

PROFITS WITHOUT HONOUR?

ECONOMICS, SPIRITUALITY AND THE CURRENT GLOBAL RECESSION

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Let's start with an Affirmation of Faith...

The Creed

*We believe in one Market, the Almighty,
Maker of heaven on Earth,
Of all that is, priced and branded,
True growth from true growth,
Of one being with the Economy.
From this, all value is added.*

*We believe in Deregulation, once and for all,
The only way to prosperity.
For us and for our salvation,
Reagan and Thatcher were elected
And were made gods.
In their decade they legislated
To take away our economic sins.
They were crucified by the Liberal Media,
But rose again, in accordance with their manifestos.
They ascended in the polls
And are seated at the right hand of Milton Friedman.*

*We believe in the Invisible Hand,
The giver of economic life.
It has spoken through our profits.
It proceeds from the Law of the Deregulated Market,
And with the Market is worshipped and glorified.*

*We believe in one Globalised Economy.
We believe in one key business driver
For the increase in Gross Domestic Product.
We acknowledge one bottom line
For the measurement of wealth.
We look for the resurgence of executive compensation packages
And the life of the financial years to come.*

Amen.

I suppose that any group of people about to engage in serious discussion for an hour might be excused a little levity at the outset, but there is a more serious reason for sharing this with you: because some people may well suppose that the only level at which 'theology' can engage with 'economics' is at the level of parody or even ridicule – certainly not as a serious partner in dialogue. It may not be immediately obvious that theology can meaningfully contribute to discourse around economic issues, that there is potential for fruitful and constructive dialogue between the two disciplines. So one of my aims this evening is to remind us that, in engaging with economic realities, theology has much to say that is relevant, creative and challenging.

One person who needs no persuading in this direction is UK Prime Minister Gordon Brown, who, whatever domestic misfortunes may be taxing him at present, has been a major player in shaping the global economy for the last 12 years. In a public conversation with his Australian counterpart Kevin Rudd in St Paul's Cathedral, London, on the eve of the G20 summit in March this year, Brown spoke about 'faith communities' being part of the solution to the challenges facing the world, and called upon 'religious leaders' to be part of the 'national debate...about the shape of the economy and the society we have to renew' – a debate which, he said, 'would be 'as serious as anything I have entered into in my lifetime'. Whilst this invitation to the churches could easily be dismissed as mere rhetoric, it is entirely consistent with Brown's approach. As Chancellor of the Exchequer he used regularly to host breakfast meetings at No 11 Downing Street with representatives of churches, faith

communities and faith-based agencies to discuss poverty reduction, and there was no question but that these discussions helped to inform government thinking in this area.

But Brown is not alone in taking churches seriously when it comes to inviting input into economic policy. Kevin Rudd, noted among other things for some incisive and passionate essays on Dietrich Bonhoeffer, also showed a willingness to engage with people of faith in that public conversation with Brown, and Obama too, also a man with a personal faith and a deep rooted commitment to faith-based social action, has recently established an office for 'faith-based initiatives'. And we know that our own Prime Minister and other senior ministers welcome, and engage in, conversations with church leaders here, not simply at a superficial level but around specific issues.

But theologians and church-people don't engage with economic issues simply because certain enlightened political leaders invite them to. People with a faith commitment represent a significant minority in society, and in any democracy expect to have their views heard along with everybody else. There are few commentators and politicians who believe that the church should keep silent on current issues of the day – though I also hope there are few who, at the other extreme, still hold to the view that the church has an automatic right to be listened to regardless of the merit of what is being said. This is a discussion for another day, but I am firmly of the opinion that we are well through the Christendom era and that the church has no more – but then no less – right to a voice in the public square than any other institution.

In any case, to argue that theology and economics should not engage with each other is to show a serious loss of memory, for the separation of the two is a relatively recent development. From the time of Aristotle until only two or three centuries ago, a connection at least between ethics and economics was taken as axiomatic, such that in the Christian era it would not have seemed to Aquinas or Luther or Calvin (or for that matter the Rev Thomas Malthus!) in the least inappropriate that they should comment on issues like trade, usury or profit. As Tawney himself notes, it was only the development of capitalism in the 18th and 19th centuries that brought about a revolution of thought which 'set a naturalistic political arithmetic in the place of theology, substituted the categories of mechanism for those of theology and turned religion itself from the master interest of mankind into one department of life.' Until that time economic thought had been understood as part of a hierarchy of values embracing all human interests and activities, of which the apex was religion: it is only comparatively recently that it became detached from ethics as part of a far-reaching dualism which separated body and mind, the humanities and the sciences and, of course, the religious and the political. And this has peaked in the view – widely held by many politicians and economists now – that the global economy is the system within which all else (human society, the planet and all other species) are subsumed as 'subsystems' – a view which, as the distinguished environmentalist and commentator Jonathon Porritt argues, is 'as close to biological and thermodynamic illiteracy as it is possible to get'!

So theology has a role to play in questioning some of the assumptions currently held about ‘the market’ – for example, that as an institution it is ‘value-free’. Might we not want to claim that it palpably *does* express and safeguard certain values – for example, the right of the individual to own property – and ask what kind of ‘freedom’ is implied in the term ‘value-neutral free market’, and who is to have it? I think theologians need to be among those arguing that economic science cannot be, as is sometimes claimed, the ‘disinterested pursuit of truth for truth’s sake’, particularly when it utilises just one account of what it means to be human – *homo economicus* – which holds precisely that a person’s life *does* consist in the abundance of things they possess! Edmund Burke’s dictum that ‘the laws of commerce are the laws of Nature, and therefore the laws of God’ – from which it may be deduced that we accept the laws of the market just as we accept other laws such as relativity and gravity – is not the truism he thought it was! As this year’s Reith Lecturer, Michael Sandel, rightly says, how priorities are allocated for spending on health, education, defence and so on are moral as well as economic ones. Markets are about values, and theology has something to say about those. Importantly, markets are also about relationships, and theology has even more to say about those – as it does about some of the terms economics has borrowed from theology like ‘credit’ and ‘trust’. And let’s not forget that Adam Smith, with whom the free market will ever be associated, was first and foremost a moralist, even if his *The Theory of Moral Sentiments* is less well known today than his *The Wealth of Nations*. It is not without significance that in his massively acclaimed recent book *The Ascent of Money*, Niall Ferguson suggests that ‘markets are like the mirror of mankind, revealing

every hour of every working day the way we value ourselves and the resources of the world around us.’

So theologians should not underestimate the contribution they can make to economic discourse. UK theologian and writer on economic matters, John Atherton, is right, I believe, when he says, *apropos* public theology’s right to speak on issues like economic globalization, that ‘without the broadening of neoclassical economics by reinforcing an ethical dimension, it will be found wanting at the bar of history’. Atherton is among those who acknowledge the work of respected economists like Amartya Sen, Richard Layard and Jeffery Sachs in stressing the vital role that ethical thinking should play in economic discourse. But we should not underestimate how far we are from seeing ethics return to the mainstream of economic thinking: in his recent column in the *Otago Daily Times*, religious commentator Ian Harris noted that, while Harvard University has responded to current concern about the behaviour of certain financiers and bankers by asking students on their MBA programme to sign, on graduation, an oath to behave ethically in their business dealings, fewer than half of the nearly 900 graduates were actually prepared to promise that they wouldn’t in effect lie, cheat or steal in their future careers!

Having said all that, theologians are not necessarily economists and should always be wary of straying into territory they are not qualified to address *qua* theologians. People speaking from a theological perspective or on behalf of the church have not always worked as hard at their economics, or theology, as they might, and we do well to heed Professor Tawney’s verdict on the

English church of the 17th and 18th century, that its social teaching had ceased to count 'because the Church itself had ceased to think'. But if we are prepared to do our homework, to respect the integrities of our respective disciplines, and to proceed with due humility, there is important work to do today – not least as we struggle to make sense of the current global situation – in terms of sharing the resources of our faith tradition in the public square.

So what do we say? Well, the Bible does not have an awful lot to say about sub-prime mortgages or the regulation of global financial institutions, nor does it offer blueprints to help specific nations or communities out of financial crises. But it *is* rich in wisdom on issues like wealth and poverty and how societies can practise economic justice – in fact, observers who watch the church tearing itself apart over the issue of 'gay priests' might be surprised how much more there is in scripture about money, possessions and usury than what Chris Marshall has termed the 'pelvic' issues upon which the churches in New Zealand seem primarily to want to focus – namely sexuality, reproduction and abortion. As Walter Brueggemann rightly says, 'while the specifics of the current market collapse are peculiarly modern, biblical perspectives are pertinent because the fundamental issues of economics are constant from ancient to contemporary time, constants such as credit and debt, loans and interest, and the endless tension between the haves and have-nots.'

So in the Creation narratives in Genesis we discover a God committed to life, a God who creates all people with equal status and provides for their needs, while placing boundaries on their consumption. We discover a mandate to

humankind to steward and tend the planet as its tenants and not its owners, and an account of the fall of humankind and introduction of sin, suggesting that our context and behaviour will always be imperfect, broken and contingent. In later chapters in the Hebrew scripture God's concern for justice for individuals, families, communities and nations is manifest in innovations such as the Jubilee and Sabbath – measures designed to ensure the welfare of the community over against individual accumulation; the provision of manna in the wilderness, which worked on the principle of supplying, on a daily basis, the needs of all rather than the greed of some; the raising up of prophets to 'speak truth to power' and denounce economic injustice wherever it reared its ugly head; and constant reminders to rulers and communities to ensure that all – especially the weak, the alien and the disadvantaged, had their basic needs met. It is important to note that it is less 'charity' that God appears to desire with respect to our attitude to 'the poor' than justice, economic arrangements that ensure, in the words of Deuteronomy 15.4, that 'there will be no one in need among you.'

Similarly, in the New Testament we find Jesus dealing with both the symptoms and causes of poverty, challenging individuals who have cheated others to repent and change, symbolically overthrowing institutional expressions of exploitation and injustice, preaching a kingdom in which all – especially the most devalued in the present order – will sit at the banqueting table, and telling stories of how in God's economy the right of an employer to a profit is subsumed to the needs of his or her workers to the extent that all will be hired so that all can be paid. From his pregnant mother's affirmation of

a God who fills the hungry with good things and sends the rich away empty, through his own public commitment to bring good news to the poor and proclaim the year of Jubilee, to his execution as a political subversive, Jesus consistently challenged the socio-economic structures of his day while living the principles he preached. Perhaps the ultimate symbolism of the 'new economics' of the kingdom is to be found in the supper he shared before his death and which the church still enacts – a foretaste of the heavenly banquet in which all partake in equal measure while affirming their interdependence as members of his body.

What Scripture also provides are powerful visions of life as it might be lived, communities where all enjoy an abundance of life and, all having a stake in society, live together in peace and harmony. The Hebrew word shalom, so often used in a more limited sense to describe a situation of peace, perfectly encapsulates this. As Hannah Skinner, Economics Affairs Adviser at the William Temple Foundation in Manchester puts it, 'shalom is a powerful concept that describes God's societal harmony, order, blessing and prosperity. It describes the biblical vision of the "good life". It covers total wellbeing in all aspects of life and describes a situation of abundance in which people have more than they need and communities live in peace.'

The challenge, of course, is how one uses these resources with respect to contemporary debates. Clearly we cannot take economic principles emanating from ancient nomadic communities – principles which some would argue were never even practised – and apply them willy nilly today. Quoting

the Bible may cut no ice in itself, but it can inform arguments, vision and policy that can contribute constructively to contemporary thinking. At the very least we can deduce from Scripture that governments should act in the common interest, that, as St Paul puts it, they are to be God's servants for human good. Jonathan Boston, Professor of Public Policy at Victoria University, is surely right when he says that 'the state is a divinely sanctioned institution whose primary purpose is to establish and enforce public justice and pursue the common good. This includes protecting the interests of the least advantaged citizens and ensuring that everyone has a permanent stake in their society and economy.'

What is the context which we wish to illumine by our theological reflection?

This is not the place for a detailed consideration of the events which have led us to our present crisis – you have probably read far more than you wished to already on that topic – nor for an examination of the extent to which we might or might not be re-living the horrors of the 1930s (though we might note that while our own government and media are keen to reassure us that we are 'through the worst of the recession' here in New Zealand, Nobel Prize-winning economist Paul Krugman has called his latest book *The Return of Depression Economics and the Crisis of 2008!*) In Niall Ferguson's terms what we have seen in the past year is 'a spasm in the credit markets caused by mounting defaults on a species of debt known euphemistically as subprime mortgages' – a sentence which concisely summarises a complex process which saw many ordinary people borrow far more than they could ever hope to pay back, and businesses enjoy brisk economic growth without regard to the fact that

the spending boom was fuelled almost entirely by debt – and which has left virtually all of us the poorer. As economics commentator Rod Oram wrote recently in his column in the *Sunday Star Times*, ‘thanks to unprecedented and often reckless innovation in the financial sector, the world surfed a tsunami of credit...banks made it exceptionally easy to borrow at unhealthily low interest rates on scandalously lax lending criteria...with seemingly limitless money chasing finite goods, prices of houses, shares, commodities and other assets soared. Here in New Zealand we plunged in boots and all. Our banks scooped up cheap money overseas, and showered it on us.’ And then the bubble burst. What makes it worse is that, just as very few people predicted the crisis (I say ‘very few’ because there were a handful of voices crying in the wilderness, among them Ann Pettifor, former director of Jubilee 2000), no one can predict how long it will last or what course it will take – it is not within the nature of economics to be able to do this. But suffice it to say that it is leaving in its wake many millions of people whose lives – through the loss of a job, savings, pension or property – have been devastated. And, as usual, it is the people already at the bottom of the heap, both in the developing and the developed world, who are suffering the most.

Rather than give a detailed narrative of the background to the crisis I would like in the rest of this paper briefly to identify some of its root causes, explore some lessons we might learn from it and then suggest ways that we might want to do things differently going forward. But first let us remind ourselves of the fallout from this crisis, because it would be a terrible sin to talk at some

abstract level about causes, consequences and lessons without hearing the stories of those most affected by what has happened.

In June – last month – the New Zealand Council of Christian Social Services published a ‘Vulnerability Report’, the first in a series through which it will ‘actively monitor the level of economic hardship experienced by a growing number of New Zealanders’. It makes sobering reading. Clearly while one cannot attribute all the increased hardship New Zealanders have experienced in recent months to the recession alone, the evidence amassed by the NZCCSS does invite the conclusion that it is making life barely tolerable for many in our society. Across the country they report massively increased demand for food parcels from families struggling to make ends meet; families cutting back their spending on food and health services; thousands of evictions from rented accommodation due to unpaid rent; and a 20% increase nationally in the number of people seeking budgeting services in the twelve months to March 2009. The figures for people claiming benefits and various forms of hardship assistance are also rising significantly. As the NZCCSS report concludes, real hardship is growing fast – and hitting Māori and Pacific Island people harder than most. Normally these figures – and the tragic individual human stories that lie behind each one – might not receive much publicity, but perhaps because the recession’s effects are felt across the board – by ordinary people with mortgages, with significant life savings, with the expectation of a decent pension, with businesses, with land, with farms – we are much more aware of what is going on and, hopefully, inspired to ensure that the same mistakes are not made again. Having said all this, we

must also not forget that the crisis is placing even further strain on the two thirds of the world still forced to live on US\$1 or \$2 per day. The World Bank's forecast that an extra 53 million people will be trapped in poverty this year alone as a result of this crisis, many of them children who will not live to see adulthood, makes truly horrific reading.

In the light of this it is not surprising that many commentators, church leaders and politicians – from Pope Benedict to former Soviet President Mikhail Gorbachev to our own church leaders here in NZ – are calling for wholesale change to the global economic system. The Archbishop of Canterbury, Rowan Williams, used uncharacteristically strong language last year to express his feelings, speaking of Gordon Brown's preparedness to tackle the crisis by a round of further borrowing in terms of 'an addict returning to his drug'. Pope Benedict has also not minced his words, speaking of the economy being marked by 'grave deviations and failures' and calling for a 'profoundly new way' of organizing global finance and business. In this, these church leaders represent many millions of ordinary investors, consumers and taxpayers, who feel uneasy about the size and extent of the bailouts made to banks and other financial institutions last year, and unwilling to see any further such measures. The protestors who chanted 'burn a banker' in London at the time of the G20 may have been a shade extreme in their response, but they were only demonstrating in public what many were thinking in private.

It is easy to talk of changing the system but less clear what that may mean.

We hear a lot about the 'crisis of capitalism', and there has been, undoubtedly,

a massive loss of confidence in it as a system, but it is not about to collapse in the way that 'really existing socialism' did in the late 1980s. So we are talking more 'reform' than 'revolution'. What I think we do need to acknowledge, though, is that if we are going to call for wholesale change, this must also include a reformation in our own behaviour and attitudes. Much anger has been directed at so-called 'greedy bankers' in this episode, and much of it justified, but all of us who have benefited from the way the system has operated in recent years must also share some responsibility for what has happened. As UK commentator Timothy Garton Ash has recently said, 'every ordinary [person] who spent money he or she didn't have, encouraged by soaring house prices, lax mortgage lending and seductive advertising, bears a share of the responsibility'. One word so far missing from discourse around this crisis is 'sorry'; and while the Christian category of 'metanoia' may be useful here, incorporating as it does a radical change of heart rooted in a spirit of repentance, it is a requirement, I would argue, of all of us, not just those who have been most conspicuous in their greed.

Greed has, of course, been one of the drivers of the crisis, though we need to be clear that it has two sides. Certainly some in our financial institutions have manifested an element of the 'greed is good' mentality of Gordon Gekko from the Oliver Stone movie 'Wall Street', but on the other side of the equation are the investors – perhaps including us – wanting high returns for our stake and a decent pension payout, and the managers of trust funds – from which we, perhaps, have benefited – wanting a good interest income. It is tempting to look for scapegoats as we survey the crisis, but we must look just as critically

at our own involvement. Perhaps we can point the finger with rather more confidence at those who indulged in greed without taking any risk. The classic justification for capitalists making large sums of money is the risk they take, but more often than not in the build-up to this crisis it was the ordinary investors and house-buyers who carried the risk. Many of the bankers who recklessly gave large loans to people did so in the knowledge that they would not themselves have to hold those mortgages – they could parcel them up and sell them off to other people in other countries and never have to bear the consequences. That is undoubtedly one aspect of the current situation that must change – and perhaps in this regard there is value in examining the core principles of Islamic economics, one of which is risk-sharing. As the bank and those who put their money into it share any profit, so, too, do they equally carry any losses.

Massive, unprecedented borrowing was also a driver in the crisis – and, again, it was just as much our passion to spend, to consume and to own what we could not afford that was to blame as the behaviour of those facilitating that borrowing. It may be part of the dynamic of capitalism to make us always feel dissatisfied, to want things that we don't actually need, but we still have the power to refuse to yield to that temptation – and many of us didn't.

Another development fuelling this has been a change in perception about money – from essentially a means of exchange to a commodity to be bought and sold on the world's markets. According to Niall Ferguson – and note the title of his book is *The Ascent of Money* – some two trillion [US] dollars

change hands on foreign exchange markets *every day!* – mostly by people with no way of gauging the consequences of their actions. Institutions which do not contribute to our wellbeing by producing goods or providing services but which survive primarily by trading currency or facilitating business takeovers are now among the richest and most powerful actors on the global stage. You may know the joke, recounted by John Stott in his book *Issues Facing Christians Today*, which asks the difference between Tanzania and Goldman Sachs – to which the answer is, one is an African country that makes \$2.2 billion a year and shares it among 25 million people, the other is an investment bank that makes \$2.6 billion and shares it between 161 people.

One other factor is the spirit of ‘autonomy’ that has pervaded Western culture, the attitude, as Walter Brueggemann puts it, that ‘understands the market as a place for self-advancement at the expense of others who are perceived either as rivals and competitors or as usable commodities.’ Where such ‘individualism’ obtains, any sense of ‘communitarian connectedness’ disappears and the individual perceives him or herself to be ‘the primary unit of social reality’. At the heart of the crisis was a breakdown in relationships, particularly those based on trust, including between banks and customers, lenders and borrowers.

Let me, in the second half of this paper, offer some thoughts on how, from a theological perspective, we might contribute to the debate about the sort of economy we should have the other side of this present crisis. We ought to note in passing that there are few signs of the kind of debate Gordon Brown

envisaged emerging here in New Zealand, and if no one else will ignite it perhaps the churches and faith communities should do it. Certainly theology should be part of it, for it is palpably clear that fresh thinking and fresh solutions are needed and theology can play a part in taking us beyond the superficial and prompting deeper questions about values, human nature and even the very purpose of market activity.

The first thing I suggest we need to do is challenge the almost universal obsession with economic growth – that is, growth for its own sake *without any obvious overarching social purpose*. It is of course true that for most of our history, improvements in quality of life depended on rises in material living standards. Now, however, since for the majority of people in wealthy countries the difficulties in life no longer centre around finding enough food, water or shelter, so ‘economic growth’ has largely finished its work. In fact, most of us today who would consider ourselves wealthy are trying to eat less than more – and spending vast sums on diets and slimming aids in the process – and, as Wilkinson and Pickett point out in their recent study on economic inequality, for the first time in history the poor are, in wealthy countries, fatter on average than the rich! But – and I think this is the crucial point – while politicians and economists have measured market success (or failure) in terms of levels of economic growth achieved, surveys have shown for years that, over a certain level of income, our levels of wellbeing and happiness do not rise. In fact it can be shown that, as affluent societies have grown richer, so there have been long-term rises in rates of anxiety, depression and numerous other social problems.

Be clear that I am only talking about people who have reached a level of income where all their basic needs have been met (one measure for this being around \$US 25,000 or \$NZ 38,000). For people at or below the poverty line, as Richard Layard found in his path-breaking research, happiness (and a host of other factors including life expectancy) increases with increased income. But there is vast amount of evidence to show that the richer people get, the less that getting richer still adds to their quality of life.

In fact, there is evidence that happiness can *decrease* with affluence. For example, in a survey conducted by the BBC in 2006, the proportion of people who said they were 'very happy' was 36% as compared with 52% in a similar survey conducted in 1957 – despite the fact that the UK had become three times richer in the intervening 50 years. And this finding has been confirmed by Layard, whose research shows that there has been virtually no increase in happiness among people in the UK and the USA since the 1970s despite a doubling of living standards in both countries.

So accumulating money and material goods may be making us less rather than more happy – something we could easily have discovered from the pages of Scripture with their affirmation that we cannot live on bread alone, exhortations not to lay up treasure on earth, and admonitions not to spend money on that which cannot satisfy. Aristotle also understood the wisdom of this, observing that 'wealth is obviously not the good we seek, for its sole purpose is to provide the means of getting something else – and so far as that

goes, the ends of pleasure, virtue and honour would have a better title to be considered the good, for they are desired on their own account’.

If the kind of question theology wants to ask is, what economic arrangements make for genuine human flourishing, we must at least challenge the mantra that we must have economic growth, that what we require of markets is their capacity to increase our ability to earn, spend and consume more. Whilst it might be too much to expect our government to switch from measuring our ‘progress’ as a nation in terms of Gross Domestic Product to Gross Domestic Happiness (a measure adopted only, so far, in Bhutan as far as I know) or the Happy Planet Index (which links human well-being and environmental impact and on which New Zealand comes way down at 103rd), might we not at least attempt to steer the debate towards the language of sufficiency, gratitude and sharing. In a stimulating recent paper Malcolm Irwin of the Salvation Army here in Auckland talks about a ‘theology of enough’, highlighting how, while all around us we hear the despairing language of crisis management, loss and scarcity, we need to recover the biblical emphasis on discovering what we already have and how we can share it – in which, he suggests, lies our only hope of ‘challenging the despairing talk of the current crisis and of stopping the endless economic cycles of downturn and growth.’ In a particularly striking passage Irwin describes the economic plea in Jesus’ prayer, ‘give us each day our daily bread’, as ‘a confession of confidence in the “enough” of the gift-giving economy of God and our connection to and (inter)dependency on others. It is not only my bread that I’m praying to get; it is intentionally our bread that we seek together.’ This passage also harks back to the provision of

manna in the wilderness, and lies behind the contrast Jesus draws elsewhere between serving 'mammon' – being focused entirely on accumulating material goods – and serving the God who supplies our daily needs. Irwin also suggests, not entirely tongue in cheek, that removing our anxiety about accumulating might leave us with a little more energy for sharing!

Yet regardless of the evidence that, for those whose basic needs are met, economic growth makes no significant difference to their quality of life, governments show no sign of changing their position. As Clive Hamilton reminds us in his aptly titled book *Growth Fetish*, economic growth has now become a fixed, a given, something synonymous with the notion of progress itself – so that all human desire and aspiration can be rendered in terms of the products and services that they can choose to consume. As far back as 1986, Lesslie Newbigin could see that increased production had become 'an end in itself', that 'a minority is ceaselessly urged to multiply its wants in order to keep the process going while the majority lacks the basic necessities for existence', and that this threatened with destruction the whole ecosystem upon which human life depended.

In fact we find ourselves caught in a spiral, for while governments will not find the courage to break free from their obsession with economic growth, people themselves will continue to believe that their security lies in pursuing extrinsic goals (such as money) rather than intrinsic goals (such as good relationships and personal growth). Surveys show that people do believe that materialism is crowding out more meaningful values, is corroding society and themselves,

but, as Hamilton notes, ‘they are too fearful to change their behaviour in any significant way. They are wedded to ‘financial security’, even though they understand that non material aspirations are the ones that will give them contented lives.’ When depression sets in, consuming is touted as the panacea, even though it may well lead to greater anxiety – for economic growth can only be sustained so long as we remain discontented with what we have, even though, in reality we have more than enough.

And what helps to fuel this discontentment is the inequalities in our society, because contentment is not really to do with absolute wealth but relative wealth, and thus the inequality in most western societies is a major factor behind our poor quality of life. This is a subject I am going to explore more fully in my Ferguson Lecture on Friday, but suffice to say that there is now irrefutable evidence that more equal countries do better on almost all social indices. The argument that accumulating money can make us *less* happy is also strengthened when the question of inequality is taken into account, for if my accumulating huge wealth helps to widen the rich-poor gap in my community I am also helping to lower the quality of life of that whole community (and may also have to end up paying more tax to fund welfare programmes or improve the security of myself, my family and my property as the society around me becomes less stable).

George Monbiot perceptively sums up why we need to move on from the economic growth model. In this context, he writes, ‘it is incorrect to say that necessity is the mother of invention. In the rich world, invention is the mother

of necessity. When people already possess all the goods and services they need, growth can be stimulated only by discovering new needs. Advertising creates gaps in our lives in order to fill them. We buy the products, but the gaps remain.' As we reflect on the current crisis we also need to add that, in order to keep satisfying these 'new needs', some people chose to borrow beyond their means and live with debts which, in some cases, proved to be unsustainable.

In today's climate debt is seen as simply a fact of life: most of us have mortgages and credit cards, countries have national debts. In one generation we have exchanged the virtue of delayed gratification through saving for instant gratification through borrowing, and we confront our young people, if they choose to enter higher education, with little option but to live in debt for the foreseeable future. In some contexts debt can have a positive dimension – for example, micro-enterprise in developing countries or credit unions – but the Bible generally views debt as servitude and something to be avoided. And as we sadly observe the lives of many in our communities collapse under the weight of unsustainable debts and mortgages we might consider the value of a fresh debate around the question of debt – and for that matter interest, about which the Bible also has much to say. This could well be the subject of a paper all of its own, but suffice it to say that taking usury is by and large condemned in Scripture and, certainly until the Reformation, was seen by the church as tantamount to 'selling time' which rightly belonged to God. While Timothy Gorrings's assertion that usury involves 'the systematic transfer of money from those who need it most to those who need it least' may smack a

little of hyperbole, as we survey the despair of those locked into repayment schemes they can no longer service we might well feel that measures to at least cap interest rates – as is the case in, for example Canada – would not be amiss. Again, reflection on the Islamic approach to interest and mortgages is instructive.

Another debate it would be good to have would be around the wellbeing of our children in today's consumer-driven society. A UNICEF survey conducted in February 2007 found children in many developed countries, particularly those obsessively preoccupied with the crass ephemera of consumerism and the cult of 'the celebrity', to be in poor health, unable to maintain loving and successful relationships and suffering from low aspiration, and feelings of insecurity. Around 1 in 10 children in the UK below the age of 16 suffers from psychological problems that are 'persistent, severe, and affect functioning on a day-to-day basis.' Further evidence, surely, of the need for a serious and informed debate about the values we want to see underpinning our economy of the future.

And what about the environmental consequences of this fixation with economic growth? It hardly needs to be said that governments' unbridled enthusiasm for economic growth is having a disastrous impact on the planet, suggesting a further reason why it is simply not in our interest – let alone the interest of future generations – to persist with it. Instead of the constant pressure to get us to consume and devour ever more of the earth's resources, we need to focus on how to live *sustainably*. As proponent of the steady-state

economy Herman Daly pointed out in 1996, while economic growth is all about *quantitative expansion*, the notionally limitless transformation of natural capital unto man-made capital, sustainable development is about *qualitative improvement*, permitting increased economic activity only in so far as it does not exceed the capacity of the ecosystem. As we approach the Copenhagen conference in December we urgently need a debate about how our economy is impacting on the environment. We are all becoming aware that the planet cannot sustain growth at the current rate, that it will take 2, 3,4 or whatever planets for everybody to enjoy the same level of material prosperity that we enjoy in the West – yet we are doing nothing to cut back on our own consumption, nor taking seriously radical and exciting new ideas like ‘biomimicry’, which posits a middle way between zero growth and the hypothetical need for extra planets by exploring how we can change our technology so that our resource-use can *benefit* and *replenish* the ecosystem. As Jonathan Porritt points out, the ‘asking price’ to restore the Earth’s basic life-support systems is much more manageable than most of us realize: the missing ingredient is the political will to make it happen.

If we achieved a breakthrough of the kind I am envisaging we might be some way towards having an economy that worked for the good of all members of society. I firmly believe that, coming out of this crisis, we need to rediscover the community dimension to economics, how the economy can work for all citizens, not just a few. In Scripture the whole point of economic arrangements is to build up and sustain communities – which means that they will incorporate measures to protect the interests of the most vulnerable and

marginalized and ensure that they can participate as fully in the community as everybody else. This was the point of, for example, the Jubilee, with its inbuilt measures to prevent the rich benefiting permanently from the misfortunes of the poor, or slaves becoming locked into their position. Elsewhere in Scripture it is when they confront economic activity that threatens the welfare of the community that the prophets are moved to unleash their most violent broadsides, combining hostile invective against those who cheat their customers and sell the needy for a pair of shoes with reminders of God's demands for justice in economic affairs. It is not that God is perceived to be against market activity or the need to make a profit, more concerned that profit be made justly and with sensitivity to the wider needs of the community. Wellington-based commentator Melanie Downer has observed that the Hebrew scriptures call for what has been termed a 'pre-care' economic model in which the needs of *all* must be met before profit is made; and while it is difficult to see how that could be implemented today, such a model does help to stimulate fresh thinking, in the current climate, concerning the overall purpose of market activity. As Pope Benedict rightly said in a hard-hitting passage in his new encyclical *Caritas in Veritate*, 'profit is useful if it serves as a means towards an end that provides a sense both of how to produce it and how to make good use of it' but once it 'becomes the exclusive goal, if it is produced by improper means and without the common good as its ultimate end, it risks destroying wealth and creating poverty.' The Islamic principle of Zakah, under which it is obligatory for an individual's wealth to be distributed to achieve social justice, could also inform the debate here.

Herman E Daly and John R Cobb Jr, the one an economist, the other a theologian, argued in the 1980s that economic practices can best be understood and evaluated by their ability to build community or destroy it – and I think that still holds good as a framework today. The old Chicago School philosophy that there is no such thing as ‘society’, that what passes as consensus is really rule by elite such that we are no more than strangers all pursuing our own individual interests, may have paraded as orthodoxy under Reagan and Thatcher, but we need to move on from that now having seen where it has led us. Similarly, Hayek’s talk about ‘the mirage of social justice’ may have inspired a generation of economically and political conservative leaders in the 1970s and 80s, but it has become dreadfully quaint and outdated in subsequent years – and seems even more so now with the election of a man to the White House whose whole ideology has been shaped by a commitment to working for social justice in, to boot, a faith-based context. Interestingly, in the UK it is the *Conservatives*, the party of Thatcher, who have cornered the term ‘social justice’ and pledged, if elected, to incorporate it into their vision for a new Britain. And it is worth reminding ourselves that the idea that markets should primarily serve individual rather than communal interests is relatively recent: as Marshall Sahlins pointed out in his 2003 study *Stone Age Economics*, for over 90% of our time on this planet we lived, almost exclusively, in highly egalitarian societies where ‘social and economic life was based on systems of gift exchange, food sharing, and on a very high degree of equality’ and where ‘forms of exchange involving direct expressions of self-interest, such as buying and selling or barter, were usually regarded as socially unacceptable and outlawed.’

Talk about economies existing 'for the common good' will sooner or later raise the spectre of 'socialism' and the argument that a so-called 'just society' can only be won at the price of individual freedom. The key question, though, is what we mean by freedom and who is to have it, for 'freedom' has to encompass freedom *from* (poverty, powerlessness and dependency) as well as freedom *to* (make unlimited profits), and the ability to exercise freedom should be available to all, not just a minority. Tawney's quaint aphorism that 'freedom for the shark is death for the minnow' still holds true, and the minnows, who will greatly outnumber the sharks in any community, need freedom too. We can see here in New Zealand, in the way in which house prices have risen in recent years, that while people rich enough to buy investment properties have enjoyed the freedom to do so, the social price has been paid by low-income families forced to work long hours to pay for their houses. (Increased housing costs, we may note, are the biggest cause of poverty in New Zealand at present.) If, in the course of building an economy that serves all and not just the few, the choices open to the richest few diminish slightly, the 'freedom' enjoyed by society as a whole actually increases as that society becomes more cohesive and the hitherto poor and disempowered increase their chances of realising their God-given potential.

In any case, theology can encourage us to move beyond rigid enslavement to old models, beyond socialism and capitalism, to consider how can all agents in society – business, the voluntary sector as well as government – can contribute to the common good. Theologians may or may not consider it wise

to offer one particular economic model as a prescription to solve all ills, but one thing they can usefully do is highlight the value of reflection on the 'purpose' of our market activity. And that, I believe, is one thing we haven't allowed ourselves to do recently. As the acting president of the New Zealand Council of Christian Social Services, Ruby Duncan, put it earlier this year, 'there is a consensus that we have been a bit greedy and individualistic. People have been out for what they can get and we haven't stopped to think about how getting what we want impacts on families, communities and society.' Now would be a good time to do that.

The sum of what I have been arguing is that we badly need a fresh vision capable of inspiring us to create a better society. I have tried to suggest that in some sense we are at the end of an era, one in which the focus on economic growth has served us well, but that now we have to find new answers to the question of how we can move towards true human flourishing – the 'life in all its fullness' of which the gospels speak.

The obstacles to even having a debate about this are immense. The vested interests in the economy remaining as it is are huge – which is why I am tempted to see the challenge I pose as at root a spiritual battle, one that can only be 'won' by a transformation of hearts and minds. No significant change to our economic priorities can be conceived without the support of the business and finance sector, and so far I have come across only one mainstream economist prepared to float the possibility of capitalism without economic growth. In their letter last week to the Queen explaining why no one

foresaw the current recession, a group of eminent economists blamed ‘a failure of the collective imagination’ – and the one thing we need now are imaginative solutions, not something governments are famous for. Yet despite the many forces stacked against the sort of change I suggest we need, I’m a firm believer in the gospel category of hope – in believing despite the evidence then watching the evidence change, as Jim Wallis defines it.

The key to any significant change at local, national or global level is always ‘political will’, and for that to operate popular opinion must change. Can we begin by working at grass roots, tapping into the mood of disillusionment with aspects of the current situation, sharing data about the need for greater equality, encouraging debate around alternative models? If research into popular attitudes to the economy is accurate we might be surprised at the response – for example, a recent poll in the UK asking whether the government’s prime objective should be the ‘greatest happiness’ or the ‘greatest wealth’ of the nation found a remarkable 81% wanting happiness as the goal, and only 13% wealth. We can also take encouragement from history: in the early 1990s only a small elite understood the connection between developing world poverty and the loans made to poor countries during the oil boom of the 1970s, yet by the end of the decade a movement based on the Jubilee idea in the Hebrew scriptures had brought the issue of ‘third world debt’ to the attention of millions and onto the agenda of the G8.

I like Walter Brueggemann’s suggestion that the current crisis is a moment ripe for a new ‘exodus’, a departure from the rapacious, anxiety-producing

system of Pharaoh that is grounded in acquisitiveness to the covenant of Sinai where God's ultimate commandment is, 'Thou shalt not covet'. The journey, I guess, will be no easier – or shorter – than the original exodus, but it is certainly no less urgent.

Finally, at the end of a paper which has focused a good deal on the 'big picture', may I suggest a few practical measures we can take now in response to the crisis we face.

In addition to giving to those in need, are there ways in which we can practically help people to cope with the crisis. Can we in our churches, or other situations, provide a space for people to come together to tell their stories and meet with others in similar situations? Can we provide training or re-training for work and help people seeking work to link up with businesses or individuals able to offer jobs? Can we find voluntary work as a stop-gap measure to help people regain their dignity lost through redundancy or unemployment? Can we set up a credit union or other facility to help people and families cope with the worst effects of the crisis? Can we offer advice and counselling to people weighed down with debt? Can we host 'poverty hearings', where people can tell their stories to those who need to hear them and who have the power to make a difference? Can we organise regular prayer events to remember and support people affected in any way by the crisis? And – perhaps hardest of all – can we ensure that our own churches and institutions reflect in their practices the values they want to see adopted

more widely, become examples we can point to where the radical economics of the kingdom actually operate?

If you feel that we really do need to act for change, may I suggest we form an online group both to continue and deepen the discussion and share ideas about how we can raise these issues more publicly and in the corridors of power. I believe this is an opportunity we *have* to take at this crucial time.