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Wealth and recession

News and views for ministers Number 3, April 2009

Essays

Economic inequality – a serious theological issue?

*Andrew Bradstock**

If there is any upside to the economic turbulence we are passing through, it's the opportunity it gives us to reflect – both on how we got here and what we might do differently in future. As the Church leaders who met during the Prime Minister's 'Jobs Summit' in February said, the break in the outright 'culture of consumerism' afforded by the current crisis 'allow[s] us all to reconsider our values'.

Many of those values will have caused us concern as Christians. They include the assumption that happiness and wellbeing could be achieved simply by consuming. That it's OK to increase GDP with little regard for how it is distributed. That all should be encouraged, almost regardless of their means, to borrow and live in debt. The exaltation of business models predicated on maximising profits for shareholders over any social contribution or concern for the planet

Another feature of our economy we should feel uneasy about is the gap between the 'haves' and 'have-nots'. It is sobering to reflect that during the past two decades, New Zealand has shown the greatest growth in income disparity of all OECD countries. While the median income for wage and salary earners is around \$35,000 a year, the average salaries of our 44 top chief executives is more than \$1m (and in 2005 these top salaries increased by 23 percent, while average wages rose 3.1 percent - which is below the rate of inflation). There is even greater inequality when income for Māori and Pacific peoples is considered: the average weekly income for Māori is around \$200 less than European/Pākehā, with Pacific people an additional \$50 lower.

For Christians this should be of particular concern. The Bible is clear that inequality has a harmful effect on communities and is something God calls us to redress. Recent independent research has also shown that narrowing the gap between rich and poor in a society produces a

stronger and more stable community; one more likely to generate trust, reduce violence and crime, increase life expectancy and improve social mobility. This research, undertaken by Richard Wilkinson and Kate Pickett, and based on comparing data from across different countries and US states, provides the first real evidence that inequality is the most important explanation of why, despite their material success, advanced societies are often social failures, and how, when income differences between rich and poor are smaller, outcomes are invariably better.

Discussions about 'equality' often get bogged down in arguments over definitions, so I want to focus just on economic inequality and argue two simple points: that Biblical teaching that all people are of equal value because they are created in God's image places demands upon communities with respect to their social and economic arrangements – specifically, to ensure that no one is unable to meet their basic needs in terms of food, shelter and security; and that there are sound Biblical and sociological reasons for governments consciously to pursue policies aimed not simply at relieving poverty but at narrowing the differential between rich and poor in society.

A core theme in Genesis is that people are endowed with an equality of worth and status by virtue of their being created by God. While all are subject to differences in terms of gender, ethnicity, size or physical or intellectual ability – to be equal is not to be the same, and we are to celebrate our differences – all have an inherent equality through creation. We are all 'a little lower than the angels' and bear to an equal extent the 'image of God'.

When the man in Genesis 2 speaks of his companion as 'bone of my bones and flesh of my flesh,' he sums up their inherent equality. Inequality, with one ruling over the other, comes in only after the Fall. Genesis 1 and 2 are clear that all people are made in the image of God and should reflect that by enjoying the gifts God bestows - described in the final verses of Genesis 1. Inequality is a consequence of human action, not the outworking of a divine plan. As Pelagius tellingly puts it,

...we possess equally with others all the things which are not under our control but which we receive by God's dispensation, and on unjust and unequal terms only the things which are entrusted and subjected to our own rule...

Affirmations of our inherent equality under God appear throughout the Hebrew scriptures. While disparities of wealth and status are evident and acknowledged – the riches of certain patriarchs and kings are described uncritically or taken as a sign of divine blessing, and the existence of slaves is accepted – a concern that none should be denied their basic needs is constant. For the Biblical writers, the fundamental equality of all people before God means that all must have their basic needs met, and God's displeasure with those who act unjustly in this respect is plain.

All wealth belongs to God and is not for people to do with as they please. 'All that is in the heavens and in the earth is yours' (I Chron 29.11-12); 'the land is mine; with me you are but aliens and tenants' (Lev 25.23). Creating wealth is good, but it carries a responsibility to care for the poor. The 'good wife' of Proverbs 31 is commended not only for her ability to run a profitable business, but because 'she opens her hand to the poor, and reaches out her hands to the needy'.

God is perceived to be against systems that institutionalise the exploitation of the poor. This is most clearly seen with respect to the distribution of that most basic commodity, land. In Numbers 26, when Moses is instructed to divide the land among the tribes in proportion to their size, he does it by lot to prevent the most powerful securing for themselves the best. The Jubilee laws stipulated that land should never be sold in perpetuity; that those who benefited from the poverty of others by buying up their land should not retain it permanently. While these laws did not envisage a fully egalitarian society, they did aim for a degree of equalisation through workable redistributive mechanisms (even if there is no evidence they were ever put into practice). References to the land being divided equally also appear in Ezekiel, while Isaiah, Micah and Zechariah envisage a time when all will enjoy the security that comes from having their own access to the necessities of life.

Underpinning the concern that all should have equal access to land is the importance of community: in Biblical terms it is fundamental that no one is denied membership of their community on account of their economic circumstances. In the Leviticus 25 passage, material aid

is given to the impoverished person to enable them to live once more alongside their helpers. Community is predicated on an assumption that every person can maintain their own well-being: this seems to be the point of the prophets' depiction of 'all sitting beneath their own vine'. Where even one person becomes dependent upon others, the community is deficient.

The New Testament is also clear that community and fellowship only truly exist when all members are held to be equal. In I Corinthians, Paul employs the metaphor of the body to describe the relationship between the followers of Christ, stressing that all limbs and organs are of equal value and equally vital to making the body function. As people join the fellowship of Christ, so any social status or standing they have becomes of no importance. Paul stresses that diversity of gifts and abilities does not mean diversity in terms of worth or status. True fellowship cannot exist where some members are held in higher esteem than others. James warns against showing favouritism to people attending church on account of their outward appearance.

Another example of equality among early Christians appears in Acts 4, where members of the Jerusalem church preferred sharing goods to individual ownership. Again, the requirement that basic needs be met seems to have been fulfilled in that 'there was not a needy person among them'. Equality between churches was also important for Paul, as his call to the Corinthians to share their goods with a poorer fellowship suggests (II Cor.8.13-14). This has echoes of the provision of the manna in the wilderness, where 'those who gathered much had nothing over, and those who gathered little had no lack' (Exodus 16).

Paul uses the powerful image of Christ's incarnation, his rejection of riches and adoption of poverty, when encouraging giving to ensure the well being of others (II Cor.8.9; cf. Philippians 2.5-7). In speaking of the 'Word becoming flesh' John attests to the equality of all: in taking flesh, God assumed all human beings into a full filial relation.

The Communion speaks of our equality before God, as Paul's rebuke to those at Corinth who took more than their fair share implies (I Cor.11.17-34). In Scripture, this Supper anticipates the heavenly banquet when none shall be distinguishable by rank or status. It remembers the One who ate with social outcasts and taught that, while in society people pull rank on one another, 'it shall not be so among you' (Mark 10.43-44).

In many ways, Jesus reflected the tenor of the Scriptures in which he was immersed. In Luke 4 he affirms his call to proclaim the year of Jubilee, and he taught that, in the kingdom, the poor are raised up and the rich brought down. Mary prefigured her son's mission by speaking of God filling the hungry with good things and sending the rich away empty, and Jesus literally challenged people to sell their possessions and give to the poor. Entry into the kingdom required the abandonment of wealth, presumably because there the categories of rich and poor will not exist.

How do we challenge society to reflect this teaching that all are created equal and should be able to meet their basic needs; that none should permanently benefit from the poverty of others? How do we relate fellowship and sharing to present-day economic systems? Clearly we cannot take economic principles emanating from ancient nomadic communities and apply them today, yet a debate about the implications of allowing the Bible to inform our thinking on economic inequality could be of great value.

What issues might it raise? I guess one will relate to the role of the state, always a controversial area: for despite fears in many quarters (not least among politicians!) about the 'big state', it is difficult to conceive how the Scriptural idea that everyone should receive an income sufficient to live on (also reflected in the 1948 Universal Declaration of Human Rights) could be fulfilled without some centrally administered apparatus.

Unlike relieving poverty, ensuring that every person or family has the basic necessities for survival requires coordination. This is not to advocate a return to old Soviet economic models, nor to rule out a vital role for the voluntary or business sectors; but it is to rule in a managing or organising role for the state, rooted in a conscious commitment to achieve basic equality. While some will prefer a direct role for the state in providing for basic needs, it is possible to conceive

of government maintaining a mixed approach to service provision, reflecting modern, progressive attitudes to the state, within a well-defined framework for tackling inequality.

Another issue will be the minimum wage and welfare and pension levels. How are these levels set? What are the merits of a living wage, and welfare rates and pensions which take into account research into minimum income standards? Should incomes – especially those of people on the minimum wage – rise in line with average earnings? This would act as a brake on inequality and ensure the lowest earners do not get left even further behind. Should taxation – particularly of the highest earners – be used to generate the extra revenue needed to ensure a decent standard of living for all? This could be a way of meeting the twin Biblical imperatives of getting the rich to share their wealth with the poor and achieving a greater level of economic equality, though it would hardly be popular! Tax is now seen almost universally in negative terms, as punitive and freedom-restricting, so is there scope for a fresh debate about its purpose? This might include reflection on the Muslim concept of ‘Zakah’, which derives from a theological understanding of wealth as something to be shared in order to achieve social justice.

Critics of wealth redistribution to achieve social good claim that it stifles ambition and represents a loss of freedom, yet the relatively small reduction in the range of choices open to the richest decile when subjected to, say, a higher level of personal taxation, compared to the enormous increase in ‘freedoms’ that redistribution would mean for the very poor, makes that argument unconvincing. When redistribution is effected to enable poor people to increase their chances of realising their

God-given potential, the freedom enjoyed by the society actually increases. There is freedom *from* (poverty and dependency) as well as freedom *to* (spend one’s resources as one chooses).

Could we promote a debate around the values of generosity and giving, of putting something back into the community? No society can legislate to make people generous, but we can highlight the moral issues involved and seek to stimulate fresh thinking. Could a ‘commission on inequality’ examine the costs and impacts of growing wealth inequality and identify remedies that would attract broad public support?

In talking about inequality we risk saying things people do not want to hear (as Jesus did in his day) – for example, that economic growth alone will not necessarily address poverty and inequality (as NZCCSS stated in their ‘Facts about Poverty 2008’); that poverty cannot be reduced without affecting the standard of living of the better off; that people (including in some cases ourselves) who enjoy a comfortable lifestyle do so, to some extent, because others receive low wages; that being human involves not just having enough to remain alive but being able to share in and feel one belongs to a society, and therefore what other people take home does matter. Stressing the importance of community and partnership over and against greed and consumption as foundation stones for a society may jar for some – though perhaps less so than a year ago. And what do we say about the tax cuts in effect from 1 April? The reasoning behind them may well be sound, but because they are proportional to income they increase further the gap between the highest and lowest earners.

Some inequality of income will always exist in society. The Bible acknowledges that some will enjoy greater wealth than others, and nowhere does it advocate economic equality – what we might now define as ‘equalised after-tax real income’ – even if that were practically and politically possible. Yet where conspicuous wealth exists alongside material poverty, it does have much to say, both about the fact of that poverty and the structures that allow such gross inequality to exist. It’s a word we need to hear, especially now.

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