A GLOBAL ECONOMIC CRISIS: TOO GOOD AN OPPORTUNITY TO WASTE?

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Let me first explain that I did not choose the slightly 'flip' title for this lecture because I in any way underestimate the 'harm' that the current crisis has caused. I am not among those who think that there hasn't really *been* a 'crisis', and who recently expressed their anger at our media for forecasting doom and gloom and depressing us all unnecessarily. There is strong evidence that this recession *has* lowered the quality of life of many of us here in New Zealand, and I am very aware that stories of real hardship lie behind the statistics relating to the increase in demand for food parcels, the rising number of evictions due to unpaid rent, the cuts in jobs, reduced pension pay-outs, and rise in the number of people claiming benefits or seeking budgeting advice over the past eighteen or so months.

Rather the title conveys my belief that our present situation presents us with a rare opportunity to have a serious debate about economics and values, an opportunity we seem in danger of *wasting*. We hear lots of talk at present about the need for an economic recovery, and of course we need that: but we also need, I suggest, a *moral* recovery, because we have forgotten some important lessons over the last few years which we desperately need to recover. The US philanthropist Warren Buffett recently commented that, as the economic tide has gone out, so it has revealed who's been 'swimming naked', and there certainly have been many of us over the last few years doing things without adequate cover and back-up, and shedding all sense of moral propriety and concern for others. So while the media and government ask ‘when will the crisis be over’ and ‘when can we get back to normal’, another conversation is begging to begin – and perhaps already *is* beginning – starting from the premise that it was ‘normal’ that got us into the mess in the first place and what we need to do now is reconnect the market with ethics. The ‘mainstream’ debate will waste the opportunity for a re-think by asking the wrong questions; the ‘emerging’ debate wants to use this moment to reflect on our collective and individual values. The Pope – who doesn’t always says things I’m keen to hear – put it concisely when he said that the current economic crisis ‘obliges us to re-plan our journey, set ourselves new rules and discover new forms of commitment… [it] thus becomes an opportunity for discernment, in which to shape a new vision for the future’.

Quoting from the Pope leads me nicely into an explanation as to why I might, as someone dealing in theology and religion, presume to talk about the market. Isn’t theology a strange conversation partner for economics? Our need to ask such a question shows how quickly we have lost our collective memory, since 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 did not seem 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 R H Tawney himself noted, it was 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 then economic thought had been understood as part of a hierarchy of values embracing all human interests and activities, of which the apex was religion: now the situation is reversed to the extent that, for many politicians and economists, the global economy is now *the* system within which everything else is subsumed – a view which, as the distinguished environmentalist Jonathon Porritt argues, is 'as close to biological and thermodynamic illiteracy as it is possible to get'!

Herein, of course, lies part of the problem we are addressing, for while 'the market' has massively reduced poverty in the last two hundred years – Jeffrey Sachs estimates that the percentage of the world's population living in 'extreme poverty' has fallen from 85% in 1800 to around 20% today – we have been unwise to accord it the almost divine status it now seems to enjoy. As Harvey Cox wrote some ten years ago, while questions to do with meaning, purpose and value once came from centres of society other than the market, now the market has assumed a godlike status with the qualities of omnipotence, omniscience and omnipresence. We have seen the 'marketization' of everything – including prisons, hospitals, schools and policing (which raises huge issues about the priorities of businesses running such concerns) – and the evolution of our species into essentially consumers: if Descartes were alive today we might almost wonder whether he wouldn't work on the premise 'I shop therefore I am' (which works quite well in an English context – Tesco ergo sum). Another US commentator, Jim Wallis, suggests that the 'invisible hand' of the market has become our new 'God' as we have substituted 'market value' for 'moral values'. The market has replaced much of the moral space of society, Wallis says, and even questioned the value of having 'moral space' where the market does not reach. Last year's Reith lecturer Michael Sandel, professor of government at Harvard, is one prominent figure to have called for a public debate about the moral limits of the market. Sandel also points out that how priorities are allocated for spending on health, education, defence and so on are *moral* as well as economic questions – budgets, in other words, are essentially moral documents.

Markets, then, are about values, and theology has something to say about those. Markets are also about relationships, and theology has even more to say about those – as it does about 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 for ever be associated, was primarily a moralist, even if his *The Theory of Moral Sentiments* – with its claim that ‘the perfection of human nature… is to feel much for others and little for ourselves’ – is less well known today than his *The Wealth of Nations*. In his massively acclaimed recent book *The Ascent of Money*, Niall Ferguson suggests that ‘financial 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.’

Having said all this, we should not underestimate how far we are from seeing ethics return to the mainstream of economic thinking: while Harvard University has responded to current perceptions of the banking sector by inviting students on its Master of Business Administration programme to sign, on graduation, an oath to behave ethically in their business dealings, fewer than half of the nearly 900 graduates in 2009 were actually prepared to promise that they wouldn’t in effect lie, cheat or steal in their future careers!

Theology also has some useful resources to offer to economic discourse. The Jewish and Christian Scriptures may not have much to say about sub-prime mortgages or the regulation of financial institutions, but they *are* rich in wisdom on issues like wealth and poverty and how societies might practise economic justice. Observers who watch the church tearing itself apart over the issue of 'gay priests' might be surprised how much more there is in the Bible about money, possessions and economic justice than what Chris Marshall of Victoria University has termed the 'pelvic' issues with which the churches in New Zealand seem to be preoccupied – sexuality, reproduction and abortion. As US theologian 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.'

A central theme in the Hebrew texts is the need for boundaries to be placed on individual accumulation in the interests of the welfare of the wider community. Institutions like the *Jubilee*, which aimed to prevent the rich benefiting permanently from the misfortunes of the poor through the remission of debts and restoration of land, and the *Sabbath*, which allowed for breaks in consumption and encouraged responsible use of the earth's resources, were designed to achieve the elimination of poverty by ensuring that the basic needs of all were met. Religion is often associated with 'giving to the poor', but it is much more social and economic *justice* that the biblical authors discern to be the primary concern to God.

Similarly, in the gospels Jesus is presented 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 (an example of anger in the cause of truth which Alistair mentioned yesterday), 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. Perhaps the ultimate symbolism of the 'new economics' of the kingdom is to be found in the supper Jesus 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.

The Judaeo-Christian tradition also provides 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 perfectly encapsulates this: as British economist Hannah Skinner 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 these resources are used with respect to contemporary debates. Clearly economic principles emanating from ancient nomadic communities – principles which some would argue were never even practised – cannot be applied without reserve today. Quoting Bible verses may cut little ice in itself, but the general principles I have outlined can contribute constructively to contemporary thinking by informing arguments, vision and policy. At the very least we can discern a principle in 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.'

How did we get into the situation we are considering? In Niall Ferguson's terms, what we have seen in the past year or two 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 last year 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, 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, as we noted earlier, that it is leaving in its wake many millions of people whose lives 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.

In the light of this it is not surprising that many commentators, politicians and religious leaders are calling for wholesale change to the global economic system – reflecting, perhaps, the unease that we have, as ordinary investors, consumers and taxpayers, about the size and extent of the bailouts made to banks and other financial institutions last year. The protestors who chanted 'burn a banker' in London at the time of the G20 summit in March 2009 may have been a shade extreme in their response, but they may only have been articulating publicly the anger many of us were feeing in private.

It is easy to talk of changing the system but less clear what that may mean. We hear much 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 serious 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, who spent money we didn’t have, encouraged by soaring house prices, lax mortgage lending and seductive advertising, must also share some responsibility for what has happened. One word absent from discourse around this crisis is ‘sorry’ (in Alistair’s sense of ‘really saying 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. Whether or not *wealth* trickles down from the top of the economy to the bottom, dodgy values and practices apparently do, and calls for more ‘regulation’ should also include ‘self-regulation’.

So, if greed has been one of the drivers of the crisis, 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 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 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. As Jim Wallis says, 'when we create a cultural habit of spending money we don't have on things we don't need, disaster isn't far away'. We now inhabit a culture where we can have virtually anything we want when we want it – from cash from the bank to our favourite TV programmes, films and music, to communication – but I'm not sure we've even begun to explore how this revolution is changing *us*.

A final factor worth mentioning is the spirit of 'autonomy' that has pervaded Western culture, the attitude that understands the market primarily as a place for self-advancement at the expense of others. 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’. As I have suggested, 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 now offer some thoughts, drawing upon the theological insights I alluded to earlier, about the kind of questions a debate on the economy might focus on. As I mentioned earlier, my hope is that we *can* have a debate here in New Zealand about the kind of economy we want, which will go beyond the superficial and talk about values, human nature and even the very *purpose* of market activity.

The first thing I suggest we need to do is question the ‘axiom’ that economic growth should be the only measure of our economy’s progress: do we not need also to take into account objectives such as sustainability and wellbeing? It is of course true that, for most of our history, improvements in quality of life did depend 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 in terms of levels of economic growth, 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 $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 and other sources of ancient wisdom. As Aristotle put it, 'wealth is obviously not the good we seek, for its sole purpose is to provide the means of getting something else. 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 our key concern is to ask, what economic arrangements make for genuine human flourishing, I believe we must at least challenge the assumption that all we require of markets is their capacity to increase our ability to earn, spend and consume more. In September last year President Sarkozy announced that France would henceforth include happiness and well-being in its measurements of economic progress, and whilst we may be some way from seeing our own government switch from GDP to GPI (Genuine Progress Indicator, which assesses whether growth is improving wellbeing) – let alone Gross Domestic Happiness (as used in Bhutan) or the Happy Planet Index (which links human well-being and environmental impact and on which New Zealand is currently 103rd in the global league table), we do need to steer the debate towards the language of sufficiency, gratitude and sharing. As Malcolm Irwin of the Salvation Army in Auckland has recently written, while all around us we hear the despairing language of crisis management, loss and scarcity, the important thing is to recover the biblical emphasis on discovering what we already have and how we can share it. The market has to make us believe 'there is never enough', while the simple truth is that there *is* enough if we share it.

Achieving this sort of change will not be easy. As Clive Hamilton points out in his aptly titled book *Growth Fetish*, economic growth has now become 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 we choose to consume. In fact we are caught in a spiral, for until governments shift their position, 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 we *do* believe that materialism is crowding out more meaningful values, is corroding society and ourselves, but, as Hamilton notes, we are too fearful to change our behaviour in any significant way. People 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. There is now compelling evidence that more equal countries are much more at ease with themselves and do better on almost all social indices. As Wilkinson and Pickett point out in their path-breaking book, *The Spirit Level*, countries with high levels of inequality (like New Zealand) will imprison a larger proportion of their population, have more obesity, more teenage pregnancies, worse mental health and shorter average life-spans than those countries with much lower levels of income inequality. Might reducing inequality be a key to tackling the root causes of some of our social ills, not least since evidence from other developed countries shows that even small decreases in inequality make an important difference to quality of life across society.

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. As I have already noted, in one generation we have exchanged the virtue of delayed gratification through saving for instant gratification through borrowing, and we confront our young people entering 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 as we 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 which, until the Reformation, was seen as tantamount to 'selling time' which rightly belonged to God. 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 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. A survey by the Joseph Rowntree Foundation in 2002, in which 10,000 people born in 1958 and a similar number born in 1970 were asked, in their mid-20s, about their mental health, found 7% in the first group with a tendency toward clinical depression, and 14% - exactly double – in the second. A survey by the British Medical Association in 2006 found that around 1 in 10 children in the UK between the ages of 5 and 16 suffers from psychological problems that are 'persistent, severe, and affect functioning on a day-to-day basis.' While we must be careful not to link these data too simplistically with the growth of a 'consumer culture' in the last two or three decades, they do reinforce the value of a serious and informed debate about the values we might want to see underpinning our economy of the future. The family is certainly under threat today, but not necessarily from the usual suspects.

And what about the environmental consequences of this fixation with economic growth? It hardly needs to be said that our 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. We are all becoming aware that the planet cannot sustain growth at the current rate, that it will take two, three, four or whatever planets for everybody to enjoy the same level of material prosperity that we enjoy in the West – yet we are doing little to cut back on our own consumption, and being slow to take 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. Can we draw upon the Maori concept of kaitiakitanga, an understanding that we are all part of nature and influence the rest of the eco-system? Jonathan Porritt has pointed out that the 'asking price' to restore the Earth's basic life-support systems is much more manageable than most of us realize: the missing ingredient, as we saw again at Copenhagen, is the political will to make it happen. But we need that political will because if we do not re-engage with the rhythms of the planet and continue raping it to satisfy our ever growing wants, Nature, like the market, will eventually say ‘no more’. A report from the influential New Economics Foundation in the UK published just this week argues that continuing economic growth is simply not possible if nations are to tackle climate change. ‘We urgently need to change our economy to live within its environmental budget’, says the report: ‘there is no global, environmental central bank to bail us out if we become ecologically bankrupt.’

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 be *inclusive*, can work for *all* citizens, not just some. The ancient Jewish principle that economies should operate to build up and sustain communities seems to be worth recovering today. It is not that the profit motive should be abandoned, rather that measures be found to ensure that profits are made justly and with sensitivity to the wider needs of the community. It may not be *immediately* obvious how such measures might work, but raising the issue might help to stimulate fresh thinking, in the current climate, concerning the overall purpose of market activity. 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.

Daly and Cobb, 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, now seems as dated as those figures like Reagan and Thatcher who embraced it, not least as we have witnessed a renewed emphasis on the concept of ‘community’ in the rhetoric of some of their successors. Similarly, Hayek’s talk about ‘the mirage of social justice’ may have inspired a generation of economically and political conservatives 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 once led by 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 (capitalism being assumed to be the true guarantor of individual freedom). The key question, though, is what we mean by freedom and who is to have it, for, as Tawney argued, 'freedom' needs to encompass not only 'protect[ion] against arbitrary action by agents of government' but 'the security from economic oppression which corresponds to civil liberty.' True democracy, in other words, only exists when *all* enjoy the freedom to *achieve*, when the basic needs of all in terms of education, health care, housing and employment are met. 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 all agents in society – business, the voluntary sector as well as government – can contribute to the common good. Theologians are wise to avoid offering one particular economic model as a prescription to solve all ills, but they can 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.

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 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 what I earlier referred to as a process of ‘metanoia’. Yet if the key to any significant change is ‘political will’, which in a democracy will generally follow a fundamental shift in popular opinion, there are encouraging signs. 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 are also now seeing mainstream economists begin to explore what it might mean to talk about sustainability and wellbeing alongside economic growth. Just in the last two months we have seen the publication of Professor Tim Jackson’s book *Prosperity Without Growth* – which proposes twelve steps towards a sustainable economy and argues for a redefinition of ‘prosperity’ in line with evidence about what contributes to people’s wellbeing; a report by the hugely influential Young Foundation in the UK, working on the premise that ‘in a society with relative material abundance the critical issues of welfare have become as much about psychology and relationships as material need'; the report I mentioned earlier from the New Economics Foundation on economic growth and climate change; and the introduction by the UK government of a Currency Transaction Levy, essentially a tax on the banking sector, which will raise new money for international development. Interest in Wilkinson and Pickett's path-breaking work on inequality continues to grow, including among leading opposition politicians and commentators here in New Zealand, and it may only be a matter of time before the subterranean debate I believe is under way forces itself into the 'mainstream'.

As you may have gathered, I'm a dealer in 'faith', which might be defined as 'believing in spite of the evidence and then watching the evidence change'. The fact is that major changes *do* happen, even if they sometimes take a generation or two – think of those in our own lifetime like the abolition of apartheid and the dismantling of the Berlin Wall. When the campaign to abolish transatlantic slave trafficking began in the 18th century no one could conceive of an economy working efficiently without slavery: fifty years later opinion had swung completely the other way. Perhaps there are parallels with our own conception that prosperity is inconceivable without 2% growth per year.

Let me end, perhaps predictably, with a biblical allusion – from US theologian Walter Brueggemann. The current crisis, Brueggemann suggests, 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’. This journey, I would add, is unlikely to be any easier – or shorter – than the original exodus, but is certainly no less urgent.