U.S. Foreclosure Index announced on April 15, 2009 there had been 800,000 foreclosures thus far in 2009. In 2008, 2.3 million homes nationally went into foreclosure. One in 9 houses in America is currently unoccupied. A study of 2008 foreclosures in the City of Chicago documented 20,000 foreclosure notices that year, 75% of which originated in bad loans: high interest rate and/or adjustable rate mortgages. 86% of these foreclosures were made in the previous three years. These foreclosures in Chicago reached historic levels in low and moderate income communities of color.

Nationally, Black families are three times as likely as Whites to have been sold a sub-prime loan and four times as likely to have been refinanced by a sub-prime lender. The sub-prime scandal has similarly impacted Latinos, leading to what United for a Fair Economy has called “the greatest loss of wealth for people of color in modern U.S. history.”

The recent burst of the housing bubble means that many homes are worth much less than owners paid for them, and 10% of single family homeowners have zero or negative equity in their homes. For these homeowners, refinancing and home equity loans remain out of reach. Foreclosure means losing your home but the debt continues and filing for bankruptcy may be the only way to end the debt.

Credit card debt

In 2008, the Federal Reserve reported that the total amount of credit card debt held by Americans rose 8.2% from 2007 to a record high of \$951.7 billion (nearly one trillion dollars). Soaring tuition, medical care, food and utility costs since 2001 and the curtailment of other credit have caused more Americans to use credit cards. A combination of ever-rising fees, gouging, and lack of transparency by credit card companies has buried many debtors and contributed to the rise in bankruptcies.

B. Analysis of Trend 3

1. With family income often lower than it was 5 or 10 years ago, many families have had to borrow money to maintain their lifestyles. Advertisers provide a constant barrage of invitations to buy what people don't need or can't afford. Financial institutions have encouraged debt by making it easy to procure credit cards and to obtain home mortgages, at the same time assessing extremely high interest rates and penalties for late payments. In lower income communities there are loan sharks of every type, ready to cash checks for a fee, provide instant cash against future paychecks, offer furniture and appliances on a rent-to-own basis, and provide sub-prime mortgages, all at higher interest rates than people with higher income pay.
2. Although the productivity of American workers increased in the last three decades, wages fell or remained static at best, and workers did not receive the gains from their increased productivity. Workers belonging to unions earn between 10% and 20% higher wages than non-union workers. More than 60% of Americans say that if permitted, they would join a union. The severe decline in union membership in the last 25 years has significantly reduced wages, pensions and healthcare for workers who are no longer unionized and often their white collar counterparts experienced similar reductions. The outsourcing of union and other manufacturing jobs and the deliberate distortion of and lack of enforcement of U.S. labor laws have also contributed to the drastic decline of private sector union membership. Because penalties for illegal employer actions remain weak, it is cheaper for employers to illegally fire workers trying to form unions than to provide the higher wages and better working conditions that collective bargaining obtains.

Unless the government enforces workers' legal and moral rights to form unions, engage in collective bargaining and strike without being permanently replaced by non-union workers, lower living standards, declining benefits and deplorable working conditions will proliferate, continuing middle class decline. If government does not penalize employers who violate workers' rights, union membership will continue to decline.

3. Normally, increased productivity due to increased efficiency of equipment leads to higher wages. But we have not seen an increase in wages during the past 20 years commensurate with the high increase in worker productivity. For the most part corporations and their stockholders have accrued the increased profits without sharing them with workers.
4. The privatization of jobs in the public sector has generally led to lower wages and fringe benefits (primarily health care insurance and retirement) for workers. Governments look to save money by contracting with private companies. However, after the companies have added their profit to the cost, even as they reduce the salaries and benefits of the workers,

government entities often do not experience the long-range decrease in the cost of the service that they were hoping to achieve.

5. Reducing the buying power of a family's wages reduces its ability to save for future larger expenses such as a college education for their children. Too often withdrawing equity from their home provides the only means for additional income, increasing their vulnerability to home loss especially in a difficult housing market.
6. The high cost of medical care, especially for the uninsured, has fueled foreclosures and bankruptcies. With over 47 million people uninsured in this country and many millions more under-insured, any serious illness can also lead to foreclosure and bankruptcy. Almost 14% of US GDP is spent on healthcare, and healthcare spending per person in the US is more than double the cost of other advanced nations. Only the US uses employer-based insurance as the main method of financing health insurance. All other advanced nations have universal healthcare coverage paid for by their taxation systems. Administration, billing and other nonmedical costs account for 25% or more of US healthcare costs, compared to less than 10% administrative costs in other advanced countries. Although the US spends so much, almost all measurements substantiate the inferior quality of care in the US compared to medical care provided in other advanced countries.
7. All the above factors (privatization, the export of better-paying jobs, declining unionization, and the general reduction of income and fringe benefits of working people, and loss of jobs because of increased productivity), have resulted in an overall income loss to the economy. This in turn reduced buying power and production, and has led to layoffs and the decline both of the tax base and of community investment in schools, roads and other infrastructure.
8. Moving the balance in the economy against workers hurts business and can lead to a recession or worse. Too often stockholders encourage company managers to focus on quarterly profits and stock value rather than on the long-term health of the corporation. In the long run, fairness to the worker, the local community and the environment, together with reasonable profits leads to a more healthy company as well as a healthier world. The decreasing income of working families and their need to borrow money to meet living expenses has been a major cause of the current business crisis.

C. Theological Reflection

In **God the Economist** (Fortress Press, Minneapolis, 1989), M. Douglas Meeks presents a vision of the world in which God is the chief economist and the head of the household. The goods of the earth belong to all. The Eucharistic table symbolizes this, a table open to all, the center and symbol of God's hospitality. As we leave the Eucharistic table, we are challenged to find ways of sharing what we have, as individuals and as the church, with those who don't have enough to live, and to help create a system where the goods of this world, as well as the work to produce them, are more fairly distributed.

Changing the system is not the only transformation to which we are called. We are also called to a personal transformation, often counter-cultural, in our lifestyle. Maria Harris, in her book **Proclaim Jubilee: A Spirituality for the Twenty-First Century**, (Westminster John Knox Press,

Louisville, Kentucky, 1996) and Ched Myers, in his book **The Biblical Vision of Sabbath Economics** (Church of the Saviour, Washington, DC, 2001) both lead us from the Jewish and Christian Scriptures to the vision of a more simple life in touch with the needs of the economically poor and of the environment.

Resolutions of the Episcopal Church

2003-A130: Calls upon the President and Congress to establish a living wage with health benefits as the standard of compensation for all workers.

2006-C008: Reaffirms the right of workers to organize and form unions.

2006-A127: Endorses anti-racism and calls upon the Anti-Racism Committee to design materials regarding present-day privilege, under-privilege, and restorative justice.

2006-C011: Supports legislation initiating the study of slavery in the United States and reparations to the descendants of the victims of slavery.

D. Recommended Actions

1. The Episcopal Church at all levels shall actively advocate for and support workers' rights, the workers' struggle to organize unions in the workplace, and legislation that supports these efforts.
2. The Episcopal Church shall support efforts to redress the negative economic effects in income and wealth of past and current discrimination against Native Americans, African Americans, Latinos, and low-income Whites.
3. The Episcopal Church at all levels shall actively advocate to end child poverty and support family life by supporting the establishment of a living wage, raising the minimum wage to a level that supports a family of four, raising unemployment benefits and increasing eligibility. It shall support benefits packages that provide health insurance, paid sick and personal days, paid vacation, and flexible time to allow workers to respond to their children's health needs and attend school events.
4. The Episcopal Church shall actively support and work for universal health care and for the enrollment of all eligible children in healthcare and food stamp programs, and shall work at the national and state level to increase Earned Income Tax Credits and to strengthen child support enforcement.
5. The Episcopal Church shall support efforts to restore and maintain a decent pension system for all, as well as maintaining Medicare and social security.
6. Episcopal congregations shall develop community-based support groups of the unemployed and underemployed through which members can identify and access employers for jobs as well as seek opportunities for training for future employment.
7. The Episcopal Church shall support strong education programs at every level including pre-school; and shall work to insure that everyone has the opportunity and encouragement to complete high school; as well as access to post-secondary education opportunities to help them prepare for employment.

8. The Episcopal Church shall support financial literacy programs, efforts to grow Individual Development Accounts and to increase low-wage earners' access to credit through alternative community development financial institutions such as Community Development Loan Funds, Micro-enterprise Loan Funds, Community Development Credit Unions, and Community Banks.
9. Episcopal dioceses and congregations shall encourage members to simplify their life styles, to be mindful of the environment, and of the circumstances of the economically poor.

TREND 4

Need for Strengthened Economic Justice Program in the Church

A. Description of Trend 4

Government services and programs in many areas, and the funds to support them, have been gradually eroding over the past 25-30 years.

1. The federal government reduced and time-limited assistance to low-income families through "welfare reform" legislation in the mid-nineties. It placed a five-year limit on cash assistance, and beneficiaries of the program must be progressing toward a full-time job, regardless of the number and age of their children or the availability of reliable childcare and transportation. In fact, many of those who secured employment are in low-paying jobs with salaries insufficient to provide for the basic needs of their families.
2. Federal assistance to single adults under 65 without dependent children is available only to persons who can meet the stringent disability test necessary to qualify for Supplemental Security Income (SSI).
3. Low-income housing assistance has been very seriously cut. Section 8 certificates for such assistance are virtually unavailable and tax credit financing is scarcely available during this financial crisis. In fact, the tax deduction available to middle and higher income families for the mortgage interest they pay on their primary residence as well as their vacation home remains the largest government housing program.
4. The number of children living in poverty in this country is a major disgrace. According to the Annie E. Casey Foundation, more than half of children under age 6 who reside with only a female head of household live in poverty, compared to 9.4% of children who live with married parents. Considering that the federal poverty definition is markedly lower than the real cost to live decently in the US (estimated to be twice the rate as officially calculated), nearly 40% of children in the US live in poverty or near the poverty line.

Despite our vast wealth, the U.S. has one of the highest child poverty rates in the developed world. The percentage of children who live in poverty offers one of the most widely-used indicators of child well-being, because poverty increases the risk of so many potential negative outcomes in the areas of health, education, emotional well-being, delinquency, and occupational attainment.

5. An increasing number of low and moderate income working people and their families do not have health care insurance, because fewer employers provide any insurance at all or because when offering insurance the cost-sharing premium to be paid by the employee is beyond the employee's ability to pay. The income ceilings for Medicaid coverage are very low. Applicants must meet a categorical test: be over 65, disabled, or have dependent children. Simply being poor does not confer eligibility for Medicaid.
6. Even in times of serious unemployment and recession the federal and state governments hesitate to extend the length of time laid-off workers can collect unemployment compensation. (Congress passed a 13 week extension in July, 2008).
7. The privatization of public service jobs (such as school bus drivers) generally reduces salaries closer to the minimum wage and often does not include fringe benefits.

B. Analysis of Trend 4

A mantra of neo-conservative economics is "no new taxes." In fact, proponents endeavor to reduce current taxes to the bone, compelling legislators at the federal and state levels to cut social programs even further. Social Security and Medicare are the only social programs that remain somewhat secure because their beneficiaries comprise a large block of voters who recognize that the payroll taxes they paid during their working years finance the cost of these programs.

Many Americans question the government's role in providing for the hungry, the homeless, and the unemployed. Many in the media and in politics encourage the middle class to feel that the poor should raise themselves up by their bootstraps, getting their basic needs met through participation in the paid labor force; or that the churches and other private charities should carry the burden of providing for them as part of their social mission (with little or no help from the government). Judging by the numbers of families and children hungry and in poverty, private charity does not fill the need.

This philosophy imitates in U.S. social policy the structural adjustments that international lenders impose on borrowing countries (see Trend 3 above). It also flies in the face of some of the sections of the Universal Declaration of Human Rights, subscribed to by the United States in the 1940s:

- Article 23.1: Everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment.
- Article 25.1: Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing, and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood beyond his control.

C. Theological Reflection

In their paper "**Economic Justice and the Christian Conscience**" published in October, 1987, the House of Bishops called for a fundamental reordering of human values "if we are to have

any hope of challenging society's present enchantment with overweening individualism, human avarice and social irresponsibility." They went on to say that

The moral imperative for Christians is not so much to offer simple answers to the paradox of a prosperity that generates poverty but rather to seek understanding of how the growth and extent of such poverty constitutes both a moral contradiction and a systemic social flaw that serves to undermine the very prosperity which helped create it. The special challenge to Christians is to commit themselves to a process of informing the conscience of society at large about this paradox and to suggest a variety of ways by which individual Christians in their personal activity and their church in its corporate life can witness.

This statement by the Bishops inspired the Economic Justice Resolution of the 1988 Convention in Detroit.

In his theological document supporting the original Economic Justice Resolution (a summary of the document can be found in **The Economic Justice How-To Action Manual**, Appendix A, on the ENEJ website at www.enej.org) James Perkinson asserted that responding to the poor and becoming sisters and brothers to the poor is essential for the salvation of the Church. What Perkinson laid out for us in a prophetic way in 1988 has come to fuller realization in 2009.

...The basic world and church problem of the modern era is the stark reality of the 'breach'...or rather, 'breaches.' On every side it is possible today to witness the logic of a system that inexorably arranges and rearranges the lives of everyone on the globe. What appears in ever clearer focus is a logic of polarization: the creation of a two-tier world of haves and have-nots that cuts through every level of the human reality and increasingly succeeds in integrating every local political economy into its lockstep march."

Later in his paper Perkinson summarizes an article by Albert Nolan describing the pilgrimage of the well-to-do:

"...The well-to-do can expect to traverse a wide range of experiences in moving to an authentic gospel collaboration with the poor. Beginning with a compassionate concern to help, the perseverant and the sensitive will soon enough move on (in the second stage) to an indignation-stirring encounter with the systematic character of the problem (the breach). At the third stage, a surprising renewal of perceptions takes place: the oppressed themselves are discovered as 'able' and 'wise' in their own remarkable right. In the final stage, after disillusionment and betrayal, one breaks through to a place of realism in pursuing a cooperative, collaborative struggle to bring about change."

D. Recommended Actions

Resolved, That the General Convention affirm and adopt the 7 following actions as the policy and program for Economic Justice of the Episcopal Church during the next six years:

1. Urge Episcopal congregations to engage in the traditional acts of mercy in which many congregations and Jubilee Centers participate: food pantries, clothing closets, soup kitchens, homeless shelters, and other programs.
2. Foster “relational culture” in which each congregation develops relationships with the disenfranchised in their community, knowing people by their names, and forming local partnerships with agencies that work with people of little income or few financial resources.
3. Deepen advocacy in concert with the Office of Government Relations for legislation that provides adequate levels of support and opportunities for all people.
4. Participate in church-based community organizing whereby people of the local community exercise the power of numbers and conviction to bring their needs to the attention elected officials and governmental bodies, thereby encouraging effective policy and action.
5. Support and participate in various models through which low-income people can take control of their own lives and meet their own needs, such as community development corporations, housing corporations and cooperatives, and small business development.
6. Encourage at every level of the Episcopal Church the making of loans and deposits at a level of one to ten percent of financial assets to community development financial institutions (community loan funds, community development banks and credit unions, and micro-loan business funds) to support local community development, and, where helpful and necessary, to create such a financial institution themselves.
7. Encourage dioceses, congregations, organizations and members to make socially responsible investments in the Episcopal Economic Justice Loan Fund with a goal of obtaining the \$24 million fund established by GC resolution 2000-B037* to support the “community-controlled economic development programs of the disadvantaged” (quoted from the Economic Justice Resolution of the 1988 General Convention); and be it further

Resolved, That the secretary of convention communicate this resolution to all dioceses of TEC for implementation and follow-up.

8. The Episcopal Church shall fund the Episcopal Network for Economic Justice at a level of \$100,000 per year for the coming triennium so that it can continue and increase its mission of supporting and assisting economic justice work at every level of the Church and can help implement the ministry envisioned in this resolution.

TREND 5

Immigration: The Economic Justice Implications

A. Description of Trend 5

- In 2007/2008 an estimated 12 million undocumented or out-of-status immigrants lived in the United States. For more than 20 years virtually no path to legalization has been provided for most of these people.
- Immigrants form the backbone of the service, food-producing and construction industries in the U.S. They provide a labor force which is not available from the pool of U.S. citizen workers. Living in the US, they and their families consume American goods and services, and their presence thereby creates jobs in other industries.
- All immigrant workers contribute to the economy through the payment of taxes. All immigrants pay sales taxes, most pay income taxes, and many pay property taxes as well. Undocumented immigrants who receive paychecks also pay into the Social Security system but will not qualify for those benefits. Even those who eventually obtain legal status cannot receive retroactive Social Security benefits. Undocumented people also do not qualify for unemployment benefits, public assistance or food stamps.
- Immigrant families are often a blend of U.S. citizens and legal residents and undocumented out-of-status individuals. Stronger immigration enforcement over the past two years and a virtual militarization of the border has led to severe family separation. In many cases family members have simply disappeared and their families have no idea what has happened to them. Indeed, each year more than 300 have been found dead in the Arizona desert.
- Immigrants have been made the scapegoats of the current (2008-09) economic crisis. “Respect for the law” has become a racist code word targeting Latinos/Hispanics regardless of citizenship status.

B. Analysis of Trend 5

Twenty years ago, when the General Convention of the Episcopal Church adopted the Economic Justice Resolution in Detroit, the federal government had just granted a general amnesty for immigrant workers. Immigrants who could demonstrate “good character,” financial stability and were able to pay a penalty could apply for legal permanent residency and eventual citizenship.

Why don't they just get in line?

For many years family members who were U.S. citizens or legal residents could petition for residency for certain immediate relatives. They could pay a fine and family members did not need to leave the United States to obtain a visa. That avenue is now closed. Undocumented family members need to leave the country to obtain a visa and then can face a ten-year ban on re-entry. A waiver is not assured. Depending on the family category, petitions for visas can take up to 20 years to be granted. Even immediate visas for spouses and minor children are backlogged.

Are they not taking our jobs and abusing our social services?

Immigrants fill the jobs that go unwanted and unfilled by U.S. citizens. Employers report that they advertise for weeks offering jobs to U.S. citizens prior to turning to undocumented workers. U.S. citizens who apply for these jobs often quit after only a few days of work. However, because the system is so back-logged, employers trying to “do it the right way” cannot bring people into the country on employment visas. Meanwhile, crops cannot be planted or harvested. Tourist and recreational attractions have closed down due to the labor shortage.

Human suffering

Current immigration enforcement creates havoc with families who are otherwise stable members of our communities. Parents fear sending children to school; children fear going home and finding their parents gone. Victims of crime hesitate to report crimes for fear of revealing their undocumented status.

Crossing the border without documents is a civil offense, a misdemeanor. Merely living undocumented in the U.S. does not constitute a crime. (A felony occurs only if someone returns after having been deported). Nevertheless, immigrants caught in raids often spend months and even years in jail-like settings while their cases are appealed. As a result of the raids, the detentions and deportations, many, many families will live their lives not knowing what happened to their loved ones. We need to address this problem directly.

The Role of U.S. Foreign Policy

Treaties like NAFTA (The North American Free Trade Act) harm foreign workers by selling cheap basic goods in their countries. Large agribusiness corporations in the U.S., subsidized by our government, can sell basic foods like rice and beans in countries like Mexico more cheaply than the native industry. When small farmers cannot sell their products, they leave their farms for their cities, and then find no jobs available. As a last resort to provide for their families, workers must seek employment in other countries like the United States. Given a choice, most people would prefer to remain in their own countries.

C. Theological Reflection

Scripture is full of immigrant stories. In the Book of Genesis Abraham and Sarah make their journey to the land that God promised to them and their descendants. The Book of Leviticus reminds us that we are to welcome strangers as citizens in our lands. There are two major stories concerning immigration into Egypt: in the first, because of a famine in the land Jacob’s family became economic refugees; in the second, Mary and Joseph with the child sought sanctuary in Egypt as political refugees.

Over the last three years General Convention affirmed the Church’s support of comprehensive immigration reform which includes family reunification, worker justice, due process and a path to citizenship. In June of 2007, the Executive Council passed a resolution supporting the New Sanctuary Movement. Many dioceses have passed similar resolutions. The Presiding Bishop has written at least three pastoral letters concerning immigration.

Resolutions of the Episcopal Church

2003-C033: urged the Congress of the United States to enact legislation to expand temporary workers' programs to include all persons residing in the United States engaged in meaningful labor, to ensure that temporary workers receive compensation and benefits parallel to those available to other legal residents, and to give such workers the option of adjusting to permanent resident status and naturalization.

D. Recommended Actions

1. The Episcopal Church shall recognize that all people living in the United States, including immigrants and their families, are entitled to the protection granted by our laws and Constitution.
2. The Episcopal Church shall call for a moratorium on raids carried out by Immigration and Customs Enforcement (ICE) at work sites, transportation systems, community gatherings, roadside check points and private residences, leaving families torn apart and children parentless.
3. The Episcopal Church shall advocate that Congress consider and implement comprehensive immigration reform which will allow a pathway to legalization for millions of undocumented immigrants who have established roots in the United States and are often parents and spouses of U.S. citizens.
4. The Episcopal Church shall deplore conditions found in immigration detention centers and call for legislation to ensure detainees are provided with humanitarian treatment, adequate food and medical care and sanitary conditions.
5. The Episcopal Church shall call for termination of the 287 G partners program which allows local police agencies to enforce immigration law and return that enforcement to Federal Immigration Agents, restoring local law enforcement agencies to their duties to keep communities safe and to provide for the safety of immigrant crime victims so they may come forward and report without fear of detention and deportation crimes committed against them.
6. The Episcopal Church shall support the New Sanctuary Movement in order to protect immigrants and their families from cruel detention, deportation and the break-up of families.
7. Episcopal congregations shall offer education on the issues concerning immigration, including understanding the legal and human rights of immigrants in the face of immigration enforcement and detention.
8. Episcopal dioceses and congregations shall develop relationships with local immigrant communities, accompanying and supporting them in their efforts to achieve a just and thoughtful immigration policy.

TREND 6

The Wars in Iraq and Afghanistan: The Economic Justice Implications

A. Description of Trend 6

Throughout the twentieth century, the vast growth of the U.S. economy was interwoven with the nation's use of military force and war. After decades of territorial expansion across North America, in the late 1890s the United States began reaching beyond the continent, gaining Hawaii through a coup led by American and European businessmen, and gaining resource-rich Puerto Rico, Guam, Cuba, and the Philippines through victory in the Spanish-American war. Over the following century, the U.S. government participated in or fomented dozens of military conflicts worldwide, during which the nation's economy grew rapidly – while millions of human lives were lost.

The context of the Cold War that emerged between the U.S. and the U.S.S.R. in the middle of the 20th century provides the frame for many of these conflicts, with each superpower seeking to maintain a “sphere of influence” with so-called Third World nations. In addition to political interests, economic interests drove their actions, since the superpowers sought to extract raw materials from these foreign lands to support their massive domestic manufacturing and military sectors.

In 1961, less than 15 years into that global arms race, outgoing President Dwight Eisenhower felt he had to address the “military-industrial complex” in his final speech in office. “We have been compelled to create a permanent armaments industry of vast proportions,” Eisenhower said, highlighting the intersection of private industry, government spending, and U.S. employment in the business of war. Forty years later, despite the collapse of the Soviet Union and clear evidence that no other national power can capably challenge its might, the United States' investment in militarism has dramatically increased. The U.S. military budget remains greater than all other nations' military budgets combined.

Three overarching economic indicators helped to maintain this military commitment. First, with the global outsourcing of manufacturing, U.S. job growth in areas such as information technology, pharmaceuticals, and biotechnology required access to natural resources from distant lands. Second, and similarly, the U.S. population's ever-increasing demand for energy led the nation to seek geopolitical control over global oil and natural gas deposits. Third, the continuing growth of the U.S. armaments industry and privatized security (for-hire contractors) depended on a global culture of war and conflict.

More than six years into the invasion and occupation of Iraq – and during a period of increasing U.S. military investment in Afghanistan and Pakistan – the United States economy is mired in a massive recession. While some respected analysts (e.g., the Center for Economic and Policy Research) argue that the recession was caused by the U.S. housing bubble, not the war, such analysis also concludes that more than \$1 trillion has already been spent on the war: \$3,300 for each person in the United States. Nobel economics prize awardee Joseph Stiglitz, and Linda Bilmes, former chief financial officer of the U.S. Department of Commerce, state that the U.S.

will ultimately spend more than \$3 trillion on the war, using calculations based on what are described as conservative assumptions. Interestingly, the FY 2010 budget proposed by President Obama actually increases military spending, rather than decreasing and reallocating that money to the economic crisis and other social needs.

These financial costs outlined above and tied to the U.S. economy do not represent the cost in human lives, the destruction of infrastructure, or the loss of artifacts in one of civilization's most ancient regions. As of December 2008, the Iraq War death toll included more than 4,200 U.S. troops, over 1,100 private contractors, thousands of Iraqi security forces, and at least 90,000 Iraqi civilians (if not more than 1.3 million civilians, according to the Opinion Research Business group). A minimum of another 30,000 U.S. forces sustained injuries per official reports (other estimates ran as high as 100,000). The war displaced over three million Iraqis internally, with between two to five million Iraqi refugees living in other nations. And today the escalating conflicts in both Pakistan and Afghanistan (including U.S. bombings) have produced rapidly increasing death tolls of civilians as well as armed forces in those countries.

The greatest impact of the wars has fallen on those communities in the U.S. with the least political and economic power. While currently no national military draft exists, many argue there is a "poverty draft" since poor and working-class communities are disproportionately represented in those serving in the military. Young people enlist in the armed services to obtain a "guaranteed paycheck" and the promise of support for higher education and skilled job training. This has particular impact on impoverished communities of color.

Moreover, the use of the National Guard and Reserves as combat forces has diminished the government's ability to respond to natural disaster and other crises at home. The lack of National Guard units available in that region exacerbated the devastating impact of Hurricanes Katrina and Rita on the Gulf Coast, causing further destruction to life and property. To handle security during the hurricanes' aftermath the government's FEMA office hired private contractors, at much higher rates than it paid its own military forces.

B. Analysis of Trend 6

1. In the months following the invasion of Iraq, it emerged that the Bush/Cheney administration's arguments for going to war – weapons of mass destruction, Iraqi government ties to al Qaeda terrorists, and others – were incorrect and may have been fabricated. Well-founded analyses have charged that the primary reason for the invasion was to gain access to the oil resources of Iraq. While the U.S. has less than 5% of the world's population, it uses one-quarter of the world's energy resources.
2. Despite the statement by President Obama that all U.S. troops will be withdrawn from Iraq by the end of 2010, there remains great wariness and skepticism on all sides of the political spectrum that the timetable will be kept. Many analysts predict that U.S. military advisors, if not actual troops, will remain in Iraq for years to come. Tens of thousands of U.S. troops will in the near future simply be transferred to the "new" battlefield of Afghanistan. This continuing armed presence, combined with U.S. troops and bases (and "Cooperative Security Locations" or "forward operating sites") located in numerous other countries throughout the Middle East, Eurasia, and Central/South Asia, exerts pressure on Iran,

Russia, and other countries for access to their oil and natural gas reserves. Yet over time the nation's political and military conflicts with major energy-producing countries have played a role in increasing cost of heating, transportation, food, and durable goods. Since the start of the war, the average cost of gasoline spiked from approximately \$1.50 to over \$4.00; it has fallen in recent months, but many analysts expect crude oil to rise sharply again in 2009-10, as global "peak oil" reserves approach reality. The military conflicts abroad impact daily household expenditures at home.

3. The current national U.S. budget does not reflect the cost of the Iraq and Afghanistan wars because they are mainly supported by loans from other countries (for example, China) that will be paid for by future generations. Had taxes been increased to pay for the war, many American citizens and members of Congress most likely would have resisted the war. Had there been a national draft to recruit troops, many Americans would have objected to their sons and daughters being called up to service.
4. The cost of the wars will escalate dramatically in coming years due to the medical expenditures to care for injured veterans. Estimates of the amount of each current U.S. tax dollar going to past and present military purposes range between 37% (National Priorities Project) and 43% (Friends Committee on National Legislation) to 51% (War Resisters League). With tens of thousands of injured U.S. troops needing long-time medical care, these percentages could increase annually.
5. Going to war in Afghanistan and Iraq initially boosted certain sectors of the U.S. economy. Many corporations sought contracts with the Department of Defense, growing their companies' workforces and keeping stockholders happy. The notoriously high production costs in defense contracts provide one reason for this growth in the bottom line. Yet such generally episodic growth cannot be sustained over a long period of time.
6. The cost of war limits opportunities to invest in other sectors of society. The American Friends Service Committee's "\$720 million = One Day" campaign (www.afsc.org/cost) outlines examples of social ills that could be addressed by only one day's worth of expenditures on the Iraq War. For example, for one day more than 150,000 people could receive health care for a full year. More than 12,000 schoolteachers could be hired. Nearly 35,000 students could go to four years of university for free.

C. Theological Reflection

1. The early Church did not allow Christian converts to serve in the military.
2. Beginning with St. Augustine, theologians developed the "just war theory," specifying conditions that had to be met before a country can ethically go to war. The leadership of many Christian denominations judged that the Iraq war did not meet these ethical conditions and should not be waged. Moreover, today the grave question persists whether any war can be just, given the existence of weapons of mass destruction and the fact that civilian populations bear the brunt of these weapons.
3. In the United States we have a strong tradition of protesting war. Small denominations like the Quakers and the Mennonites often initiated war resistance. The protests in the 1960s and '70s borrowed from those traditions as well as from Gandhi's nonviolent teachings.

Christian theologians and activists tapped their Judeo-Christian traditions for support for their peacemaking. As we know, many paid with prison time or their lives for this witness.

4. Because of the massive and indiscriminate impact of weapons of mass destruction and the uniqueness of every human being, nations today should be required to bring grievances for resolution to an international body, such as the United Nations.

Resolutions of the Episcopal Church

2003-1024: Urges dioceses and congregations to study and better understand Just War theory and calls upon all Church members to consider and utilize Just War criteria when discussing war and preemptive strikes.

2003-C024: Supports the World Council of Churches' Decade to Overcome Violence and calls upon U.S. leaders to reconsider current foreign policy by employing diplomacy rather than warfare.

2006-D020: Calls for the U.S. to end its war in Iraq; to take a series of steps in nonviolent education; to develop liturgies to be used in a time of war; and to oppose the continuation of the war.

D. Recommended Actions

1. The Episcopal Church, in collaboration with other religious bodies, shall speak clearly to our national government on the morality of a given war. This judgment shall precede military action and pressure shall continue throughout any military engagement. A major consideration of the morality of a given war shall be the anticipated costs of the war, in terms of lives lost, destruction of public and private property, and needs of the populations on both sides of the conflict that will go unmet due to the financial cost of the war.
2. The Episcopal Church shall insist that the U.S. government seek the mediation of other countries as well as of the United Nations to help prevent the escalation of conflicts.
3. Congregations shall include peace education, including nonviolent ways of settling disputes and grievances, in their curriculum at every level.
4. The Church shall include among its socially-responsible investment criteria concerns related to investing in corporations involved in armaments and military sub-contracting. These criteria shall be considered at all levels of the church.
5. The Church shall support those who engage in war-tax resistance, which is a specific way of countering both the immorality of war and its economic impacts. Methods of institutional support could include legal representation for resisters and the creation of an escrow account for those assessed penalties for their actions, as well as education and advocacy about these issues.

TREND 7

Degradation of the Environment: The Economic Justice Implications

A. Description of Trend 7

Many Americans are concerned about our water, air, forests, plants, animals, soil, minerals, and energy resources. These resources are God’s creation; the church has an obligation to honor God’s abundance by supporting a more ecologically equitable and sustainable world.

Environmentalism, or respect for the earth, really began with our Native American brothers and sisters, who lived many generations on North American soil before the European colonists displaced them in a shame-filled chapter of history. Not until President Teddy Roosevelt and naturalist John Muir set aside the first national park at Yellowstone did Euro-Americans even acknowledge the esthetic value of nature unaltered by humans. In the headlong rush to exploit the natural resources so abundantly provided, people gave little thought to the notion of responsible use or sustainability. The by-products of resource exploitation—toxic wastes, polluted waters, devastated landscapes—tended to disproportionately impact the human poor, the defenseless animals, and those who depended on earth’s gifts, the Native Americans and the family farmers. As land resources were exhausted or overused, and over-fishing and despoliation of the oceans caused fish populations to crash, the nation became increasingly aware that something had to be done.

Regulation followed in the late 1970s and early 1980s with the creation of the Environmental Protection Agency (EPA). Citizen groups began the observance of an annual Earth Day 1970 and organized to protest landfills and other toxic wastes often located in or near poor and minority communities. Greenpeace and other volunteer groups fought for the oceans. Unfortunately, during the last 20 years many regulations have been gradually pared away or the funding to enforce regulations has been reduced.

Today, we witness some of the effects of climate change: the crash of the salmon industry in the Pacific and of the cod and other fish populations in the Atlantic; clear-cutting of forests worldwide; increasing pollution of air and water; the loss of threatened and endangered species; and changes in bird migration patterns prompted by climate change.

B. Analysis of Trend 7

Primarily industry and commerce cause environmental degradation. Corporations do not count the real cost of the resources mined from the earth or the negative impact of the manufacturing process: contamination of water, air and earth. Oftentimes arguments about protecting the environment degenerate to “it’s either the environment or jobs”. We need a new paradigm that sees the environment as an equal partner in business ventures. The cost of reclamation of the air, water and earth needs to be built into the product. In the instance of carbon dioxide contamination of the atmosphere (global warming), for example, many have proposed caps on the amount of emissions allowed for each company. Those that don’t use their allowed amount may sell what they don’t use to other companies, who then pay the true cost of contamination. The cost becomes an effective disincentive to pollute.

Traditionally, the environmental movement has focused on non-urban issues such as advocating for the end of clear-cutting forests or for the preservation of the Arctic Wildlife Refuge. Today, we see more clearly the connections between environmental justice and worker injustice, economic inequality, and environmental and economic racism.

In September, 2000, the United Nations sponsored a summit of world leaders, 147 in all, called The Millennium Assembly. They met to address environmental destruction, poverty, and disease. 189 countries at the Summit endorsed the Millennium Development Goals (MDGs).

Although many of the eight MDGs are inter-related, Goal 7 of the MDGs seeks to “Ensure Environmental Sustainability,” with a target date of 2015. The specific objectives of Goal 7 are to (a) reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation; (b) integrate the principles of sustainable development into national policies and programs; (c) reverse biodiversity loss, achieving by 2015 a significant reduction in the rate of loss; and (d) by 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers. The Episcopal Church adopted the Millennium Development Goals (MDGs) by resolution at General Convention in 2006.

Many nonprofits and government programs focus on changing attitudes and behaviors of people. The federal Green Jobs Act of 2007, part of the Energy Independence and Security Act, provides \$125 million for “green-collar” job training to prepare up to 30,000 people to install solar panels, weatherize buildings, maintain wind farms, and other trades. Hundreds of other green programs exist. The Obama administration has made “green industry and green jobs” a major priority.

Today, some focus on “empowerment.” Rather than waiting for governments and corporations to address these issues, individuals use their influence to guide not only their personal actions but also their investment decisions, realizing that individual initiative can make a difference. Instead of attacking polluting industries, they focus on investing in clean, green, and healthy industries.

C. Theological Reflection

Scripture reminds us of God’s role in Creation and that God made us stewards of that Creation. We must do all we can as Church and as individuals to challenge the destruction all around us.

In his book, **The Land – Place as Gift, Promise, and Challenge in Biblical Faith**, Walter Brueggemann writes about the relation between our current dilemmas and biblical traditions. In **Hope for the World**, he reflects on hope, social analysis, and strategic planning, stating that we must depend on people to practice a mission of hope that in the end “is unfettered by the word’s fearfulness and anxiety.” He invites the Church to engage in strategic planning concerning:

- Economic disparities midst God’s abundance,
- Political oppression midst God’s justice,
- Environmental exploitation midst God’s fruitfulness,

- Destruction of the social fabric of health, education, and welfare midst God's homemaking,
- The claims of natural sciences midst the mystery of God,
- The destruction of community via class, race, gender in the midst of God's vision of unity,
- Deep and lethal despair among those who have received "everything" and whose lives yet are absent of joy.

This proclaims an environmental, an ecological and an eco-justice movement. Scripture uses the word Creation 55 times and maybe we need to call this movement "Creation" to clearly designate it a matter of faith (Eco-Justice Program, National Council of Churches).

Resolutions of the Episcopal Church

1991-A195: Affirmed humanity's responsibility for the earth, acknowledged God's call to engage in environmental issues, and called for the appointment of an Environmental Stewardship Team.

2000-D005: Expressed Church support for legislation eliminating the practice of locating polluting industries disproportionately near neighborhoods inhabited by people of color or the poor, and the practices of mountain top removal and valley fill-mining and other operations that threaten the ecology and low income communities.

D. Recommended Actions

1. The Episcopal Church shall call for the adoption of and work to implement Millennium Development Goal 7: Strive for environmental sustainability.
2. The Episcopal Church shall support The Rt. Rev. Steven Charleston's call asking the Church to sign the Genesis Covenant and reduce its carbon footprint by 50% within 10 years.
3. The Episcopal Church shall invest in the green economy, creating jobs, building environmentally-safe spaces, and owning stocks in green, socially responsible companies.
4. The Episcopal Church shall advocate for environmental policies in Congress, State Legislatures, and local governments to change unjust systems that destroy God's Creation and damage God's people.
5. The Episcopal Church shall practice and speak up for lifestyle changes – economic, social, political and technological.
6. The Episcopal Church shall speak up for Creation, planning worship services and Sunday school classes that address these issues.

What is ENEJ?

The Episcopal Network for Economic Justice is an association of individuals, dioceses, congregations and organizations committed to solutions which address the fundamental causes of economic inequality. We engage in advocacy and education about economic justice. We provide models and technical assistance to help Episcopalians develop such programs as credit unions, microenterprises, socially responsible investing, housing programs, and other community development strategies. We are funded in part by the Episcopal Church and by membership dues and grants.

Other Publications from The Episcopal Network for Economic Justice

Economic Justice How-To Action Manual: A Guide to Economic Justice Ministries for Use by Episcopal Congregations, Second Edition, January 2009

Economic Justice Issues: Explanations and Suggested Action Steps for Key Issues, Third Edition, January 2009

Community Investing: An Alternative for Religious Congregations Seeking a Social as well as a Financial Return, September 1999.

Economic Justice Education Modules: Six easy-to-use popular education units with instructor's guides produced for ENEJ by United for a Fair Economy

1. A Christian Response to Economic Inequality
2. The Real Threat to Family Values
3. Why the Economy Isn't Working for Workers
4. The Global Economy
5. Making Sense of the Recession
6. The Church and Its Money

These and other resources are available at <http://www.enej.org>.