

PROFITS WITHOUT HONOUR?

ECONOMICS, THEOLOGY AND THE CURRENT GLOBAL RECESSION

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Reading: Matthew 20:1-16 [the parable of the workers in the vineyard]

It seems to me that that gospel reading provides both a model of why we *need* theology to engage with contemporary economic thinking, and why things get problematic when it does!

The power of a passage like that is its potential to bring into focus some of the big questions we tend to ignore about our present-day economies – like, what is the purpose of our market activity, whose interests does our economy primarily serve, should there be boundaries on our economic behaviour, are there ways our economy could operate more ‘justly’?

That parable is, of course, open to many interpretations: I’ve heard it used to demonstrate both the futility of belonging to a trade union and the need for workers to combine in the face of a landowner’s power to turn them against each other rather than the injustice of the system! There is also a powerful spiritual reading, highlighting God’s graciousness in accepting into the

kingdom, on equal terms, all who seek God regardless of their stage in life – the thief on the cross as much as the person with a lifetime's devoted service.

But one obvious lesson this parable offers – at least to me – is how different the priorities in God's economy are from those in most earthly ones. In God's economy, even if there are still those who own the means of production and others with nothing to sell but their labour, the purpose of economic activity is to enable *all* to obtain what they need to survive. The landowner in the story does not try to maximise his profit by getting the work done by as few people as possible for as little as possible; rather he wants to give *all* the opportunity to work so that *all* can receive what they need.

So this parable might be suggesting that a 'good' economy is one that operates for the benefit of all, that ensures that none miss out on the basic necessities of life, that no one thrives at the expense of another. And if it is, it reflects other images we have in Scripture of economies that enjoy divine sanction – economies designed to *build up* and *sustain* communities, to ensure that *all* have enough, not some too much and others too little. Among these we might include the Jubilee and Sabbath passages in the Pentateuch, the provision of manna to the Israelites in the wilderness, and the visions in the prophets of societies in which *all* have a stake, in which all – in the beautiful words of Micah and Zechariah – 'sit under the shade of their own vines and their own fig trees'.

Auckland-based theologian Melanie Downer notes that the Hebrew Scriptures call for a 'pre-care' economic model in which the needs of *all* must be met before profit is made. And in the New Testament, too, we find Mary's affirmation of a God who fills the hungry with good things and sends the rich away empty, and Jesus' public commitment to bring good news to the poor and proclaim the year of Jubilee. Perhaps the ultimate expression of the 'new economics' of the kingdom is the supper Jesus shares before his death and which we in the church still enact – a foretaste of the heavenly banquet in which all partake in equal measure while affirming their interdependence as members of his body.

Limitations on human economic behaviour, and imperatives to do justice to the poor, are leitmotifs in both testaments. But it is the radical difference between the economic models presented in Scripture and those we experience today that, as I hinted earlier, makes seeking to bring the Bible to bear on modern economic debates so problematic. Can we really imagine our present-day economies operating according to more communitarian, more social, more *humane*, values? Yet against the background of the painful recession we are currently experiencing we do need to ask deep questions about what – and *who* – our economy is for. *Can* theology help in this regard?

Well, the Bible does not have much to say about sub-prime mortgages or the regulation of global financial institutions – but, as I have tried to suggest, it *is* rich in wisdom on issues like wealth and poverty and how societies can practise economic justice. As Walter Brueggemann 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.' The challenge is how we relate the resources of our faith to the contemporary crisis, and I want to explore this with respect to its roots and possible outcomes. But first let us remind ourselves of the fallout from this crisis, because it would be sinful 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 the New Zealand Council of Christian Social Services published a 'Vulnerability Report' setting out 'the level of economic hardship experienced by a growing number of New Zealanders'. It makes sobering reading. Clearly one cannot attribute all the increased hardship New Zealanders have experienced in recent months to the recession alone, but 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 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, land and farms – we are much more aware of what is going on and, hopefully, inspired to ensure that the circumstances that led to it are not repeated. 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 are calling for wholesale change to the global economic system – and speaking for millions of us ordinary investors, consumers and taxpayers who feel uneasy about the size and extent of the bailouts made to financial institutions last year, and unwilling to see any further such measures. But what does 'wholesale change' mean?

I believe that if we are going to call for change we must first look at our own behaviour and attitudes. Much anger has been directed at so-called 'greedy bankers' in recent months, and much of it justified, but *all* of us who have

spent money we didn't have, encouraged by soaring house prices, lax mortgage lending and seductive advertising, bear a share of the blame. 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 of all of us, not just those who have been most conspicuous in their greed.

Greed has certainly been one of the drivers of the crisis but we need to recognize it has two sides. Certainly some in our financial institutions have manifested an element of the 'greed is good' mentality associated with the fictional movie character Gordon Gekko, 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 another biblical image, that of motes and beams, might also be appropriate here.

Massive, unprecedented borrowing was another factor behind this crisis – but, again, it was just as much *our* passion 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.

One further factor is the spirit of 'autonomy' that has pervaded Western culture, the attitude, as 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 becomes 'the primary unit of social reality'. At the heart of the crisis was a breakdown in relationships, particularly those based on trust, between banks and customers, lenders and borrowers.

But to come to the main question, how might *theology* contribute to a debate about the sort of economy we should have the other side of this present crisis? 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 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 people today who would consider themselves wealthy are trying to eat *less* rather than *more* – and spending vast sums on slimming aids in the process. But – and this is the crucial point – while politicians and economists measure market success (or failure) in terms of levels of economic growth achieved, surveys have shown for years that, over a certain 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.

I must stress that this is only true of people who have reached a level of income where all their basic needs have been met (and this is quite low, around \$NZ 38,000 pa). For people at or below the poverty line, as Professor Richard Layard found in his path-breaking research, happiness *does* increase with increased income. But there is much 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 UK having become three times richer in the intervening 50 years. And this finding has been confirmed by Layard, who has shown 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. We could also have discovered the truth behind this 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.

If the kind of question theology wants to ask is, what economic arrangements make for genuine human flourishing, we must at least challenge the idea that all we require of markets is their capacity to increase our ability to earn, spend and

consume more. Last month France announced its intention to include 'happiness' and 'well-being' as measures of its economy – so can we expect our government to switch from measuring our 'progress' as a nation in terms of Gross Domestic Product to, say, Gross Domestic Happiness (a measure used only, so far, in Bhutan) or the Happy Planet Index (which links human well-being and environmental impact and on which New Zealand is currently 103rd)?

At the very least we need to steer the debate towards the language of sufficiency, gratitude and sharing. Malcolm Irwin of the Salvation Army in Auckland has recently written about a 'theology of enough', highlighting our need to recover the biblical emphasis on discovering what we already have and how we can share it – our only antidote, he suggests, to all the despairing talk around us of crisis management, loss and scarcity, and the endless economic circles of downturn and growth. In a 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 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.

Yet despite the evidence that, once basic needs are met, economic growth makes no significant difference to quality of life, governments show no sign of

changing their position. Economic growth is now a given, something synonymous with the notion of progress itself – so that all human desire and aspiration is rendered in terms of the products and services we can choose to consume. Back in the 1980s, Lesslie Newbigin saw that increased production had become ‘an end in itself’ and bemoaned the way 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’ – a process which threatened the whole ecosystem upon which human life depended.

In fact we are caught in a spiral, for while governments will not give up their commitment to economic growth, we will continue believing that our security lies in pursuing extrinsic goals (such as money) rather than intrinsic goals (such as good relationships and personal growth). Surveys show that we *do* believe that materialism is crowding out more meaningful values and corroding both society and ourselves, but we are fearful to change our behaviour in any significant way. 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 helping to fuel this discontentment are 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. We now know that more equal countries are more stable, trusting and at ease with themselves than less equal ones, so

the argument that accumulating more than my neighbour will make me *less* happy is further strengthened when the question of inequality is taken into account.

UK writer 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.' And in recent years, 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 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 most young people in higher education will 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 it as servitude and something to be avoided. As we sadly observe the lives of many around us 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.

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 in 2007 found children in many developed countries, particularly those obsessed 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. Further evidence, surely, of the need for a serious and informed debate about the values we want to see underpinning our economy. Would that some of the energy spent asking whether or not we should hit our children had been used to consider how we might improve their quality of life.

And what about the environmental consequences of this fixation with economic growth? It is clear that governments' unbridled enthusiasm for consumerism is having a disastrous impact on the planet, suggesting a further reason why it is simply not in our interest – let alone that of future generations – to persist with it. Instead of devouring ever more of the earth's resources we need to focus on how to live *sustainably*. As we approach Copenhagen in December we need to focus on how our economy is impacting on the environment. We are all becoming aware that the planet cannot sustain growth at the current rate, yet we are doing little to cut back on our own consumption, nor taking seriously radical new ideas like 'biomimicry', which explore how technology can enable our resource-use to *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.

Talk about economies existing 'for the common good' usually raises 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. R H Tawney's quaint aphorism that 'freedom for the shark is death for the minnow' still holds true. In New Zealand, while people rich enough to buy investment properties enjoy the freedom to do so, those hit hardest by the consequent rise in house prices find their 'freedom' chronically reduced (and we may note that increased housing costs is the biggest cause of poverty in New Zealand at present.) If, in the course of building an economy that serves all, the choices open to a 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 old models like socialism and capitalism to consider how all agents in society – business, the voluntary sector, government – can contribute to the common good.

Theologians will be reluctant to favour one economic model over another, but what they can usefully do is highlight the value of reflecting on the 'purpose' of

our market activity. And that, I believe, is one thing we haven't allowed ourselves to do. 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.

So we badly need a fresh vision capable of inspiring us to create a better society. In a sense we are at the end of an era, one in which the focus on economic growth has served us well, but we now have to find *new* answers to the question of how we can move towards true human flourishing – the 'life in all its fullness' which Jesus came to announce.

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 – to address the difficult question I posed at the outset – we are talking about a spiritual battle, one that can only be 'won' by a transformation of hearts and minds. No significant change to our economic priorities can occur without the support of the business and finance sector, and the number of mainstream economists raising the kind of questions we have been considering is still small. Yet despite the forces stacked against change, I'm a firm believer in the gospel category of hope – in believing despite the evidence, as Jim Wallis puts it, then watching the evidence change.

The key to significant change at local, national or global level is always 'political will', and for that to operate popular opinion must change. So one way forward might be to press our case and seek to win hearts and minds across our communities. If current research 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 few people understood how poverty in poor countries was linked to the debt burden those countries carried, yet by the end of the decade a movement based on the Jubilee in the Hebrew scriptures had inspired millions across the world to act and got the issue 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 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, having focused a good deal on the 'big picture', may I suggest a few practical measures we can take now in response to the current crisis? 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 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 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 with 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 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?

Let's continue to 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.