

Faiths in London's Economy (FiLE)

Shared faiths response to the credit crunch

by Jonathan Evens



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Ten responses to the financial crisis from a multi-faith seminar include defining wealth as happiness, restoring trust and ethics in business, as well as replacing interest by profit-sharing. The article concludes by pointing out the positive opportunities for change available to people of faith and to Londoners.

Introduction

This shared faiths response to the credit crunch originated in the 'Ethics in a global economy' seminar held at St Ethelburga's Centre for Reconciliation and Peace and organised by FiLE (<http://www.mile.org.uk/file.htm>) in October 2008. A call for a shared faiths perspective on the credit crunch to be developed emerged clearly from the seminar and FiLE undertook to try to facilitate that process.

Two meetings to discuss a shared faiths response were held and two draft documents circulated to a group of interested people for comment. The overall process has included people from the Christian, Hindu, Islamic, Jain and Jewish traditions in addition to representatives of faith-based and inter-faith organisations. One organisation making specific contributions to the document was Green Equity.

1. Wealth means more than money

'Wealth' is all that human beings receive from others and from the world in which we live. So, shelter, clothing, our abilities, social institutions, our cultures, the Arts, our relationships, the environment are all 'wealth.' In most faith traditions, these are seen as divine gifts.

The creativity of human beings means that we develop means by which we utilise and distribute wealth. Money is one such means of wealth utilisation and distribution, among many others (such as education or manufacturing), and becomes problematic when pursued in isolation from other means of utilisation and distribution. One factor in the current crisis is that money has been treated as wealth and the value of money separated from any tangible reality. Derivative trading is, for example, trading not just in intangibles but in the reflection of intangibles and then reckoning wealth in those terms.

One small example of the broader understanding of wealth that we advocate is that surveys of Londoners' levels of happiness consistently show that a characteristic of boroughs where Londoners experience the highest levels of happiness are those with an inbuilt lung of creation in the form of the river and parks. Epping Forest has traditionally operated in this way for Eastenders while we also note that those who are financially rich tend to spend their money on art and culture. It may be that, as a result, we should measure Gross National Happiness like Bhutan: a country where this measure signals an attempt to build an economy based on spiritual (in this case, Buddhist) values.

2. The value of work

Work is valued in most faith traditions with human beings viewed as representatives of the divine on earth; in some traditions this extends to human beings

being seen as co-creators with the divine. The work ethic is seen as a noble endeavour in many faith traditions e.g. the Muslim Sufi tradition divides the day equally into work, worship and rest.

Hard work and creativity are valuable but are they always appropriately directed? We need to differentiate between the value of the work ethic and appropriate kinds of work. Not all work is appropriate or ethical therefore the value of the work ethic and



*St. Ethelburga's Centre
for Reconciliation and Peace,
where the seminar was held.*

*30 St. Mary Axe, otherwise known as
The Gherkin, symbol of the City of London,
can be seen behind. Its main occupant is Swiss
Re, a global reinsurance company.*

of human creativity can be dissipated in work that is inappropriate or unethical.

Practices such as profiting from the process of charging and paying interest and lending what you don't have which have been exposed by the credit crunch would seem to fall into this latter

category. We should value productive work but are often divorced from the fruits of our labours.

We all tend to assume that paid employment is the natural means for gaining wealth but, as people of faith, we consider that this assumption disconnects us from divine or natural generosity. Society needs work done and a financial incentive is one way to get it done, but that doesn't mean that work should be the only or main source of the wealth that we need. The credit crunch may provide an opportunity to consider alternative options, such as a Citizen's Income.

3. Concerns about credit

The Hebrew Scriptures forbid charging interest to a fellow Jew while the Qur'an forbids charging interest to or receiving interest from others, instead encouraging trade and trade-type financing arrangements including equity based finance. Instead of credit-based banking systems, we commend trade-type banking and the approach of mutual building societies and credit unions. We need banks for current and savings accounts and for business loans (non-debt based using the profit and loss sharing system of equity financing), we need building societies (preferably mutual ones), and we need insurance (a legitimate pooling of risks); but the remainder, we consider are not required and should gradually be removed from the market in an equitable fashion.

4. Structures of greed

Western economies have been inflated through greed, with their

economic make-up being based on self-centred acquisition. Economic and political systems tend to be based on immediate profitability not long-term benefits. As a result, much of what we do makes no logical sense. Why, for example, do we sacrifice quality time by working hard in order to have quality time while on holiday or why do we drive to a gym in order to get on a walking machine?

Concerns regarding our economic systems are also to do with transparency. Many faiths reflect on transparency and hiddenness (often in terms of the imagery of light and dark) suggesting that where actions can be hidden, injustice and wrongdoing often occur. Much of what has brought about the credit crunch has been hidden from view and from scrutiny. Transactions have been divorced from human interaction and have therefore been unregulated. Banking practices have taken place 'in the dark' hidden by technicalities. In the light of public scrutiny these practices have been found wanting. This is not about scapegoating but about the need for transparent practices.

5. The god of growth

Western economies have been predicated on unlimited growth and this has caused harm to the environment. Developing countries are using the same model. Many natural, God-given resources are running out because we have exploited that which we have been given instead of stewarding and sharing them. The argument about whether oil and gas supplies have peaked or not remains unresolved but we

are certainly running out. The failure of those two resources would impact on every aspect of our lives and would produce far greater misery than the 'credit crunch', as will climate change. We can't ignore these wider issues, most especially that of climate change. Sustainability and balance are therefore more desirable than growth.

6. Loss of relationships

There is a breakdown in the relational aspects of the economy. Exchanges are occurring in virtual space, trust is being lost and we need to return to our roots in relationships. Practices such as profiting from the process of charging and paying interest and lending what you don't have, have led to banks no longer trusting each other and no longer lending to one another. In the past, there was a degree of trust in the markets summed up in the phrase 'my word is my bond.' It is important to work together in cooperation. There are also social consequences in terms of social cohesion arising from the credit crunch.

7. Support for emerging and developing economies

We should look for methods of ameliorating the financial/ environmental misery that continues and develops around the world. Emerging and developing countries are using the same model of economic growth as the West despite the

harm that it has caused to the environment. Economies throughout the world need rebalancing in the direction of wealth creation: education; the care of the vulnerable; manufacturing, creative and cultural industries; renewable energy; and agriculture.

8. Time for reflection and restructuring

There can be a sense of hope in this crisis; the credit crunch can be seen a watershed opportunity and not a catastrophe. A year ago



■ *The London Stock Exchange, whose motto is 'My word is my bond'* ■

people weren't having the kind of conversations we are having today; that, in itself, is a positive change. Perception is vital in what is understood as being economically viable.

Some faiths, but by no means all, understand periods of suffering as part of a developmental process. We need to reflect on our experience of suffering and look for causes (i.e. underlying economic fundamentals). There may be natural causes but these may also have personal

implications to which we will need to respond. Reflection and action go together. For example, a recent survey found that 25% of respondents are praying or meditating more as a result of the credit crunch.

Not all faith communities think that suffering is ennobling and there can be a polarisation around concrete political change versus inner personal change. Both are needed in dialogue, both are on the same spectrum of responses.

We need to reflect on the values that we share. The economy has spiralled a long way from real valuations. We need to link personal, moral and spiritual values with economic values.

It may be that we are at a point in time (like that at the end of the Second World War which led to the development of the UN and the Universal Declaration of Human Rights) which will produce new structures for society. For example,

the free market has been shown to be unable to provide its own banks without these being propped up by Government funds. We may be in a moment in time when recession, the credit crunch and the ecological crisis are combining to bring about profound shifts in the global economy. A 'third way' or 'middle path' is needed between nationalisation and capitalism based on agreed standards of ethics, environmental and social responsibility and a broad understanding of wealth and value.

If we are looking at a restructuring of the global economy, then we could see the economy rebuilt in terms of a broader understanding of wealth with new kinds of jobs (i.e. renewable energies, creative industries, and community empowerment) forming its foundation. Such a restructuring could also provide space for addressing the ecological crisis. Ecology cannot be divorced from economics. For example, the ecological costs of extraction and replacement of the world's natural resources have in the past been excluded from company



City of London, by night

accounts but its inclusion would provide a very different picture of the effects of the global economy on the environment.

Companies need to identify and report to a wider range of stakeholders than shareholders alone and a strong business case needs developing for ethical and responsible business practices. All too often companies have associated ethics with bureaucracy, and greed has then led to the use of dubious and fraudulent practices. The extent to which a lack of transparency and fraud has contributed to the credit crunch and to the recession

demonstrates the urgent need to form a strong business case and agreed impact assessment matrix for transparent and ethical business practices. We all need to acknowledge our complicity in what has occurred and to redress the extent to which greed has motivated our personal values and practices.

9. Constituencies for action

People of faith form a huge constituency and can motivate people to action. People of faith are also part of rooted communities (e.g. local authority areas) which in some instances are beginning to plan for greater economic resilience. People of faith need to be party to these debates and summits. We have allowed those in power to use the argument that faith is essentially private and not public. The consequence has been that our views are marginalised. This paper is one small means of reclaiming that public dimension for our faiths.

There is no quick fix but, together, we have a vast constituency, one large enough to start sowing seeds of change. We should look for methods of ameliorating the financial/environmental misery that continues and develops, around the world. A proactive assertion is needed from faith communities to argue for non-interest bearing transactions, mutual societies rather than shareholders (although many faiths do not have an issue with shareholders per se but with the view that a business is primarily accountable to its

shareholders), and recognition of the role that artists and communities play in generating real wealth. All faiths offer ways of being that are conducive to human flourishing.

10. London, a melting-pot for change?

London has developed as the ultimate world city - in part because of the widespread use of the English language and our location between the New York, Middle East and Far East stock markets, especially Hong Kong and Tokyo - and this is something to be valued and celebrated. London's position has been as the financial capital of the world. Market forces and financial institutions are at the heart of London's economy and it is the market that is London which has given the city its social, ethnic and faith diversity. How will this change as a result of economic restructuring? Will London adapt and will it maintain its inclusivity as it does so?

Our hope is that London will adapt and change to a restructuring of the global economy that is focussed on a broader understanding of wealth than money gain and economic growth alone and do so in a way that maintains and develops its social, ethnic and faith diversity. ■

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