

Moving Beyond the Economic Downturn – Theology and Economics

1. Introduction

Workplace chaplains in the West Midlands, who are part of the Church's ministry to people at work (and increasingly, again, to those out of work) and its engagement with the wider economy, have been seeking to analyse the causes of the current economic situation and propose some principles for the kind of economy and society we should seek in moving on from what has got us to where we are.

2. Analysis

History is largely the story of the inequality of the distribution of wealth and power. The post-WWII consensus did allow for some time in the West some redistribution, but structural and ideological economic and political changes in recent decades brought about the 'turbo capitalism' which created great wealth for some but which has now caused economic crisis.

A brief history of the recent past might be summarised as follows:

2.1. Rise of money as a commodity

The rise of individualism within society which has been legitimised in many different ways

Since 1989, and the fall of communism, capitalism has been perceived to be the only option. And yet in order for it to continue its necessary growth and especially in times of difficulty there is a duty to consume to keep the economy going. Alongside this has been the growth of the credit culture, which has made it okay to loan and borrow.

What do we say about risk?

What does justice look like?

2.2. Global Shift

Global employment and the movement of jobs to cheaper parts of the world and comparative pay in UK/Europe v. China/India.

Money and resources can be moved around the world because of limited financial regulation, but what is the impact on the individual who loses his or her job in Europe or works in the sweatshop in the Far East?

None the less, we live in a global but connected world not least because moving production of the goods we consume in the West to the Far East creates pollution that affects the environment and climate change.

We are connected financially – for good or for ill?

The recent G20 conference was a sign of inclusiveness as power is shifting from the USA and Europe to Asia due to unsustainable consumption in the West and the accumulation of surpluses in the East plus the effect of Middle East oil wealth from the past few decades.

2.3. Speaking Truth to Power

Large amounts of money have been made by some in the financial sector through high risk and complex transactions. But the accumulation of wealth gives access to power and power relates to the ability to influence, distorting our common life and politics.

What are the Christian 'truths' we wish to speak?

- Well being is not equal to wealth
- Wealth shared increases well-being
- Jesus taught that wealth was not to be left in a barn unused. Wealth is to be used.

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- Wealth is never ours for our sole use – we are stewards of wealth
- Life is abundant – but not abundant for me only
- Loaning – letting go so that it comes back – enabling people to be more abundant

2.4. Christian understanding of the role of the entrepreneur

We can endorse the following positive attributes of an entrepreneur

- Vision
- Risk
- Creativity
- Shared ideas

but cannot endorse the entrepreneur whose vision is a selfish/personal ambition.

Money as a commodity limits vision and disconnects from an understanding of human wholeness

Where is the theology of sufficiency?

- In a world of finite resources
- Abundant life is about relationships alongside wealth

2.5. Risk

Risk is part of being human – it challenges the notion of being in control. We can be afraid of risk, but cannot ignore it; it is arrogant to say we are free from risk. To be above vulnerability is to be above ethics.

Recognising the vulnerability of the ‘other’ is at the heart of ethics

Toxic debt was the denial of risk

A Christian voice on Risk

- Places a value or price on risk – evaluate the risk on return
- Loans for personal return or loans that benefit the whole – where is the common good?
- Life in all its fullness is for everyone
- Risk is to be placed alongside Prudence
- Need to look at and assess purpose behind loans

2.6. Choice

The ability to exercise choice is linked to wealth. Choice is linked to commodities and the free market; however, the culture of creating choice (e.g. in education or healthcare) is linked to the dominance of the free market philosophy. But too many choices are overwhelming

Relationships means being connected

To move from disconnected (when individual choice dominates) to being connected involves trust and ethics and requires increasing the connections between people/relationships/poverty/earth’s resources (its soil).

3. Reflection

Arising from this analysis a number of short essays were composed reflecting on abundant life, trust, and mutuality, and to conclude are some laments and beatitudes.

3.1. Abundant Life

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We are called to choose life & life in its abundance - abundance in relationship as well as [more than??] in the material. In this sense it is okay to be greedy for life

Life on earth, including human life, is inevitably an experience of risk and vulnerability, but also of possibility – possibility rather than narrow choice.

We acknowledge the power of money to enable possibilities but also the power of money to divide and enslave. Money cannot be left doing nothing and there are dangers when large sums of money are seeking a home – e.g. petro dollars/the oil crisis of the 70's, hedge funds, sovereign funds. Financial processes need to be more transparent. Banks have been able to disguise their activity by claiming 'client confidentiality' but greater openness/accountability is needed.

Christian economics would be about value, creativity, vision, connectedness and mutuality – economics for the common good.

Such economics would take seriously the nature and value of risk – assessing risk but not thinking it can be excluded, being prudent but allowing some risk to support entrepreneurs, creative business development etc. There would be ethical dimensions to where money is invested including – assessing the risk; sustainability of repayment; social impacts of the product and the process; environmental impacts of the product and the process.

True enterprise serves the whole of the community and rewards for success need to be based on something other than financial bonus. In some cultures the person with the highest status is the one who gives the most, not who receives the most – a biblical ring!

3.2. Trust – a Starting Point

Trust is the basis of all relationships. Without trust there can be no connectedness, well-being or common good. Entrepreneurism is creative and opens up choices, but needs to be for the benefit of all: for the vulnerable as well as those who hold power. With the loss of trust the real economy is threatened.

To have trusted for too long without accountability has led to complacency, breakdown of trust and ultimately anarchy. Who trusts whom in an anonymous internet financial system where 'the other' is neither known nor cared about?

If relationships are to be rebuilt and if trust is to be regained, then there needs to be a new relationship built on mutuality, for trust is a relationship built on mutuality.

On-going trust includes accountability and reconciliation, and in order to move forward trust has to be regained. For this there has to be a process signed up to and agreed by all – the powerless as well as the powerful. How else can there be progress? The Truth and Reconciliation Commission of South Africa was deeply rooted in the conviction that our relationship to others is essential to our existence as human beings. To those who had committed gross violations of human rights it offered amnesty in exchange for public disclosure of the truth about their crimes, and to the victims it gave an unusual opportunity to be heard, as well as hope for reparations. 'Trust' and 'truth' are near neighbours.

But the new cannot be a version of the old – new garments and new wineskins come to mind (Mark 2: 21). Life in all its fullness doesn't mean more and more of the same – may not even mean growth, for why should there need to be increased growth for already wealthy countries? For there to be appropriate growth there also needs to be pruning – mutuality is also implicit in the vine imagery (John 15: 2, 4). We need to develop a theology of sufficiency to understand this better – of the 'Small is beautiful' or 'enough is enough' kind. The Report 'Unemployment and the Future of Work' propounded the vision for 'Enough good work for

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everyone' with emphasis on every word in that phrase and the same should be true of money, which we've made a commodity rather than a servant of the economy.

But as Prof Bob Goudzwaard reminded the CTBI conference on the economic crisis in January, technology needs to be liberated before it is able to serve us, and the priority of the economy is to care for nature. No real change seems possible without severe structural consequences. This is a Kairos moment – an opportunity to reflect on what is happening.

3.3. Mutuality

An emerging theme in our analysis was of the importance of relationship both in human terms (and its loss in current Western society) and in theological terms. A significant element of relationship is mutuality with the purpose of shared growth and well-being.

Some of the recent research on happiness and well-being (e.g. by Richard Layard) shows that there is a sufficiency that relates to well-being and that more material wealth beyond this sufficiency does not bring much greater happiness. In order to increase total happiness the excess wealth that some hold needs to be shared or the less wealthy brought up to the level necessary for well-being. However, simply taking this off the more wealthy causes unhappiness (according to Layard's studies having something taken away causes greater unhappiness than the increase in happiness from gaining the same amount). Although he supports redistribution through taxation this can cause a negative reaction from potential losers, as the recent proposal of a 50% tax rate has shown, although opinion polls show the majority of the population support this – so it may be a matter of the cumulative good overcoming the loss of a smaller group. This may also need a change of perception toward the common good rather than anticipated or actual self-interest.

How should people be rewarded? If reward is for creativity and contribution to 'real' wealth we must find ways of measuring wealth not in purely financial terms. As wealth tends to also increase influence or power there need to be mechanisms to counterbalance the individual accumulation of wealth and hence power if relationship and mutuality might be principles upon which a different way of regulating our affairs could be based. The Christian sense of the uniqueness and value of every person suggests that we should be placing value in a different place to financial wealth in the ordering of our lives together so that all may participate for who they are and what they can contribute in the broadest sense rather than what they own

3.4. Summary

As Christians we believe we are offered life in all its fullness, but this is not just about abundance of money but rather about the joy and fulfilment of life through relationships with one another and with God. Knowing we are loved by God and loving God in return means we are able to share that love with one another and with all people. Those relationships will be based on human interaction rather than financial power. When we connect with others as fellow human beings we cannot ignore their needs. There is a truthfulness about our relationships and we look to what is required for human flourishing and not just our own personal gratification. In that is abundance of life.

3.5. Laments and Beatitudes

- Woe to you whose lives are spent buying and selling money whilst people are hungry and thirsty.
- Woe to you who are creating false choices whilst children cry out for medicine and education.
- But to you entrepreneurs who see possibilities, have vision, take risks and are co-creators with God – blessed are you.
- Blessed are you when you bring new life, new hope, into the world.
- Blessed are you who plant your lives in the soil of human endeavour and bring forth a rich, abundant harvest. Your relationships shall be vibrant and joyful.