

# **Money, Power & Relationships:**

The spiritual renewal  
of public policy and  
private life

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**The Smith Lecture 2005**

*'Yet if the gross national product measures all of this, there is much that it does not include. It measures neither the health of our children, the quality of their education, nor the joy of their play. It measures neither the beauty of our poetry, nor the strength of our marriages. It pays no heed to the intelligence of our public debate, or the integrity of our public official. It measures neither our wisdom nor our learning, neither our wit, nor our courage, neither our compassion nor our devotion to country. It measures everything in short, except that which makes life worth living, and it can tell us everything about our country except those things that make us proud to be a part of it.'*

Robert Kennedy

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# The Smith Lecture 2005

## Where I'm coming from...

I feel honoured to have been invited to give the 2005 Smith Lecture here tonight. Although this is only my sixth visit to this great continent, one of my grandparents came from Sydney, before she moved to Kenya in 1918. So Australian ancestry is part of my identity and I have been grateful for the opportunity over the last 10 years to refresh that connection. However, in case it crosses your mind to ask, I still support England when watching cricket and rugby, painful though that experience so often turns out to be in matches against Australia!

Let me tell you a little more about myself so you can understand 'where I am coming from'. After a PhD at Cornell in the US in the field of agricultural economics, which involved nearly two years living in India, I worked first with the family business in East Africa. I then moved on to work as a consultant for the World Bank and as a Research Fellow for the International Food Policy Research Institute. However, I became convinced that Africa's problems did not lie with shortage of capital. Something was wrong at a deeper level, but I was not sure what it was exactly. As a Christian I went back to what I regarded as the chief source of wisdom, the bible. I believed then, and believe now, that when the bible is interpreted carefully and in its cultural context, it can still provide an authoritative source of instruction, inspiration and ideas, as it has for the Christian church for nearly 2,000 years.

As I studied the biblical text, it became clear to me that it is possible to discern an implicit social model. So here was the answer I was looking for. However, I was left with a problem. What is the *heart* of biblical ethics? Capitalism is about the optimal deployment of capital. Socialism is arguably about the role of the state in society. So what is the chief focus of biblical ideas? Jesus provides the answer. He teaches that the central concept is 'love', or quality of relationship. It took me another 10 years to work out how to apply the concept of 'love' to issues of public policy! Gradually I came to realise that public policy has an immense impact on the way people relate to each other, both directly, and indirectly through its unintended side effects. God's interest, I came to appreciate, lies not so much in a society's, or a person's, level of wealth, but in the quality of their relationships. And God does not view us as humans with a detached objectivity, but with a passionate love which longs for engagement. It is this insight which has transformed my personal life and which underpins the work of the various charities which I have founded over

the past twenty years. I hope this brief summary of my story will provide some essential context to what follows.

## Different Lenses, Different Perspectives

Now let me turn to my subject: 'Money, Power and Relationships'. It is possible to look at the world through a number of different lenses. First, we might look at the world through the money lens. Take this hall where we are sitting, for example. We could ask how much it cost to build, what it costs to maintain, how much it costs to run. Or we could look at this hall through the environmental lens. We could ask how much oil or gas it takes to heat or cool it, what carbon emissions result and how much it contributes towards global warming. Or we could look at this hall through the power lens and ask who owns it, who controls the use of it, what effects its presence here is having on the distribution of power in society at large. Or fourthly we could think about this hall relationally. Who meets here, what kinds of relationships result from those meetings? Does it contribute to sustaining relationships across society in any particular way?

I believe the relational perspective is more comprehensive than the others I have considered because a significant aspect of these other factors lies in their impact on relationships. For example, money matters precisely because it influences the way people relate to one another. This point was made effectively by a former Trade Union leader in Britain called Jack Jones. He said on one occasion, 'There has never been a strike about pay, only about pay differentials'. It is because pay levels affect relationships that they matter so much.

Similarly, the environment is important for most of us, I suggest, not because we have a deep emotional attachment to rocks or plants, or even to wild animals. Rather, it is because our treatment of the environment will affect so profoundly the welfare of our children and our grandchildren, as well as the survival of many vulnerable people, for example, on the shores of the Indian Ocean in Bangladesh, albeit in 30-50 years from now. These inter-generational and inter-national concerns arising from the way we treat the environment are in essence relational.

Power, while it is an aspect of relationships, is only one aspect. A relational view will take account not only of parity or equality issues, but will look in addition at the quality of communication, frequency of meetings, length of the relationship, whether people know each

other in multiple contexts and whether they have shared objectives. The power perspective confines itself to just one aspect of the relational agenda, albeit an important one. Issues of parity in decisions, shared risk and reward, and respect may all be regarded as aspects of power. So is power important? Yes. Is power comprehensive as a way of looking at the world? No.

Let me put my point positively rather than negatively. Relationships are the key to personal well-being. This is the conclusion of a multitude of studies. Let me quote from just one – by the Australian Center on Quality of Life at the School of Psychology, Deakin University in Melbourne:

Living alone is a poor option for people younger than 66 years. It is likely that people with low well-being live alone either because they have recently broken from a relationship or because they cannot find a partner to live with them. The former reason could account for the very low levels of well-being in people aged 36-65 who live alone.<sup>1</sup>

Professor Layard at the London School of Economics, the founder of ‘Happiness Economics’ comes to the same conclusion as he attempts to explain the decline in happiness in Western societies over the last 50 years.<sup>2</sup> So does Clive Hamilton at the Australia Institute, who has been studying ‘deferred happiness syndrome’.<sup>3</sup> In

addition to being concerned for happiness and well-being, relationship support has been shown over and over again to be a key factor in health outcomes. In 1988, *Science* concluded that isolation was as significant to mortality rates as smoking, high blood pressure, high cholesterol, obesity and lack of physical exercise.<sup>4</sup>

So I want to propose that looking at the world in terms of relationships is the most important lens for us

to use, in the sense of being the most comprehensive and the one which does most to explain our health, happiness and well-being. Even if you haven’t had time to adequately reflect on this premise, could I ask you to accept it for the time being and see where it takes us?

### An Alternative Perspective on Private Life

If we look at the world through the relational lens, we shall ask very different kinds of questions about all kinds of issues in our personal lives. For example, when

you bought your microwave oven, did you ask the financial question (what does it cost?), the spatial question (can I fit it in my kitchen?), or the relational question (how will this piece of equipment influence relationships in my household?). When you decide to watch a rugby match on the TV for the afternoon, do you assess whether the overall impact of your decision, from a relationships perspective, is positive (e.g. it is a talking point with my friends), or whether it has negative relational effects (it takes away talking time with my wife or partner)?

Take another example. When you are thinking about your pension, do you think of it in terms of a stock of *capital* available to you at the age of 65, or thereabouts, to sustain you during your later years, or a stock of *relationships*? If relationships are more important than money for happiness, except at a very basic standard of living, then it is more important to invest time when you are in your 40s or 50s to build your relational pension than to invest money to build your financial pension. This has immediate application. For example, it affects your decision about whether to stay late at the office in the evening (here I am speaking especially to myself!). Am I giving priority to my financial or my relational pension, investing money in my bank account or investing time in my relationships with family and friends?

It is possible to do the same relational analysis on emails, cell phones, mealtimes and holidays, to cite just a few examples.<sup>5</sup>

### An Alternative Perspective on Public Services

A relational starting point gives a different perspective, too, on criminal justice, health and education. This is true at the level of *goals*, that is, what is the public service seeking to achieve? It is also true at the level of *methods* - how are those goals to be achieved? This can be illustrated from any of the public services, but let me comment briefly on just one, the criminal justice system.

At the risk of over simplification, the goal of the criminal justice system has been seen in terms of upholding the moral order in some abstract sense, so that retribution following an offence, to demonstrate commitment to the moral order, is key to achieving its goal. Alternatively, the goal has been defined in terms of rehabilitating the offender into society, so that re-education rather than retribution is a more appropriate emphasis. However, the goal of the system can be defined relationally, in terms of restoring the relationship broken by the crime between the offender and victim, and between the offender and the community, and also in terms of sustaining relationships in the community in the longer term.

Am I giving priority to my financial or my relational pension, investing money in my bank account or investing time in my relationships with family and friends?

Then retribution in the form of physical and/or emotional suffering has an appropriate place, but only as a part of that relationship-restoring process. Retribution must be a part of putting things right.

This is the approach taken by what is widely known now as Restorative Justice, which developed from Christian teaching through the Mennonite community in the United States, and which is similar to what we refer to as 'Relational Justice'.<sup>6</sup> Restorative Justice has had a significant influence over penal policy in the UK over the last seven years.

The 'relationships factor' is also important in considering the form which retribution takes. The relationship between offender and community requires not just that the feelings of the victim and the feelings of the community are respected, but also that the dignity of the offender – that is, the relationship the offender has with himself or herself – is also respected. On both counts, prison is a poor option. We might wish to consider why Western societies have such scruples about inflicting any form of physical pain on an offender as a form of punishment, but apparently no hesitation in inflicting any amount of emotional, or relational, pain. I realise I am touching on a complex and sensitive subject here, and much more might be said. However, I hope the questions I am raising will provoke further reflection.

A relational approach can also be applied to the health and education sectors, both in terms of their goals and how those goals can be achieved, but I haven't time to explore these now.

## An Alternative Perspective on International Development

Suppose I ask you to think of a less developed country (LDC). Which country do you think of? Was it in Asia, Africa or Latin America? You are likely to have asked yourself the financial rather than the relational question when I asked you to think of a less *developed* country. You asked yourself, I suspect, which country has a low income. But that is to define 'development' in purely economic terms.

Supposing we define development in relational terms. What yardsticks might we use? We could ask which country has the most child abuse, the most households with a single person living on their own, the most loneliness among older people, the highest proportion living on antidepressants, the highest levels of marital breakdown. On these criteria we might decide that the US, rather than being the most 'highly developed country' in the world was in fact the least developed, with Britain and Australia not so very far behind.

This, too, has important implications. Much Western arrogance is built on this materialistic mindset. In

OECD countries, as well as feeling superior for reasons of our income and technology, we often look down our noses at countries in Africa or Asia on the basis of our democratic voting systems, or the impartiality of our courts. These are important relational achievements, but they do not represent the only relational criteria. In the West, we often fail to remember the ways in which we are less 'developed' than countries in Africa and Asia at a family and community level. We imagine that they should aspire to be like us. In many respects, we might more appropriately, more humbly and more relationally, aspire to be more like them.

The 'R Factor' can also be applied to peace-building initiatives. Rather than looking for a short-term political 'fix' to resolve violent conflict, a relational approach relies on building longer-term relationships of trust between the leaders of the different ethnic and political groups. The Concordis charity, which I helped to found, has demonstrated that research into the underlying issues can often help to identify ways forward acceptable to all parties. We used a relational framework effectively first in South Africa to help end the Apartheid regime, then in Rwanda after the genocide and most recently in the fragile environment of the Darfur region in Sudan.<sup>7</sup>

## An Alternative Perspective on the Financial System

Money is an important source of social glue. It gives reasons for people to stay in touch with each other even when the relationship is strained at the level of direct personal contact. Potentially it can provide a common interest that binds people together. Given the difficulties we all have in sustaining personal relationships, we should not underestimate the importance of this social glue. However, in Western societies as we have become wealthier, we have found ways to avoid depending on each other financially. Through the tax system, the state guarantees universal access to housing, health care and education. Although there are obvious advantages in flattening out income differentials, this role of the state may come at the price of mutual interdependence and community. In addition, we all now have individual bank accounts, individual insurance policies, individual pensions, individual savings schemes and individual tax codes. When we become financially self-sufficient, we so easily become relationally isolated.

Or take another aspect of the financial system which impacts on the pattern of relationships in a society – whether money is deployed primarily on a risk-sharing basis or using an interest bearing debt contract. From a relational perspective, interest arrangements load almost all the risk on to the borrower, whereas purchase of shares spreads the risk more evenly between lender and borrower. Indeed, it is possible to ask, as Jesus seems to

do in the parable of the talents, whether money ‘earned’ at interest is not reaping where one has not sown.<sup>8</sup> Further, because lending at interest does not require the lender to keep regular contact with the borrower, it contributes to anonymity in financial affairs across society and thus undermines ‘social capital’.

From a relational perspective, even company structure needs to be re-examined. For example, although the shareholders are owners of the companies in which they have invested, they no longer have any contact with the workforce in their companies. So they have little or no idea what people are feeling or thinking who are, in a real sense, working for them. Indeed, most of us who put our money in pension funds will not even know in which companies our money has been invested. So how can we know how that company is treating its workforce? Such is the relational distance now between owners of companies and those who work in them.

An example of an initiative in the UK based on this relational approach is an ‘Industrial and Provident Society’ called *Citylife*.<sup>9</sup> Zero-interest five-year bonds are issued in large cities to raise funds to tackle local unemployment, backed by the guarantee of a major bank. Three such bonds have been issued already – in Sheffield, Newcastle and East London – with a total value of over Aus\$ 12 million. These bonds do not just help restore relationships in the households and families of the unemployed. They also provide the opportunity for wealthier citizens and local companies to demonstrate their concern for the more disadvantaged members of their community. We believe this serves to build trust and goodwill across the income and residential divides of the cities where the bonds are issued.

## From the Relationships Perspective to Spiritual Realities

I now want to take the argument on to another stage. If relationships are so important to understanding and interpreting every area of life, whether personal lifestyle decisions, goals of the public services, international development or the financial system, what does this tell us about the meaning of life, and about reality beyond the threshold of death?

Christianity uniquely has an understanding of God which is relational. Unlike Eastern religions, Christianity tells us of a God who is personal; unlike Islam, Christianity paints the picture of a God who is loving as well as powerful. While the bible confirms that God is one, it also points to a God who is in some mysterious way at the same time three persons in perfect unity. Thus, although people of all faiths or none may recognise the importance of relationships both for public policy and personal lifestyle, Christianity uniquely provides a logic for the priority of the

relational perspective at a philosophical or theological level, as well as a motivation and enabling power to move from relational theory to relational practice.

Wherever you look in Christianity the central theme is relationships. The two genders of our humanity, and their mutual interdependence, reflect in some way the interdependence built into the nature of who God is; as the book of Genesis expresses it, human beings are made ‘in the image of God’. The story of the Garden of Eden is about the moment when the relationship between God and humans is ruptured. The idea of ‘righteousness’ defines what constitutes right relationships. What Christians call ‘sin’ is a way of describing the hate and rebellion which human beings feel towards the God who made them, before reconciliation with God takes place. The importance of the cross in Christian theology is precisely because it is through this extraordinary event that a relationship with God becomes possible and all broken human relationships can be healed. Christian ethics and lifestyle are concerned with love, which in the bible is not a way of describing romantic attachment, but is better defined as ‘other person centredness’. Eternal life, in Jesus’ definition, is getting to know ‘the Father’ and himself; it is a relational understanding of life after death.

Christianity offers hope for every broken relationship. While the first relationship in our lives requiring restoration is between ourselves and the God who made us, hope is offered for the restoration and healing of every other broken or festering relationship. Christianity is about forgiveness, putting things right, rebuilding shattered friendships – whether between God and the individual, between individuals, between ethnic groups, or between nations. No other religion is as deeply and consistently relational in its explanation of reality, or as full of hope of the possibility of healing the pain and divisions of the past.

So if you come to the conclusion that life and happiness are primarily to do with relationships, I commend to you Christianity as the religion which makes most sense of the past, provides greatest insight into the present, and offers most hope for the future.

## Some Implications for Public and Private Life

The Christian faith, with its relational focus, points towards a new approach to the way we think about politics. So much of our present preoccupation in politics is with the growth and distribution of income. In contrast, relational priorities would make us ask, for

Christianity uniquely has an understanding of God which is relational.

example, whether population stability is more important than mobility, because rootedness builds long-term and stable relationships. Instead of ever-larger hospitals, schools and prisons in the interests of so-called 'efficiency', we might question whether smaller institutions were preferable because they foster happier and healthier relationships generally, and more readily produce the benefits of responsibility and caring. At least in relational terms, small is beautiful.

The relational emphasis also provides a fresh challenge to the churches. The New Testament points to the church as providing a model of the relational community. Yet today how relational are our churches? As a Christian, do I forge deep enough relationships with other Christians to make myself vulnerable, to be willing to forgive and forbear when I run into differences of personality, outlook and lifestyle? Do I share my financial resources when there is a need in the church? Do I avoid bitter arguments, and do I demonstrate to society at large how deeply I support and care for other Christians? If not, shame on me, for I do not mirror to wider society the God of love whom I say I serve.

At a personal level, as a Christian I have much to learn if I am to rethink many areas of my life from a relational perspective. This includes the manner in which I relate to my doctor, my neighbour and the person at the supermarket checkout. I need to re-examine my use of email, cell phones, Ipods, TV and microwaves for their impact on relationships in the household and beyond. This re-education process may take me a lifetime, but it needs to begin now.<sup>10</sup>

Finally, the relational understanding of Christianity is a call to the uncommitted. All of us have a religion, whether we are aware of it or not. Atheism is a religion; it requires as much *faith* to believe God does not exist as to believe he does. To be an agnostic is also to hold a faith position, which says that it doesn't matter whether or not one comes off the fence on the religious question, or that it is not possible to come to a conclusion on which religion is right.

It is time to choose a religion because our religious belief, at the very least, may determine what happens when we die, and on the relational criteria set out in this talk, will definitely have an immense influence on how we live. Look at the religions on offer. Evaluate them.<sup>11</sup> Then choose which one is most plausible and makes the most sense. Christianity has never been afraid of competition.

However, if Christianity is true, it is important to realise that it is not only that we face a dilemma, but that God does as well. You cannot have a relationship with someone who doesn't want it. It takes two to tango. Because God gives us free will, it is as if He has tied His own hands. He cannot and will not force a relationship

upon us. So the Almighty God of the universe in effect is saying to us, 'It's your call. You can have a relationship with me if you want to. If you don't want to, that is up to you'.

However, if we should decide that we want a relationship with the God who made us, there is one proviso. We can only come to God on His terms. That is, God will not compromise His own character of perfect goodness and justice in order to have a relationship with us. So we have to first find forgiveness to have a relationship with God. Christianity teaches that this forgiveness is only available through Christ, through the cross.

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<sup>1</sup> Robert A Cummins, Australian Unity Well-Being Index Survey: Selected Results Pertaining to Household Structure, Survey 12, Report 12, Oct 2004.

<sup>2</sup> For example, see Richard Layard, 'Happiness is Back', *Prospect*, March 2005, p 22 ff.

<sup>3</sup> Clive Hamilton, *Carpe Diem? The Deferred Happiness Syndrome*, Australia Institute web paper, May 2004 ([www.tai.org.au](http://www.tai.org.au)).

<sup>4</sup> See James House *et al*, 'Social Relationships and Health,' in *Science*, 29 July 1988.

<sup>5</sup> For more examples, see Michael Schluter and David John Lee, *The R Option*, 2003. Available from [www.relationshipsfoundation.org](http://www.relationshipsfoundation.org)

<sup>6</sup> There are some small but significant differences between Restorative Justice and Relational Justice. For a discussion of Relational Justice see Eds Jonathan Burnside and Nicola Baker, *Relational Justice: Repairing the Breach*, Waterside Press, Winchester, 2<sup>nd</sup> edition 2004.

<sup>7</sup> For details of the work of Concordis, see [www.concordis-international.org](http://www.concordis-international.org)

<sup>8</sup> See Matthew's gospel chapter 25. Verses 26 and 27

<sup>9</sup> For details of the work of Citylife, see [www.citylifeltd.org](http://www.citylifeltd.org)

<sup>10</sup> For resources to begin this exploration please visit the websites of the Relationships Foundation ([www.relationshipsfoundation.org](http://www.relationshipsfoundation.org)) and the Jubilee Centre ([www.jubilee-centre.org](http://www.jubilee-centre.org)). See especially my reflections in 'The R Option', available from the Relationships Foundation website.

<sup>11</sup> A helpful survey of the five major world religions, albeit written by a Christian here in Sydney, is provided by John Dickson, 'A Spectator's Guide to World Religions: An Introduction to the Big Five', Bluebottle Books, Sydney, 2004.