



# Economic Summit

## Economic Summit Declaration

*“Economics is the study of human relationships that are sometimes expressible in numbers (tradables), but that also deals with nontradables like friendship, freedom, efficiency and growth. “*

*Tomáš Sedláček*

*Finance and business play a key role in building relationships within and between nations ..... and in destroying them.*

*Michael Schluter*

*Finding Solutions for Global Economic Problems*

# Economic Summit Declaration

**The Economic Summit aims to introduce new paradigms on finance and economy based on Christian tradition, faith and thought, and transformational businesses generating four-fold capital as new models for poverty alleviation and sustainable economies.**

The Economic Summit Declaration is an attempt to summarise some of the main concepts that came out of our first meeting in 2014 as well as other related ideas that we believe to be important. We are very aware that it is impossible to summarise thousands of years of Christian thinking on these topics and their application to our 21st century world in a few short pages. This is why we sought to have it reviewed by leading economists in both The Netherlands and in Europe. This document is the product of that review process and we humbly present it as our contribution to the ongoing discussion that will no doubt continue around these topics for the next several years.

## Dr. Arleen Westerhof

Founder and Executive Director, Economic Summit

### **We, the participants and organizers of the Economic Summit affirm:**

That the proper place of economics and business is not as paramount, but as part of a greater whole. That wealth and poverty are not just financial terms, but that they can also be applied to other areas of life: relational, spiritual, emotional, environmental, etc. That our very first priority is that of our relationships, especially with our Creator.

That behavior stems from our core values and that any long-term solution to economic problems needs to start there. We affirm the Judeo-Christian understanding of morality that is based on the fact that God is relational and that the Bible represents His design for a relational society.

Our conviction that the economic principles of biblical law form a coherent framework and that this satisfies the concerns for justice, fairness and efficiency more fully than the current economic consensus.

As such, we also affirm our commitment to the practices of relational thinking and mutuality.

Our belief that capitalism, divorced from any sense of social responsibility, will eventually turn inwards and destroy itself.

The need for the development of personal character which incorporates the values: faith, hope, love, stewardship, generosity, integrity, justice, service, responsibility, courage, endeavor, placing the interests of others above our own and ensuring that we create value for future generations. Culture flows out of character and positive values help to create a positive culture and positive institutions.

That healthy families are the starting point for healthy economies. Families are the places where we learn to be relational beings, where we learn about the link between personal freedom and personal boundaries, and where we learn that a person's value is not solely based on their ability to contribute financially to the whole.

That economic transformation requires a multidisciplinary, holistic approach. Economics and finance do not exist in a vacuum and any effective approach must include:

- business (stimulate the creation of sustainable, profitable businesses which create shared value for all stakeholders and positive holistic change along the multiple bottom-lines of economics, communities including families, environment, government and spiritual renewal),
- the media (provide truthful and balanced reporting),

- education (promote relational intelligence in addition to academics),
- government (encourage more integrity and willingness to act on decisions based on long-term national well-being and not just short-term considerations),
- the Church (take the lead in modeling relational, value-based thinking through its members),
- arts and entertainment (champion and tell the stories of those who practice purposeful business and finance and who lead exemplary lives).

## A. We call upon all individuals to:

Prioritize character development.

Treasure their families and other close relationships.

Practice responsibility by avoiding accumulating (excessive) personal debt and paying it off as soon as possible where this has occurred.

Live within their means.

Be generous.

Invest time and money in something that benefits others and not just themselves.

## B. We call upon the Church (in Europe) to:

Model what it means to be a relational community and to support the development of healthy relationships.

Provide a moral compass for individual and collective decision-making in the complex tapestry of 21st century society by educating its members on the meaning of the holistic gospel and its practical application in the different societal spheres.

Fight the culture of greed by encouraging a culture of giving and generosity.

Encourage a culture of responsibility.

Support cultural change by entering into the discussion on what kind of economy we want.

Affirm, equip and deploy business people to service in the marketplace, to find business solutions to some of Europe's, and the world's, most pressing problems.

Engage in their communities to help people economically, in the areas of over-indebtedness and unemployment.

Engage with those who are disadvantaged and disenfranchised, both in Europe and abroad, and to speak on their behalf when necessary.

## C. We call upon entrepreneurs to:

Personally model what it means to be relational and to implement structures that will support this in their businesses.

To redesign their businesses to build permanent value across the full spectrum of capital - financial, physical, human (individual level), natural, spiritual and social (community level).

Consider how their relationships, skills, experiences and other resources can be applied and deployed in their communities, and in developing nations, by providing training in business, by becoming mentors, by exploring investment opportunities and by pro-actively working with NGO's and business groups which have a similar focus and holistic ethos.

Commit to conducting their businesses with integrity, transparency, professionalism and excellence.



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## **D. We call upon our governments and policy makers to:**

### **(i) Adopt new paradigms:**

Actively work to reduce unemployment, underemployment and (income) inequality by enabling business to be transformational by contributing to job creation, prosperity, development and the formation of just communities.

Adopt new matrices of national progress that take into account human capital, social capital and natural capital, and not just GDP.

Acknowledge that the refugee stream from developing nations is fuelled to a large extent by poverty and desertification, and therefore work to actively combat poverty by countering systemic corruption, and to actively combat desertification by supporting initiatives which have been shown to be effective, eg. Farmer Managed Natural Regeneration (FMNR).

### **(ii) Reform the corporate sector:**

Change company and financial law to encourage responsible behavior: "No reward without responsibility, no investment without involvement, no profit without participation."

Stimulate the SME sector.

Change corporate law where necessary to enable businesses to take into account their multiple stakeholders and not just shareholder profit.

Work with business and academia to develop new matrices for measuring how well companies perform in relation to their stakeholders, especially in the areas of human capital (employees), social capital (customers and communities), and natural capital (environment).

Require that stakeholder performance be measured and reported in corporate balance sheets and income statements alongside existing financial information.

Refocus mega-businesses by mandating them with public responsibility in addition to their existing private purpose.

Pursue effective global and national rules on progressive taxation and business transparency.

### **(iii) Reform the banking and financial sectors:**

Significantly and permanently reduce the level of personal, corporate and national debt using dialogue with the parties involved and national legislation where necessary.

Discourage speculation and financial transactions divorced from the real economy by supporting financial transaction taxes and by legislating a minimum amount of time that shares need to be held before they can be sold.

Discourage debt-based borrowing and lending and encourage equity-based financing.

Increase the amount of money that banks and financial institutions are required to have on reserve.

Impose loan-to-value ratios and loan-to-income ratios on lending.

Limit the size of banks based on a percentage of the size of the national economy (GDP), in order to discourage them from becoming "too big to fail" and to encourage competition.

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