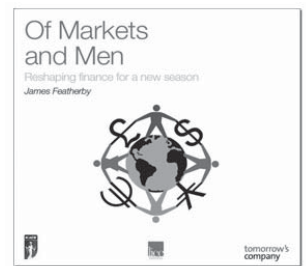


# Of Markets and Men

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by James Featherby

■ reviewed by Ranjeet Gupta



**J**ames Featherby has an illustrious pedigree as a former partner in a top city law firm, with degrees in theology and law from Cambridge, and is currently Chairman of the Church of England's Ethical Investment Advisory Group. In 2009, James wrote *The White Swan Formula: Rebuilding business and finance for the common good*, a short book responding to the financial crisis in which he calls for a rediscovery of values-based approaches to business and finance. In much the same vein, Featherby's more recent work, *Of Markets and Men: Reshaping Finance for a New Season*, has received critical acclaim from institutes as far away as China and Russia.

Featherby disagrees with the prevailing paradigm: 'Economics claims to be an amoral space where what matters is putting scarce resources to best use. In doing so, it has inverted the proper order of things, turning individuals into subjects who can serve financial utility, rather than continuing to see them as the objects which financial utility is intended to serve.' (p.7) He seeks instead a principles-based approach to business. This raises the question of whether society gets the bankers it deserves. Featherby is slow to point the finger at any one profession; he instead confesses a general malaise, and wishes to inspire us, like Brunelleschi in Florence in 1419, to build a dome beyond our comprehension.

*Of Markets and Men* contains four key suggestions to alleviate the crisis. First, large businesses should have a "public purpose" alongside their private profit-making activities. Featherby refers to Unilever's example of putting the healthcare and hygiene needs of their clients first. Second, the debt burden

should be reduced. Here Featherby gives interesting examples of how this can be done, such as through Governments allocating funds directly to taxpayers to pay off their debts. (This may be pertinent at a time when the average UK household has no savings, unsecured debt of £8,000, and £55,000 of mortgage debt). This would have the secondary benefit of reducing balance sheet lending for banks. Third, speculative trading should be prohibited, due to exacerbating effects this has on financial markets. As a lawyer, Featherby is a friend of financial services, and sees the purpose of this sector as to serve industries that are real and productive and insists that its chief end is to be an efficient intermediary. Fourth, investment returns must be more holistic. Featherby would like to see investors move beyond the 'mantra' of "maximum return, adjusted for commensurate risk" to include environmental, social, relational and ethical factors, and he admits there is a need for the entire value chain of investors, fund managers, accountants, regulators and company leaders to improve reporting in this regard.

This succinctly written book packs more weight than its slim 90 pages would indicate. It is recommended reading for those who seek an intelligent answer to the financial crisis. Featherby's practical responses are built on sound thinking from a practitioner who was central to critical financial transactions as a Mergers specialist. One senses a great amount of prayer and biblical thought hovering implicit in his work; perhaps it is hidden to make it palatable for secular audiences. Featherby's contribution is welcome, and it should provoke us to work on our own individual thinking and responses to the financial crisis, if we are to follow Jesus' call to shine as the light of the world (Matthew 5:14). ■

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