

DIAKONIA **IN THE TIME OF** **INEQUALITY.**

Sigtuna Statement on Theology, Tax and Social Protection.
Sigtuna, January 2017.

DIAKONIA IN THE TIME OF INEQUALITY

Sigtuna Statement on Theology, Tax and Social Protection

As people of faith, we are deeply concerned by the growing inequalities and the impacts on the lives of people everywhere. Representatives ¹ of 25 churches and ecumenical organizations from 20 countries gathered in Sigtuna, Sweden from 11-13 January 2017 to explore the role of the Church and the resources of diakonia in promoting just societies, where wealth is shared fairly for the good of all and social protection is guaranteed as the right of all – so that no one shall be left behind.

Churches and faith based organisations have historically been, and continue to remain, at the forefront of providing social services and support to those living in the socio-economic margins. We therefore believe that we have a critical role to play in actively working for just societies and securing social protection for all. We affirm publically funded social protection as a moral imperative and as a human right for all, and particularly for those that have been rendered invisible by current economic and development realities.

In this Statement on Theology, Tax and Social Protection, we present a theological justification for taxation and social protection, and what we believe is the Church's response and mandate in this time of inequality. This is important because we believe that social protection is an essential requirement for a **just society**, regardless of nationality, legal citizenship or the level of economic development in a country. We also believe that taxation is a fundamental instrument for redistributing wealth and for financing the **common good** so that all can have life in dignity.

We call on churches and faith based organizations everywhere to stand up and demand for fair redistribution of wealth and social protection, as a matter of justice and human rights for all in the following ways:

- 1. Continue pioneering social services and support for those who are left behind, and challenge governments to learn from these innovations to improve public social protection.**
- 2. Raise awareness and build local community support to influence policies and actions in favor of social protection, just tax systems and equality at all levels.**
- 3. Use the voice of the church to educate, inspire and transform peoples' attitudes and behaviors about tax and social protection in all sectors of society.**
- 4. Commit to working with others in the public space and engage in relevant policy frameworks and debates to call upon:**
 - a) **National governments** to guarantee social protection for all and to mobilize the necessary resources through fair taxation.
 - b) **The private sector** to recognize that major corporations and the super-rich minority are benefitting at the cost of the majority and that they need to honor tax and labor legislation and be transparent and accountable in their business practices.
 - c) **The leaders in all sectors of society** to support policy initiatives for a reformed financial architecture which promotes a more just and equitable redistribution of resources in line with the **Common Good** and to act upon the international responsibility to leave no one behind.

Mobilized to Address the Injustice of Rising Inequality

As people of faith, we are deeply concerned by the growing inequalities and the impacts on the lives of people everywhere. Representatives ² of 25 churches and ecumenical organizations from 20 countries gathered in Sigtuna, Sweden from 11-13 January 2017 to explore the role of the Church and the resources of diakonia in promoting just societies, where wealth is shared fairly for the good of all and social protection is guaranteed as the right of all – so that no one shall be left behind.

We note with deep concern that **inequalities have risen to a very high level and are still rising**. Over the last 25 years, the top 1% have gained more income than the bottom 50% put together. Though millions of people have escaped poverty in recent decades, one in 9 people still go to bed hungry.³

We recognize that, the drivers of inequality are complex and multidimensional. Broken models of economy and unjust tax systems favor the elite rather than sustainable livelihoods for the majority. Elitist and unaccountable political systems and governments fail to protect their citizens and fail to mobilize and share adequate resources for the common good. In some contexts, citizens experience shrinking space to organize and be heard, while in others we see the rise of divisive and populist politics. Unaccountable governance leads to polarization of society. Climate change impacts countries and communities unequally. New technologies have huge potential to transform our lives for the better, but only if governments intervene to make sure they are accessible to all and are harnessed to reduce inequality, not increase it.

Inequality fuels poverty, deepens the abuse of power, undermines social cohesion and threatens to pull our societies apart. Inequality provokes violence, crime and insecurity at all levels of society. Inequality denies millions of people living in diverse contexts the ability to live full lives with dignity. Inequality kills and leaves more people living in fear and fewer in hope. Women, youth, migrants, refugees, aged and the differently abled are more often left behind because of situational vulnerabilities and unequal opportunity to engage in societies that do not provide social protection.

By naming and understanding the drivers and impacts of inequality, we hold up the vision that another world is possible. We celebrate the signs of hope represented by the clarion call from international community to leave no one behind, as articulated in the Agenda 2030 for Sustainable Development and we look to the potential that lies in promoting accountable governance, tax justice and social protection.

We understand **Social Protection** as every person's human right to social security – cash transfers such as child grants, unemployment benefits and old-age pensions – and access to affordable social services of good quality, such as education, healthcare and other social care. Social protection is an essential requirement for **just society** for all countries, regardless of the level of economic development. We recognize the primary responsibility of states to protect their citizens by promoting the common good and guaranteeing social protection floors for all. In the eyes of the Church, we are all citizens living in a community that transcends borders. Therefore everyone has a right to social protection, regardless of nationality or legal citizenship of individuals. We affirm publically funded social protection as a moral imperative and as a human right for all, and particularly for those that have been rendered invisible by current economic and development realities.

Further, we understand **Taxation** to be an fundamental instrument in this time of rising inequality for redistributing wealth, and financing the **common good** so that all can have life in dignity and so that the state's accountability to citizens is upheld. Paying the correct amount of taxes is therefore a duty for all people and all institutions, and no one should be exempt from this responsibility to contribute to the common good. Governments and private sector should be transparent about the collection, payment and use of taxes. Corporations and rich individuals have a particular responsibility to bear their share of responsibility and not abuse their power and privilege to evade taxes, engage in capital flight or illicit capital flows, all of which undermines the common good.

We appreciate the increasing recognition that **churches and faith based organisations** have historically been and remain at the forefront of providing services and support to those living in the socio-economic margins. We believe we have a continued and critical role to play in building just societies and securing social protection for all. We look to our resources of faith for hope and direction and add our voices to movements of people the world over who demand redistribution of wealth and social protection as a matter of justice and human rights.

Life in Full for All in a Just Society - a theological justification for tax and social protection

Diakonia is an integral part of being Church and an expression of God's transformative love and care. A faith response on tax justice and social protection uses the Bible, teachings, traditions and contextual interpretation as resources.

Created in the Image of God- A Covenant with God

Human beings are created in the Image of God and entrusted as God's stewards for the whole of creation. The latter means there is a mandate to promote a society that fulfils God's vision for the whole of creation and humankind (Gen 1: 26 – 31). As humans we have the ability to do both good and what is harmful to ourselves, others and the creation. These abilities are also reflected on an institutional level. Theologically, social development is to work for a just society for all. It is the call to curb evil in the form of marginalisation, stigmatization, exclusion and oppression (poverty and inequality) and to embody mercy and love. Churches as faith communities are not exempt from fallibility and cannot claim a superior position. As churches we continuously need to take responsibility for our affairs with internal accountability and transparency on institutional matters and theological teaching.

An example of how we all should be subjects in our own right and the struggle to raise our voice and be heard is known through the Canaanite Woman's Faith (Matt 15:21-28). Her belief that all humans are created equal and the gap between principle and reality was persistently articulated through advocating for social justice. The assumption that she is a widow could highlight an interpretation of being vulnerable and dependent upon other's charity. The impact of inequality is painful and requires us to have a gender-sensitive approach and awareness. Another or simultaneous interpretation is to see the value and ability of the woman to speak for herself and be an agent of change. Jesus himself demonstrated a change through engaging in dialogue with the woman which shows the significance of mutual interaction.

God's option for the poor

Grace does not depend on a distinction between deserving or not. God shows mercy and love to all which was shown in Jesus Christ. He interacted with people and communities regardless of social, economic, political marginalisation, neglect or rejection. His words, actions and approach became a public witness and a message of life. His teaching is that the main criterion for discerning good laws, policies and politics is to assess the consequences for the most disadvantaged in society, and to understand the impact that perceptions of center or margin, powerful or oppressed, low or high have on decisions. God's option for the poor is not based on any specific merit on the part of the poor over the rich, but it is identifying where the power of life is most needed. Human dignity belongs to all and becomes a call of duty on an institutional level - God's movement of love towards a world where poverty is eradicated.

Vision of life in abundance- life in full for all

Being created in the Image of God, living in God's grace and covenant, is life affirming and promises us all life in abundance (John 10:10). This gives us a powerful vision of what just society is: life in abundance for all with human dignity for all, mutual respect and sharing of resources. This vision also becomes a vocation where the applied understanding of being a good shepherd is the role and responsibility of a good leader, where the position of power is used with good judgment and in service to the people. (John 10:11ff)

Common good and good governance

This inspires us in developing an agenda of humanity which reflect the insight that humans are relational and created for an interdependent life in community. This life is rooted in Creation. It is accessible to all people of all faiths and ideologies. We are called to work for the common good in a just society. It is reflective of the golden rule: love your neighbour as yourselves (Matt 7:12). A faith-based understanding of the common good and how to achieve it can be expressed in contemporary language as the human right to social protection and fair sharing of resources. Taxation must be seen in this perspective. As an instrument for securing the common good for all people which transcends all contexts and national boundaries. In consequence, all actors – both individuals and institutions – demonstrate their accountability to the broader community by paying taxes.

As people of faith, we believe that we are accountable to God and have important contributions to society and the public space. This contribution consists of, but is not limited to, sharing spiritual visions and values for a just and peaceful society and challenging oppression and inequality. The role of religious communities includes active participation in society and caring for fellow human beings through responding to political agendas and public engagement, occasionally referenced as prophetic diakonia.

The role of the state and the church

The story of Naboth's Vineyard (1 King 21) articulates the responsibility and role of the king. We can read this as the role of the state and the church. It is also a description of a church being prophetic in exposing situations when people in positions of authority abuse their powers. No human is above the commandments and the laws. The king was obliged to honour a set of rules designed to protect the poor and secure protection so that nobody in the community should be permanently marginalised, including strangers. "If any of your people becomes poor and unable to support themselves, you must help them, just as you are supposed to help foreigners who live among you" (Lev 25:35). The community received legislation regulating life and ensuring social protection. This is an obligation the state can never recuse itself from. A model for a division of labour between church and state (emerging from the Reformation) suggests the role of the church is to contribute to rather than dominate the public space. It should not shoulder the governmental responsibilities and obligations of the state. Rather churches and other faith based actors can support and hold governments accountable.

How Jesus and the disciples moved into an geographic area they didn't think they should be in, as described in the story of the Canaanite Woman's Faith (Matt 15:21-28) is also essential in reflecting on the role of the Church. A contextual interpretation is that the Church needs to be open to moving into areas which do not seem to be relevant or part of the mission. This is of particular interest in relation to social protection and tax where more and more churches discover that this is an area of theological significance and a relevant part of doing diakonia. Communities of faith are called by God to be transformative agents of change in the world. To move beyond institutional comfort zone and prophetically to dwell amidst the cries and hopes that fill our local and global contexts.⁴

Churches called to action for tax justice and social protection

2017 marks the 500 year remembrance and observation of the Reformation. Renewing the gifts of the Reformation in our time, churches, faith based organizations and the wider ecumenical family should publically recognize the urgency of addressing inequality, discern what society needs from the churches in different contexts, and harness the opportunities for concrete political action. These are articulated in Agenda 2030 and the Sustainable Development Goals and related policy frameworks.

God loves the world and never ceases to engage with it. This deep faith conviction motivates the churches to engage in the public space⁵ and contribute to a society based on justice and solidarity. The Church should commit to building **a public space that is a just place for all**, which means: equal access to common goods and decision-making processes; safety, especially for the vulnerable; meaningful participation of and interaction among all groups of society.

We call upon churches and faith based organizations everywhere to **mobilize the resources of diakonia to support agendas for tax justice and publically funded social protection**. We remind churches and faith based organizations that diakonia is integral to who we are and what we do, and this understanding of diakonia should guide our actions:

- Diakonia is both faith-based and rights-based and should give people everywhere the "right to hope."
- Diakonia is bold and pioneering and should constantly be seeking social innovations - especially with and for people living at the margins.
- Diakonia is prophetic and should engage courageously in the public space on agendas that are empowering, reconciling and transforming.

In particular we call upon churches and faith based organizations to:

1) Continue pioneering social services and support for those who are left behind, and challenge governments to learn from these innovations to improve public social protection:

Churches and their specialized diaconal ministries have a long history and continue to provide significant social services and support. These services complement and expand public social protection interventions around the world. Moving forward, churches and faith based organizations should:

- Organize people at local, regional and global levels to ensure that social protection services and support are offered in a professional and organized manner;
- Pioneer innovations in social services that empower and support those who are left behind in different contexts, especially women, youth, migrants, refugees, aged and the differently abled.
- Share best practices and innovations with public authorities and challenge them to provide funding for diaconal social services where relevant and to use good practice to improve the quality and reach of public social protection systems.

2) Advocate for tax justice and publically funded social protection:

- Ensure that gender is at the center of the social protection policy discussions and support the role of women in important policy and decision making roles.
- Raise awareness and build local community support for the duty of all to pay tax and the responsibility of government to use taxes to provide social protection for the common good.
- Engage in the public space at community, national, regional and international levels to influence policies and actions in favor of social protection, just tax systems and equality at all levels.
- Support initiatives and accompany communities to hold governments and corporations to account for transparent and fair collection, payment and allocation of tax resources. Together with broader civil society, churches and faith based organizations should engage in budget tracking and demand that government spending is appropriate, responds to the needs of people, challenges unnecessary and wasteful expenditure, and continuously strengthens publically funded social protection.

3) Use the prophetic voice of the church to inspire people, transform attitudes and behavior in all sectors of society, and build a movement for a just society:

- Continue to contextualize the gospel and develop the theological justification for tax justice and social protection.
- Employ the distinct resources of religion (scripture, religious practices, and organizational resources) to inspire, influence and mobilize people of faith and broader civil society to be advocates for tax justice and social protection.
- Engage and inspire leaders in all sectors of society (political, business, civil society, academia) with our vision of *life in abundance for all* as a timeless sign of hope and a road map for action and challenge them to work together in partnerships for the fundamental political, economic and social reforms needed to reach the SDGs.

Our political asks to leaders in the public space:

With a strong conviction that another world is possible, we commit to work with others and engage in relevant policy frameworks and debates. All key actors of society have a responsibility and we therefore call upon leaders in all sectors and levels of society to urgently take action:

- 1) **Affirming the primary responsibility of the state to guarantee social protection for all, we call upon national governments to:**
 - Enforce and implement the ILO Recommendation 202 on Social Protection Floors (2012), as a first step towards comprehensive and universal social protection systems.
 - Deliver rights-based and gender-sensitive social protection for all inhabitants across their life cycle. Ensure that systems of social protection are anchored in law and long-term political agreements, and designed in a way that minimizes the risk of stigma, arbitrariness and corruption and that promotes transparency and access to legal recourse and complaints mechanisms at all levels.
 - Engage with different actors in society – including churches, other religious communities and faith-based organisations – for the progressive realization of comprehensive social protection systems, without compromising the duty of the state to fulfill all people's right to social protection.
 - Mobilise resources for publicly funded social protection through fair taxation of companies and people. Ensure maximum financial transparency and beneficial ownership of companies. Governments must make such information public.

- 2) **Recognizing that multinational corporations and super-rich individuals have benefitted at the cost of the majority under current economic models, we call upon the private sector to:**
 - Adhere to the UN Guiding Principles on Business and Human Rights, take bold steps to implement the UN Protect, Respect and Remedy Framework, and commit to end illegal and unethical business practices that undermine the rights of workers, communities and society everywhere.
 - Fulfill their responsibilities to social insurance for protection of workers and their livelihoods.
 - Be transparent and accountable to society and communities by publishing their accounts country by country along with contracts and other relevant agreements.
 - Honor tax legislation and pay fair taxes in the country of operation.

- 3) **Recognizing that reforming the global economy requires global action, we call upon leaders everywhere to support policy initiatives to strengthen the *Global Common Good*:**
- Create an international financing facility to support low-income countries to design, implement and finance national floors of social protection as an important step towards comprehensive Social Protection Systems (ILO Recommendation 202). The Facility should also provide support to extend social protection in moments of disaster or crisis.
 - Support initiatives for a reformed financial architecture which promotes a more just and equitable redistribution of resources in lines with the common good. More specifically this means strengthening the international regulation of taxation and capital flows. There is need to strengthen the work of the UN Committee of Experts on International Cooperation in Tax Matters (UNTC) and support the call for an intergovernmental tax body under the auspices of the UN with the aim of ensuring that developing countries can participate equally in the global reform of international tax rules.
- 4) **When we call on other leaders in the public space to take action, churches and faith based organisations must also demonstrate their commitment to lead by:**
- Demonstrating their own institutional commitment to strengthening the common good and instituting good social protection practices, and more specifically:
 - Reforming their own employment policies and practices and leading the way with ambitious social protection policies for their staff.
 - Paying taxes and leading the way in demonstrating everyone has a duty to contribute to the common good – and no person or institution should be exempt.

END NOTES

(Endnotes)

1 This statement represents the collective wisdom of "thought leaders" from the following organizations which participated in the Sigtuna Consultation on Social Protection in a time of Rising Inequality – The role of Diakonia: ACT Alliance, Lutheran World Federation, World Council of Churches, National Council of Churches India, Church Auxiliary for Social Action, ECLOF International, YAKOMA-PGI Indonesia, Christian Commission for Development in Bangladesh, Africa Platform for Social Protection, Pietermartizburg Agency for Social Protection, Economic Justice Network, Council of Swaziland Churches, Evangelical Lutheran Church of Tanzania, Evangelical Lutheran Church of Zimbabwe, Christian Social Services Commission of Tanzania, Council of Churches Zambia, Zimbabwe Council of Churches, Escola Superior de Teologia Brazil, Comunidad Loyola Mexico, Congregation of our Lady of Charity of the Good Shepherd GSIJP USA, Coptic Evangelical Organization for Social Services Egypt, Home of Hope Reformed Christian Centre Rumania, Eurodiaconia, Diakonhjemmet Høgskole Norway, Church of Norway, Norwegian Church Aid, Bread for the World Germany, Church of Sweden.

2 This statement represents the collective wisdom of "thought leaders" from the following organizations which participated in the Sigtuna Consultation on Social Protection in a time of Rising Inequality – The role of Diakonia: ACT Alliance, Lutheran World Federation, World Council of Churches, National Council of Churches India, Church Auxiliary for Social Action, ECLOF International, YAKOMA-PGI Indonesia, Christian Commission for Development in Bangladesh, Africa Platform for Social Protection, Pietermartizburg Agency for Social Protection, Economic Justice Network, Council of Swaziland Churches, Evangelical Lutheran Church of Tanzania, Evangelical Lutheran Church of Zimbabwe, Christian Social Services Commission of Tanzania, Council of Churches Zambia, Zimbabwe Council of Churches, Escola Superior de Teologia Brazil, Comunidad Loyola Mexico, Congregation of our Lady of Charity of the Good Shepherd GSIJP USA, Coptic Evangelical Organization for Social Services Egypt, Home of Hope Reformed Christian Centre Rumania, Eurodiaconia, Diakonhjemmet Høgskole Norway, Church of Norway, Norwegian Church Aid, Bread for the World Germany, Church of Sweden.

3 Oxfam Briefing Paper: *An Economy for the 99%*. January 2017

4 The Lutheran World Federation. *The Church in the Public Space: A Study Document of the LWF*. 2016

5 The Lutheran World Federation. *The Church in the Public Space: A Study Document of the LWF*. 2016

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Sigtuna Statement on Theology, Tax and Social Protection is endorsed by:

