

A Relational Agenda

how putting relationships first can reform
European society

edited by Jonathan Tame



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Cover image: Prague, or ‘Old Town from above HDR’ by Pithawat Vachiramon. Creative Commons Licence 2.0: image adapted.

Sallux Publishing
first edition 2019
ISBN 978-94-92697-16-5

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Sallux is the political foundation for the European Christian Political Movement (ECPM). Sallux means “Salt and Light” and we want to spark a salted debate where needed and shed light on the issues we face. We present solutions by organising events and distributing relevant publications, and will not stay on the safe side of the status quo.

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Jubilee Centre

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The Jubilee Centre offers a biblical perspective on social, economic and political issues, and equips Christians to be salt and light in the public square.

We believe the Bible describes a coherent vision for society that has enduring relevance for Britain and the world in the twenty-first century. At the heart of this social vision is a concern for right relationships. We seek to study, disseminate and apply this vision in order to provide a positive response to the challenges faced by individuals, communities and policy makers.

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Introduction: Relational Thinking and a biblical vision for society¹

Part of the problem is that Christians are too bound up with single-issue politics - abortion or euthanasia or Sunday trading. There are two reasons why we must go beyond single-issue politics. First, if we focus on a few single issues it leaves much of public policy debate without a Christian influence. And, second, it's very difficult to win an argument on a single issue without putting those issues into a wider context and showing how they are part of a wider social vision. Now, where is that wider social vision to be found? - Michael Schluter

Do we still need a 'big idea'?

The fall of the Berlin Wall in 1989 marked a watershed in history. From then on, capitalism in one form or another was the only show in town, and the era of rival grand narratives in politics was over. Now, what is good is what works; policy should be assessed only on pragmatic criteria. This tectonic shift 30 years ago ushered in an era of pluralistic societies living with multiple visions of what is socially desirable.

However, this pragmatic approach has problems. It takes a long time to observe the full effects of policy, so pragmatism is experimentally hazardous. More fundamentally, policies are seldom if ever value-neutral. Pension provision, for example, involves a choice between individual, family and state responsibility. The tax and benefit system may support marriage or make cohabitation more financially attractive. A policy platform built on a case-by-case approach is likely to be full of internal contradictions.

Since market economics triumphed after the fall of communism, there have been few attempts to outline a coherent social vision. The grand vision for an ever-closer union of European states was accelerated after the creation of a common currency, the euro. However, following the expansion of the EU eastwards in 2004 and 2007, the great financial crisis of 2007/08 and the migrant crisis of 2015, anti-EU sentiment has been growing. The rise of nationalist and far right parties in European and domestic elections indicate that the post-war consensus around liberal, democratic values in the Western

world may be crumbling. Is it time to revisit the need for a 'big idea' for society? This is the same question which led to the foundation of the Jubilee Centre and the ideas expressed in this book.

Seeking an alternative to capitalism, Marxism and socialism

Jubilee Centre's story began in East Africa in the 1970s, where its founder Michael Schluter was part of an ideological discussion about development and nation-building at the church he attended in Nairobi. Which of the different approaches to national and economic development around them was the closest to the Bible? Was it the African socialist model in Tanzania, the capitalist system pursued in Kenya or the radical Marxist approach in Ethiopia? Meanwhile, contemporary Christian reflection in Britain centred on identifying biblical principles to critique public policy. The Left stressed justice; the Right stressed stewardship. However, such general principles were inadequate to evaluate newly independent nations in post-colonial Africa.

Michael was encouraged to take a fresh look at Old Testament law as an ethical foundation for public life. New Testament ethics were given largely to Christians; they assume the indwelling power of the Holy Spirit and were given to guide individuals and the church rather than societal behaviour. So the command by Jesus to 'turn the other cheek' is not an appropriate basis for sentencing armed robbers in a law court. Jesus himself points to OT law as the God-given source of ethical teaching when urging his disciples to act as salt and light in society, in the tradition of the prophets (Matthew 5:11-20).

A careful and judicious reading of the political, economic and social system contained in the Law of Moses proved a rich and rewarding study. Although the laws appeared at first sight to be a random collection, closer examination revealed remarkable internal consistency. Here was a coherent pattern of political economy which had self-evident relevance to the questions posed in East Africa in the late 20th century.

Overcoming the objections

When suggesting that biblical law (defined as 'an integration of different instructional genres of the Bible which together express a vision of society ultimately answerable to God'²) can provide a framework for public policy, people raise a host of reasons why we should not seek to apply it to life today. Four of the more important objections are:

i) 'Biblical law has no continuing role in the New Testament'

A superficial reading of the New Testament makes it appear that OT law has been made redundant by the coming of Jesus. But Jesus insists that he has not come to abolish the Law (Matthew 5:17) and Paul elsewhere says that 'the Law is good if one uses it properly' (1 Timothy 1:8). Biblical law was intended to generate Israel's social organisation and ethical distinctiveness, which was part of its calling to be 'a light to the Gentiles' (Isaiah 42:6).

ii) 'There is no mandate for Christians to promote biblical law in society today'

The immediate answer lies in the incentive offered by Jesus, 'anyone who practises and teaches these commands will be great in the kingdom' (Matthew 5:19). There is an intrinsic link between law and kingdom. As Paul says, the law was put in charge to bring us to Christ (Galatians 3:24). However, if the kingdom is only where the rule of Christ is acknowledged in people's hearts, what is Christ's relationship with the rest of humanity? The New Testament claims that Christ's reign is over all humanity, both as creator and as redeemer, whether people recognise it or not (Matthew 28:20). So Christians have God-given authority to challenge society with both law – rightly applied – and gospel.

iii) 'Biblical law upholds a society based on patriarchy and slavery'

The gender issue in OT law is complex and significant allowance must be made for the cultural context of the Ancient Near East. In agricultural societies generally, land inheritance cannot pass down through both sons and daughters or plots would become more quickly subdivided and scattered. This was clearly an issue in Israel, and when there was no male heir, an exception could be made as in the case of Zelophehad's daughters (Numbers 27). However, although men inherited property, women could hold prominent roles in managing their households (such as Abigail in 1 Samuel 25 or the noble woman in Proverbs 31) and could be leaders in the Israelite community (such as Miriam and Deborah).

With respect to slavery, Israel's institution was a far cry from life in ancient Greece or Rome. Slaves in Israel were allowed to run away (Deuteronomy 23:15-16) and were released every seventh year (Deuteronomy 15:12-15). Indeed, OT slavery is more like a domestic service contract, albeit giving considerable power to the householder. It was in effect punishment in the community for a thief or a person in debt (Exodus 22:3) and was probably

in most cases more humane than the social exclusion and enforced inactivity of a modern prison.

iv) 'It is not clear which parts of biblical law should be applied today'

While many of the laws and their penalties are part of Israel's ceremonial law, and thus are fulfilled in Christ and no longer binding on the Christian (e.g. the food laws), Jesus insists no part of the Law can be entirely dismissed on grounds of cultural irrelevance (Matthew 5:17). The reformers' categories of moral, civil and ceremonial law are helpful if seen to describe different purposes rather than different types of law. One specific command, to keep the Sabbath holy, for example, may be regarded simultaneously as having moral, civil and ceremonial functions. It is the moral-civil function of the Law, not its role as a sign of the OT covenant (Exodus 31:13), which is relevant to the ordering of society today.

What principles for political economy?

The next question is to ascertain which principles of biblical law could be applied today, in a largely secular context. The following are worthy of consideration:

- The foundation of the state should be a covenant or promise between regions or sections of society which binds the parties together for good or ill, as in a marriage, so that there is commitment to resolving disputes rather than resorting to force or withdrawal.
- The extended family should be given as great a role as possible to ensure its long-term cohesion. This should include economic and welfare functions as well as provision of emotional support, and nurture and education of children.
- All extended families should have geographic roots in a physical location and some permanent stake in property. This helps to ensure proximity of family members and stable local communities, and also some equality in social relationships while still allowing differences in levels of income and wealth.
- Surplus money should be channelled as far as possible within extended families and communities where returns are non-financial, or provided as equity capital to business so that risk is shared fairly between suppliers and users of capital.

- Crime should be regarded not as the individual breaking the rules of the state, but as a breakdown of relationship between offender and victim, and between offender and local/national community.
- The power of central government should be restrained to ensure participation of people in decisions governing their lives. ‘Subsidiarity’ encourages direct political involvement and helps develop relationships within the local community.
- National unity is to be built not on military or executive centralisation, but on a national system of law, education and medicine informed by shared values and aspirations.

These principles were found to be mutually reinforcing; they form a pattern of political and economic organisation.

Identifying the ‘big idea’ of biblical law

However, one issue remains outstanding: what holds all these laws together? What is the central theme of the pattern found in biblical law, which could aid its application to contemporary societies? The answer is as simple as it is profound. After replying to a slightly different question from a lawyer, Jesus went on to address directly this question:

‘Teacher, which is the greatest commandment in the Law?’ Jesus replied: “Love the Lord your God with all your heart and with all your soul and with all your mind.” This is the first and greatest commandment. And the second is like it: “Love your neighbour as yourself.” All the Law and the Prophets hang on these two commandments.’ Matthew 22:36-40

Love, of course, is not the language of finance or economics: it is the language of relationships. God measures a society, Jesus says, not by the size of its GDP or by the efficiency of its markets, but by the quality of its relationships. Such a finding is hardly surprising. Christianity is a relational religion, built around the doctrine of the Trinity. John points out that God is not an isolated individual living in a silent universe. Rather, ‘In the beginning was the Word, and the Word was with God, and the Word was God’ (John 1:1). As John Zizioulas has observed:

‘The chief lesson is that if God is essentially relational, then all being shares in relation: there is, that is to say, a relational content

built into the nature of being. To be is to exist in relation to other beings.³

Other aspects of Christian doctrine are equally focused on relationships. The central term 'covenant' is a promise which establishes and shapes a relationship. The atonement is explained by Paul as bringing about reconciliation (2 Corinthians 5:18-19), the restoration of a broken relationship. Eternal life is a developing relationship (John 17:3). Paul teaches that spiritual gifts, knowledge and generosity to the poor are worth nothing without the right quality of relationships (1 Corinthians 13:1-3). From the moment of conversion, the individual is called to become part of a new community and not to live or act in isolation (e.g. Ephesians 2:19). The language of relationships is pervasive in Christian doctrine and experience.

Relationships: what relevance to public policy?

It is not immediately obvious how the focus on relationships can be used to develop new approaches to diverse areas such as economic policy, financial services, healthcare provision or the prison system. However, the Jubilee Centre had an opportunity to learn how to do this in the UK context when it led the Keep Sunday Special Campaign from 1985 onwards, which opposed Margaret Thatcher's plan to deregulate Sunday Trading in Britain. To have any chance of winning, a wide coalition of retailers and trade unions had to be brought together to work with churches and concerned individuals.

When addressing such a coalition, it was not possible to use explicitly Christian arguments. The case had to rest on preserving family life, protection of low-paid shopworkers from pressure to work unsocial hours, and environmental factors. These are hinted at in Scripture as reasons for the Sabbath institution (e.g. Deuteronomy 5:15; Exodus 20:11). This approach was consistent with Christian teaching but didn't rely on adopting specifically Christian language. It was to provide a model for the future in how to balance the need to involve the wider world in seeking social reform while remaining faithful to biblical ideals.

In seeking to write a book that examined systematically the impact of public policy on people's relationships,⁴ Michael Schluter and David Lee realised that the contemporary language around relationships was inadequate for this task. So they developed the concept of 'relational proximity' in contrast to 'relational distance'; any given relationship had an optimum level of proximity, which could be evaluated using five facets or dimensions of interpersonal relationship. These were:

- quality of communication (directness)
- frequency, regularity and amount of contact, and length of relationship (continuity)
- variety of context of meetings and encounters (multiplexity)
- mutual respect and fairness in the relationship (parity)
- shared goals, values and experience (commonality)⁵

A later opportunity to work with the Scottish Prison Service to assess the quality of relationships between prison officers and prisoners led to the development of a formal measurement tool based on relational proximity. This tool has since been applied in companies and homes for the elderly, and between organisations in Britain's National Health Service. Although without explicit biblical foundation, relational proximity grew out of reflection on the reasons behind many biblical laws, and helped to identify the impact of much biblical law on the structure of neighbour relationships. These biblical roots have been explored systematically by Guy Brandon.⁶

Many features of Western society today undermine relational proximity. High levels of mobility make it difficult for people to develop close relationships with neighbours. Social media has the effect of dividing our time among more and more people, so that each contact tends to become more superficial; video streaming and music culture often inhibit conversation; urban planning norms and high-rise buildings have lessened opportunities for people to have frequent contact; the large size of companies and financial institutions threatens mutual respect and fairness in relations with customers and suppliers.

The relational approach can be used to critique legislation and the structures and working practices of organisations. It offers an alternative ethos for sectors of public policy, for example relational justice for the criminal justice system, relational schools and relational healthcare.⁷ It can also provide a basis for relational companies in the business sector.⁸ In these and other ways the relational approach, informed by biblical principles, can provide a reform agenda for public life.

Relational Lifestyle

The relationships theme overcomes the artificial divide between justice in public life and virtue in private life. Christians wishing to think and act relationally in their lives at work and at home will study the life of Jesus, who shows us how to relate to God and to other people perfectly, both

by his life and in his teaching. This covers every area of life. Agape, or unconditional, love is the ultimate goal for the Christian (1 John 4:7-12).

The primary requirement of a relational lifestyle is the need for long-term, deep, committed relationships. These will generally be focused within the extended family but also reach outside it. To achieve such relationships, roots are critical; this is why teaching about the Jubilee, which is primarily concerned with maintaining roots, is foundational to the social structure of OT law.

Time can be seen as the currency of relationships. In society today, smart phones and social media facilitate contact with greater numbers than ever before, but such wider contact is generally characterised by greater superficiality. To have a few close and deep friends, inside and outside the extended family, it is essential to prioritise relationships. Jesus sets relational priorities in his ministry after much prayer (e.g. Mark 3:13-17; 5:37) and his relationship with his Father in heaven always takes priority over all other relationships (e.g. Mark 1:35-7).

Close friendship, however, is more than a commitment to roots and prioritising of relationships. It involves sacrificial (agape) love, a willingness always to forgive, and an ability to expose one's innermost thoughts and feelings to another person. Such self-exposure is often painful, always risky. The experience of deep and painful relationships has enriched much of the greatest literature and art, including Goethe's poetry, Solzhenitsyn's novels and Rossetti's painting.

Relational Thinking: secular ideology or Christian strategy?

Does Relational Thinking (sometimes referred to as 'Relationism') have the ideological ambitions of capitalism and socialism? Such a suggestion immediately rings alarm bells for Christians. Ideologies smack of idolatry, solutions apart from salvation, and frameworks of political thought and action which do not acknowledge the Lordship of Christ. While Relationism could perhaps be regarded as an ideology in the sense of flowing from a worldview which is not shared by everybody, it should certainly not be regarded as an autonomous body of human thought.

The Relationships Foundation was established as a sister organisation to Jubilee Centre in 1993 as a catalyst to help make Britain into a more relational society. It is based on Christian values, but does not require any theological beliefs of its supporters. Following the earlier model of the Keep Sunday Special Campaign, the Relationships Foundation simply states

that it is founded on the ethical or relational values of the Judaeo-Christian tradition. Thus its framework can be endorsed by any who recognise the central importance of good relationships for human well-being, and who are persuaded by rational argument or intuition that the underlying principles are sound, regardless of their source.

So Relational Thinking is less than a fully Christian framework of thinking. By focusing on love for neighbour exclusively, it fails to require the first commandment: to love God. The absence of the vertical dimension of relationships means that the essential motivation for building strong social bonds and restoring broken relationships, even at personal cost, is missing. However, in seeking to influence a society where Christians are a minority, Christians cannot appeal to the first commandment, to love God, in the way that the OT prophets did. Such an appeal today is the task of evangelism. The most Christians can hope for in a pluralist society is to persuade people of the benefits of biblical social teaching, and thus to have national laws based on Christian rather than secular values.

In addition, by focusing public policy and personal lifestyle on the issue of relationships, Relational Thinking speaks in the categories and language of Christianity. It has been termed a 'translation strategy', helping to express in contemporary, secular terms many of the core concerns of biblical teaching.

Promoting Relational Thinking in the 21st Century

For those who are convinced that it is possible to derive a biblically based agenda for political, economic and social reform using the relational approach, it is essential not just to analyse what is wrong in society but also to try and change it positively. Jesus called us not to be passive onlookers, but to be active as salt and light (Matthew 5:13-16). The task is immense. Western societies are locked into an individualistic and consumerist worldview which is reinforced by the priorities of giant global corporations, especially through advertising, and by the preoccupation of political parties with economics and human rights. The centralisation of state power and individualisation of financial services (e.g. pensions, insurance, savings) provide further reinforcement. How can this stranglehold be broken?⁹

The day of the think tanks is passing away; it is no longer sufficient simply to promote ideas at an intellectual level. Policy is made increasingly after practical experiment, pilot schemes and regional initiatives. If Relational Thinking, or Relationism, is accepted as a strategy for Christian political and personal engagement, we can expect widespread reform initiatives

at national, regional and local levels based on the framework it provides. Those in national and local politics, in business and financial services, in the professions and in caring roles will work towards a fresh vision and with a renewed agenda.

Whether Relational Thinking has a long-term impact on Western society will depend primarily on whether it stays in touch with its biblical roots. Divorced from biblical teaching, it will lack the coherence and cutting edge derived from the wisdom of God's revelation in Scripture. It will also fail to attract and sustain the support of Christians who recognise explicitly or intuitively the truth and wisdom of its approach. If constantly renewed with the insights of biblical reflection, it may successfully challenge the current dominant Western ideologies.

The component parts of this book

The five parts of this book develop a broader introduction to Relational Thinking, and were published originally as separate booklets in Jubilee Centre's *Long Distance Christian* series between 2012 and 2018.

The Jubilee Roadmap articulates a positive vision of society rooted in biblical ideals – most notably the practices and impacts of the Jubilee year. It also condenses the Jubilee Centre's thinking on how a biblical, relational framework can be applied to contemporary society. It suggests that two alternative directions of travel can be taken by policy makers: one that accepts the prevailing ideology of individualism, while the other promotes a society based on good and just relationships. These contrasting directions are illustrated with reference to eight major themes: Family, Property, Community, Government, Finance and the Economy, Work and Rest, Welfare and Justice.

Relational Thinking and Catholic Social Teaching goes on to compare and contrast two perspectives on Christian social engagement. Catholic Social Teaching is a school of thought originating in the 1891 papal encyclical *Rerum Novarum* and has influenced Christian Democratic political parties across Europe for over a century. Relational Thinking is more recent and draws from a particular interpretation of biblical law. This section explores ways the two perspectives might complement each other in helping Christians to engage in the social, political and economic challenges which Europe currently faces.

The other three sections move from general considerations to three specific areas where Relational Thinking can be applied – to finance, technology and

business. *Crumbling Foundations* is a biblical critique of modern money. Although there has been much discussion of the nature of capitalism and the shortcomings of the banking sector following the 2008 Global Financial Crisis, there has been less analysis and critique of the monetary system that underpins our economies. The way we create money now – involving a complex interplay between central and commercial banks, electronic and physical cash – is a far cry from the Bible’s use of silver and grain as currencies. Nevertheless, this section argues that the Bible’s principles are eternal and have ongoing application in creating monetary systems that are both just and fit for purpose.

Artificially Intelligent? dispels some of the sensationalism around Artificial Intelligence, asking instead how a fresh understanding of humanity can shape the trajectory of AI development. It draws on research interviews from ten leading AI practitioners and thinkers, and provides a distinctly biblical framework for understanding this new wave of technology. Addressing all levels of expertise, the insights and guidelines provided are intended to enable Christian leaders in church, business and public service to make informed responses to AI that are rooted in their faith.

Finally, *Just Pay?* proposes a biblical framework for exploring the topic of remuneration – how much people should be paid at both the top and the bottom of a business or organisation. After explaining how remuneration decisions are made, the section introduces three major themes, drawn from biblical reflection – justice, dignity and reward. Justice is concerned with the fair amount of pay, to ensure families are protected from destitution. Dignity is concerned with the right kind of work and protects the agency of workers. Finally, reward is about working for the right reasons, and work which leads to the common good. Together, they provide new insight into the ethics and relational implications of remuneration.

Although these pages only offer a limited range of examples of how Relational Thinking can be put into practice in today’s world, and the emphasis is primarily on the UK, it is hoped that this book will provide an inspiring introduction to a biblically-based framework and strategy which can contribute significantly to social reform in European societies in the 21st century.

Jonathan Tame

Executive Director, Jubilee Centre
Cambridge 2019

Endnotes

- 1 This introduction is largely a revised and expanded version of Michael Schluter, 'Relationism: a Biblical Vision of Society', *Cambridge Paper*, 6/4 (1997), reprinted in Paul Mills and Michael Schluter, *After Capitalism* (Cambridge: Jubilee Centre, 2012)
- 2 Jonathan Burnside, *God, Justice and Society* (New York: OUP 2011), p.xxxii
- 3 Report of the BCC Study Commission on Trinitarian Doctrine Today, *The Forgotten Trinity* (British Council of Churches, London, 1989), p. 16.
- 4 Michael Schluter and David Lee, *The R Factor* (Hodder & Stoughton, London, 1993).
- 5 These ideas have been explored in depth in John Ashcroft et al, *The Relational Lens: understanding, measuring and managing stakeholder relationships* (CUP, Cambridge, 2017)
- 6 See www.jubilee-centre.org/relational-proximity-biblical-perspective/
- 7 See the 'r thinking' menu option at www.relationshipsfoundation.org
- 8 See www.relationshipsfoundation.org/publications/transforming-capitalism-from-within/
- 9 See Calum Samuelson, *The Steering Wheel: Confronting the ideologies driving the West*; available at www.jubilee-centre.org/steering-wheel/

Acknowledgements for *The Jubilee Roadmap*

This short booklet is a distillation of more than thirty years of thinking about biblical social reform, developed by Michael Schluter through the work of the Jubilee Centre. Along the way many people have helped to shape these ideas, particularly John Ashcroft of the Relationships Foundation. John and Michael, as well as Jeremy Ive, Jonathan Tame and Alan White, have provided detailed feedback on various drafts of *The Jubilee Roadmap*. Carrie Bedingfield of Onefish Twofish also helped us to explore different ways to illustrate the idea of a complex, interconnected model of society.

The **Jubilee** Roadmap

A biblical foundation for relational societies

by Guy Brandon

Foreword by Chris Wright

Foreword to original

From its foundation in the 1980s I was privileged to have a connection with the Jubilee Centre, both through personal friendship with its founder, Michael Schluter, and also through a shared understanding of how the Bible, and especially the Old Testament, relates to contemporary ethical issues. My own work on Old Testament ethics found very practical application in the publications and campaigns of the Jubilee Centre.

For three decades the Jubilee Centre has been active in bringing a biblical perspective to the public arena of social policy, legislation and reform. Key to the Centre's theological position is the use of the Old Testament as a normative authority for Christian social ethics: New Testament texts such as Matthew 5:17-20 and 2 Timothy 3:16-17 require that Christians are obliged to search the Old Testament scriptures for ethical guidance, and confining the relevance of Old Testament law to Israel BC is fundamentally misguided.

This holistic approach regards the whole social system of Israel as a normative model. That is, rather than take isolated laws and attempt to derive moral principles from them, we need to see how individual laws and whole categories of law, as well as the many social, economic and political institutions of Israel, functioned together. God did not just give arbitrary laws to an otherwise 'neutral' community; God created that community, moulding them out of an unpromising crowd of escaped slaves into a people with distinctive structures of social life in relation to the historical and cultural context in which they lived. It is this total community that was to serve as God's model for the nations. Therefore, any principles we derive from different parts of the model must be integrated and be consistent with the whole.

I am delighted to see this handy and helpful summary of the ways in which the biblical and relational work of the Jubilee Centre could impact church and society. May it prove informative and inspirational to many and enhance the transforming power of the salt and light of those who seek to live by, and to live out, the values of the kingdom of God.

Christopher J.H. Wright
International Director, Langham Partnership, August 2012
Author of *Old Testament Ethics for the People of God*

I. Setting the scene

1. Why this booklet?

The decades since the Second World War have seen far-reaching developments that have profoundly changed the way we live, communicate and do business – from cheap travel and the sexual revolution in the 1960s through to the expansion of the internet and rise of mobile technology in the '90s, to today's profusion of smartphones, email and social media. 21st century consumer culture, with its emphases on sex, shopping, celebrity and the self, represents a very different landscape to that of 50 or even 20 years ago.

Social, economic and political problems

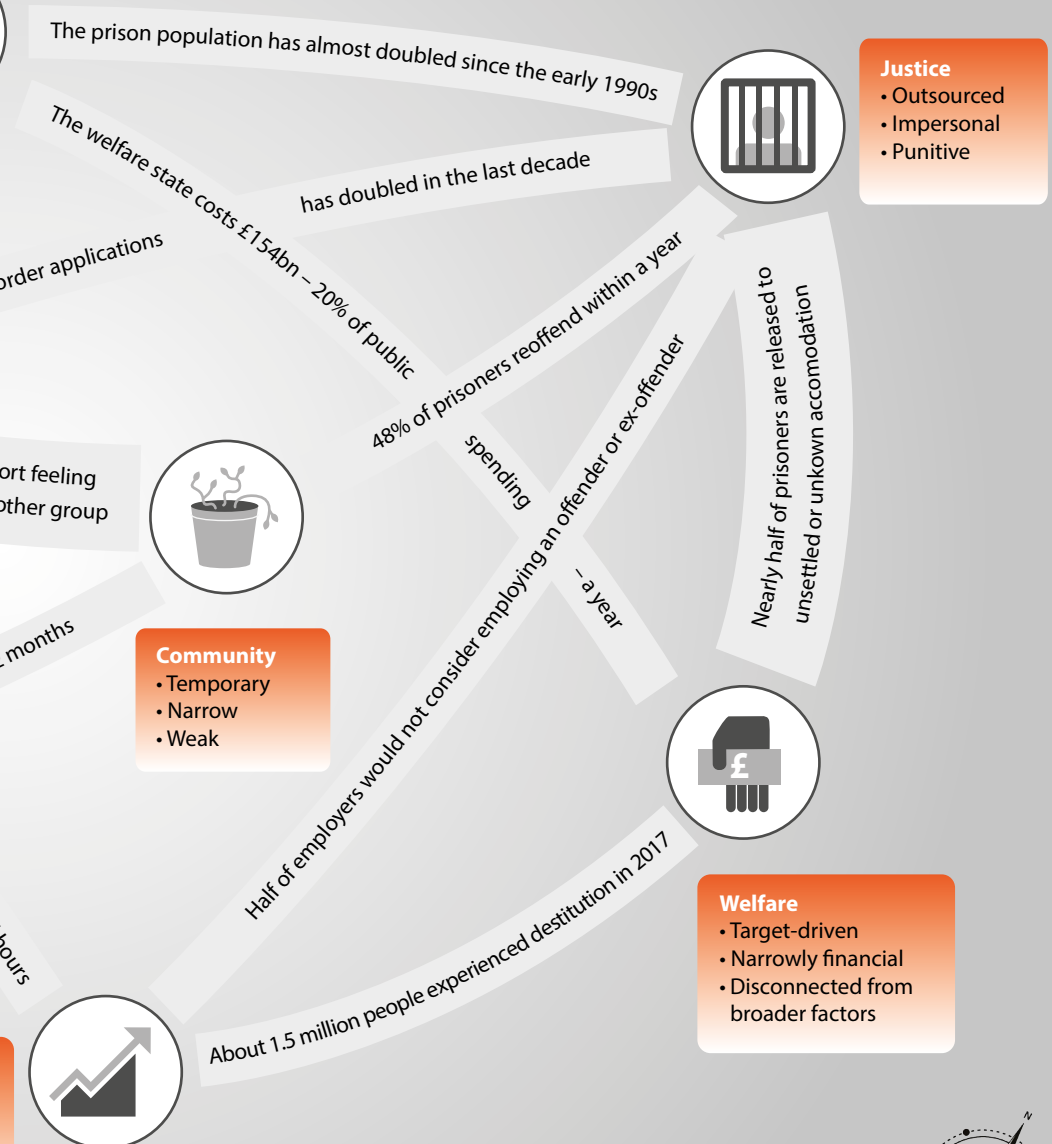
Alongside these developments have arisen social problems which defy easy solutions: family breakdown, crime, health and material inequality, as well as high levels of public and private debt. In 2007/08, the Global Financial Crisis marked a watershed in our history. As the events of the Credit Crunch and following recession unfolded it became increasingly clear that the economic system we had taken for granted for so long is broken, and that fundamental changes have to be made to avoid even worse consequences. Whilst the impacts of the financial crisis continue to make themselves felt across the world, the problems facing our society cannot be reduced to the health of the economy alone. The loss of faith in Capitalism and the period of austerity that has followed the financial crisis prompted the recognition that some profound changes – political, social and economic – were long overdue. Consequently, there is an unprecedented opportunity to reshape the world in which we live: to reassess our values and start again with fresh priorities.

A Christian response

This booklet was written to articulate a positive vision of society rooted in biblical ideals – most notably the practices and impacts of the Jubilee year. The immediate context of this was the 2008 financial crisis, and the accusation that the Church has not been able to offer coherent answers to the many problems facing our society. Properly understood, though, we believe that the Bible has much to teach us about how we can go about changing society for the better – actively bringing about justice and living faithfully to God in the decisions we make as individuals, churches and as a nation.

Setting the scene: a web of interconnected problems





Justice

- Outsourced
- Impersonal
- Punitive

Community

- Temporary
- Narrow
- Weak

Welfare

- Target-driven
- Narrowly financial
- Disconnected from broader factors

**'In those days Israel had no king;
everyone did as they saw fit.'**
Judges 21:25



2. Joined-up living

It is tempting to think that the problems facing our society can be fixed quickly and simply. Lowering interest rates stimulates the economy. Raising the retirement age generates more taxes and lowers government expenditure. Adjusting child benefit encourages more parents back into work. In purely economic terms, these make some sense.

Complex, interwoven problems

The catch is that society is a complex system. As the previous diagram shows, nothing exists in isolation. Every problem we fix by these means creates a range of side-effects. Like bubbles under the wallpaper, if we push one down it often leads to unintended consequences elsewhere.

If we really want to address our social and economic challenges in a lasting and meaningful way, we need a holistic vision.

Policies that affect employment also impact couples and family structure, since they influence who works where, for how long, and for how much money. Family structure affects the welfare budget, which picks up the costs of broken and struggling households. Interest rates impact employment, but they

also affect how much families pay on their mortgages and credit cards and the financial problems or freedom they experience as a result – either at the time or perhaps many years later.

The messages we receive about these interlocking aspects of society also play a role in shaping our cultural standards, what and who we value and prioritise: whether the opportunity to move for work is more important than stable, rooted communities; whether sexual freedom is more important than strong families; whether my personal choices are more important than the welfare of society as a whole. None of these things can be viewed in isolation. But that is the basis on which public policy – so often short-term, single-issue and fragmentary – tends to operate.

The need for a holistic answer

If we really want to address our social and economic challenges in a lasting and meaningful way, we need a holistic vision rather than just single-issue political campaigns. We believe that the kind of society the people of Israel were called to be, described in both the Law and the prophets' critique of their failures, serves as an inspiring example of how a society can 'walk in the ways of the Lord' – offering unique insights into the untidy collection of interconnected problems we face.

3. The biblical vision for society

The verse that epitomises the society depicted in the first illustration is Judges 21:25, ‘In those days Israel had no king; everyone did as they saw fit.’ Without a source of guidance society disintegrated into a collection of individuals, each going their own way: like our own, an individualistic culture that lacked overall coherence and direction.

This is diametrically opposed to the Bible’s vision for the ideal society. From Creation, through the Covenant with Abraham and later Israel, to the Crucifixion and beyond, the loving relations among the Persons of the Trinity provide the basis for God’s concern with right relationships.

Flourishing relationships

Jesus summarised the laws of the Old Testament in terms of flourishing relationships: “Love the Lord your God with all your heart and with all your soul and with all your mind.” This is the first and greatest commandment. And the second is like it: “Love your neighbour as yourself.” All the Law and the Prophets hang on these two commandments.’ (Matt. 22:37-40)

God’s concern for healthy relationships is the underlying theme that can inform our understanding and application of the Bible’s laws: everything in the Bible is about the quality and strength of our relationships with God or our neighbour. Christianity is a relational religion. The Trinity, the idea of Covenant, the Incarnation and the Cross are all fundamentally concerned with relationships between God and human persons.

The Jubilee year

The Jubilee year (Lev. 25), was central to the nature of biblical society. Its fundamental principle was that land could not be bought or sold permanently, but was returned to its original owners every 50 years. Overall the Jubilee laws shaped the economy, limited debt and poverty, governed patterns of work, rest and welfare, and supported strong families and communities. As a whole, biblical law is designed to provide the opportunity for close relationships, and to maintain them – whether within families, in business transactions, in religious worship or between different nations.

This idea is alien to the modern mind. We are used to thinking of ourselves as individuals and in terms of our personal rights and freedoms, rather than our responsibilities to others and how we fit into society as a whole. The Bible’s emphasis on right relationships is a challenge to our culture’s destructive focus on the self and provides a framework within which we can apply its teachings to our situation today.

II. The biblical model

1. Israel as a model for society

Both Old and New Testaments offer profound insights for our culture, but it is the Old Testament that provides detailed information about how God wanted his people to structure their economy and society. Unlike Jesus' proclamation of the Kingdom of God, the Old Testament model builds in measures to account for 'hardness of heart': humans' innate tendency to go their own way. Such tough realism is essential when dealing with the realities of a secular society, over against God's ideals for the Church (cf. Matt. 19:8).

An integrated vision

Even Christians can be sceptical about the relevance of the Old Testament. It can seem so remote from our culture that we sometimes believe it cannot possibly have anything helpful to say. However, one reason that the vision of society described in the Old Testament is uniquely relevant is because it was so highly integrated. Different types of relationship and themes of public policy worked in harmony, rather than in competition. This is important because looking at a single topic from a biblical perspective – perhaps debt, abortion or workers' rights – is not enough. Even if the whole span of biblical thought is applied in detail to a specific issue, the idea still needs to be connected to the other interwoven strands of society, first in the historical, biblical setting and then in the application for our own day.

To understand how to apply a principle drawn from the Bible, then, we first have to understand how the different laws fitted together for Israel to create the relational ideal. Otherwise, it risks becoming disconnected from related issues, potentially leading to unintended and perhaps harmful consequences. Understood as a whole, the model of Israel offers a 'paradigm' or comprehensive template we can use to tackle the problems that face our own society.

Eight themes

The illustration and the sections below illustrate the relationships between some of the most important themes of biblical law and the sections of society they impacted: **Government, Community, Family, Finance and the Economy, Property, Work and Rest, Justice and Welfare**. Although there are other themes that are important to life today – such as education or the environment – the significance of the strands addressed here is indicated by the amount of space they occupy in the Bible.

2. Overview of Biblical law

The Jubilee laws in Leviticus 25 are fundamental to understanding this paradigm and thus we have treated them as iconic for the system as a whole. These laws were given to Moses on Sinai, to be applied ‘when you enter the land I am going to give you’ (Lev. 25:2). The section of the book of Leviticus in which this chapter is found is intensely focussed upon the idea of holiness as a condition of staying in the land (cf. Lev. 26). Leviticus 25 lays out some of the core principles that shaped Israel’s society and economy – interconnected values and priorities that provided the foundations for the kind of society that God wanted his people to build. ‘Holiness’ has social and economic dimensions, as well as those which are religious and sacrificial.

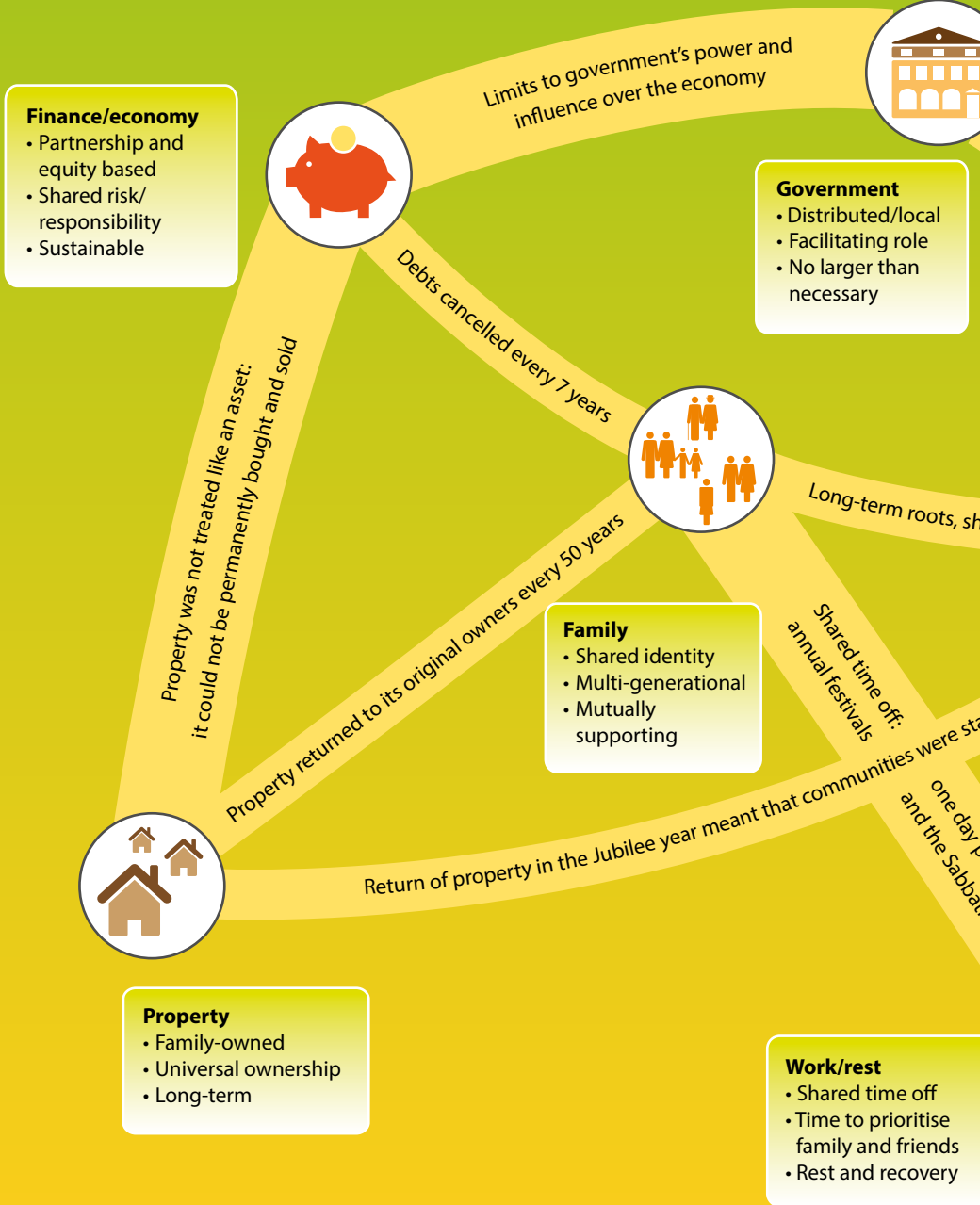
Interconnected laws

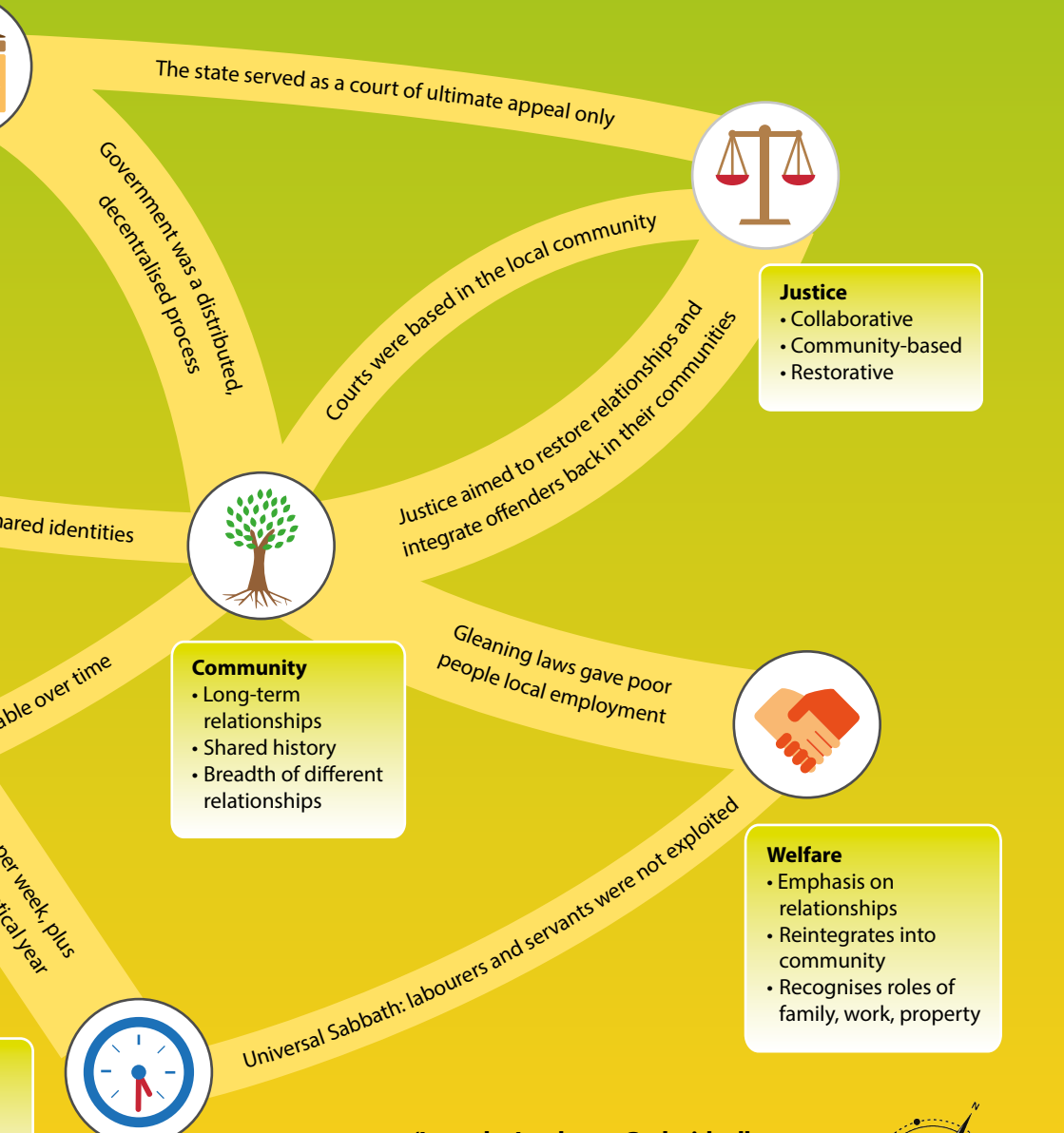
Beyond this, the laws described in the Old Testament – many of them in Deuteronomy – address many different areas of life. Some laws are fairly narrow, relating predominantly to one area. Nevertheless, because society is so interconnected, these could have wide-ranging effects – as the next illustration demonstrates. So, for example, laws around marriage are most directly relevant to the integrity of the family, but this had major consequences for the family’s relationship with the wider community, the economy, the environment and much else besides. Other laws are cross-cutting, addressing several areas of life simultaneously. The laws about the Sabbath encompass the strength of the family, workers’ welfare and the health of the economy, as well as the nation’s relationship with God.

As with the other strands, the laws governing the Israelites’ relationship with God were not inseparable from other areas of life. Some of the laws in the Old Testament – such as those applying to sacrifice and festivals – are more obviously relevant to the nation’s spiritual life. However, there was no distinction between sacred and secular law: society as a whole was ordered according to God’s instructions, and keeping the Law was a critical element of Israel’s relationship with God.

Jesus’ coming changed the status and form of observance of certain regulations. Therefore we do not observe sacrifices or commands about exclusivity today (such as the food laws), since Jesus’ sacrifice has rendered these obsolete in that form. However, he placed the highest importance on the Law as a whole (Matt. 5:17-18) and was adamant that he had not come to abolish the Law.

The biblical model: a holistic vision for society





'Love the Lord your God with all your heart and with all your soul and with all your mind... and love your neighbour as yourself.'

Matt. 22:37-40





The extended family

The *extended* family was the building block of society. Unlike our nuclear families (for which there is no word in the Old Testament), which comprise only parents and children, these were much larger units of perhaps 20 or 30 people consisting of the descendants of a single living ancestor – typically several related families over three or four generations, living in a cluster of buildings on their shared ancestral plot of land. As well as blood relatives, in wealthier families these groups would include hired workers, servants and adopted children.

Networks of support

It was within the extended family that a person's primary needs for provision and belonging were met. These units were economically self-supporting, and also acted as a safety net for those who did not have families of their own.

Because of the way the family was integrated with so many other parts of society, these laws... also had the broader purpose of influencing the character of the nation as a whole.

The three-generational family was the fundamental unit of society, but it was also part of much wider networks of relationships: the village or clan, the tribe, and the nation of Israel as a whole. Each of these groupings would have met various needs – protection, justice, trade, finance, welfare, employment, education, worship – as required.

Safeguarding family

A large number of the Bible's laws were designed to protect and strengthen the family because it was so important and played such a central role in social, political, military and economic life. Because of the way the family was integrated with so many other parts of society, these laws – whether economic, sexual or ceremonial/religious – also had the broader purpose of influencing the character of the nation as a whole, shaping it from the ground up.



Property

Closely linked to the status of the family was Israel's rootedness in the land. The vision was that each extended family had its own plot of land, which had been allocated when the Israelites first entered the land of Canaan (Josh. 13-19). This enabled each family to remain economically self-sufficient, and provided a platform of equality across all the different families in Israel. It also helped to strengthen and maintain the inter-generational relationships that existed within the extended family.

No family was faced with permanent loss of their land and, at least once in a person's lifetime, there was a chance of prosperity and independence for everyone.

However, the land did not belong to the Israelites outright: it was loaned to them by God. Most land could not be bought or sold on a permanent basis, 'because the land is mine and you are but aliens and my tenants' (Lev. 25:23). If a family fell on hard times, it could sell its ancestral plot to another family, but only until the next Jubilee Year, every 50th year. These factors – ultimate ownership by God and long-term stewardship by extended families – also helped to foster a sustainable approach to the environment.

A permanent inheritance

In the event that land had to be sold, its value was therefore limited because it could only be sold on a leasehold basis: the value was directly dependent on the number of years of crops the new tenant would receive before the next Jubilee year, when the plot reverted to its original owners. (The exception to this was urban property – and even then, the seller was allowed to buy it back for up to a year.)

This meant that no family was faced with permanent loss of their rural land and, at least once in a person's lifetime, there was a chance of prosperity and independence for everyone. It also meant that the wealthy could not amass land at the expense of the poor. As well as this redistribution of land every fifty years, citizens who had pledged to work for others due to debt or poverty were released to return to their families every seventh year.



Community

Another effect of the Jubilee laws was that families had strong collective roots in their plot of land. The land was their means of production, and their shared stake in it meant there was a strong incentive to stay together.

The Jubilee laws, therefore, supported both the stability of the extended family and relationships within the wider community. Populations were relatively fixed and mobility was limited. It was recognised that poverty and the need for employment were common reasons why people would leave their existing communities, and various measures aimed to make this unnecessary. Where someone was forced to move to find work, there were periodic opportunities to return home, with debts written off every seventh year, and land returned to its original owners every fiftieth year.

Long-term roots

This was important because family and community could not perform their functions properly if they were scattered and fragmented. Long-term roots meant that there were opportunities for strong relationships to be developed across many different areas of life and across generations. Under these circumstances trust was easier to establish, since two parties did not exist in isolation but might have generations of shared history, plus many family members and friends in common.

Long-term roots meant that there were opportunities for strong relationships to be developed across many different areas of life and across generations.

The reciprocal arrangements this enabled had benefits throughout the community and underpinned a healthy economy and welfare system, as well as dramatically reducing the need for outside intervention by more centralised (government) authorities.



The role of government

The Bible is extremely cautious about centralised power of any kind. This was partly a reaction against the abuses the Israelites had experienced in the highly centralised and bureaucratic state of Egypt, where Pharaoh was viewed as a god. Similarly, the Assyrian, Babylonian and Roman empires come in for heavy criticism on the grounds that they are prone to corruption, violence and injustice at their citizens' cost.

Limited power

Samuel warned the Israelites that establishing a king and state apparatus in Israel would entail a loss of their freedom and would require heavy taxation to pay for it all (1 Sam. 8). Unlike neighbouring countries, in Israel the power of the state over its citizens was carefully circumscribed to prevent the worst abuses from occurring (Deut. 17:14-20). The king was not to amass money and possessions, or military hardware, and was to be subject to the Law, not above it – including its requirements for land ownership and economic sustainability.

Central government did not have a major role in the early period of Old Testament Israel. Its task was rarely to intervene directly, but more routinely to enable the different groups in society to carry out their roles most effectively.

Decentralised government

Consequently central government did not have a major role in the early period of Old Testament Israel. Its task was rarely to intervene directly, but more routinely to enable the different groups in society to carry out their roles most effectively. Power was passed down to the local level as far as was possible, with families and communities governing themselves and higher authorities only being involved when a problem became too large to deal with. The immediate form of government for most citizens consisted of the 'elders at the gate' of the city, who judged local matters (e.g. Ruth 4:11).

State intrusion was kept to a minimum; instead responsibility and initiative were encouraged at a local level where they would have the effect of helping people bond together through their collective involvement.



Economic sustainability

Family and community relationships were further supported by the Bible's approach to the economy, debt and interest – though these were not consistently observed through Israel's history (Neh. 5; Jer. 34:8-11). The Jubilee laws were intended to ensure that inequalities could not occur as a result of a wealthy elite opportunistically buying up large tracts of land from the poor and effectively enslaving them.

An interest-free economy

Debt was carefully regulated. The Israelites were not allowed to charge one another interest (Deut. 23:19), and loans were cancelled every seventh year (Deut. 15:1-6). This meant that debts could not spiral out of control, pushing people into long-term poverty. The wealthy were not able to exploit the vulnerability of the poor in this way, meaning that inequalities would not become entrenched.

Biblical law... expects a close link between an investment and its return – rather than money multiplying simply through the passing of time.

Debt was seen as a last-ditch solution to hardship, not something routine and trivial. Jesus frequently used debt as an image for sin, including in the Lord's Prayer. It was recognised that debt always entailed an

element of enslavement, with the resentment that could easily follow: 'The rich rule over the poor, and the borrower is servant to the lender' (Prov. 22:7). Similarly, interest was a tool by which the rich unjustly extracted further money from their debtors: 'He who increases his wealth by interest amasses it for another, who will be kind to the poor' (Prov. 28:8).

Putting money to work

Biblical law sets out a different framework. It expects a close link between an investment and its return – rather than money multiplying simply through the passing of time. The familiar picture is that people should only reap where they themselves have sown; people have to work for an income, or make some contribution through their involvement when their money is invested (Luke 19:22-23). Together, these measures helped to promote relational independence, economic sustainability, and prevented long-term inequalities from arising and being perpetuated. In turn, this protected families from having to sell their land, or people being forced to move away from their communities to find work elsewhere.



Welfare

Stable families and communities, rooted together in the land they owned, formed a vital strand of the welfare system. Gleaning laws required that the Israelites left some of their harvests so that the poor could collect the remainder (Deut. 24:19-22). When someone fell on really hard times, they could temporarily sell themselves to another family – though this effectively meant being treated as a hired worker, rather than as a slave (Lev. 25:35-43).

Relational poverty

However, poverty was not understood solely in financial terms. The people who are repeatedly mentioned in the context of welfare are ‘the alien, the fatherless and the widow’ (Deut. 24:19): groups who were poor because they tended to be marginalised and might not belong to a family of their own. Financial poverty was often a symptom of ‘relational poverty’. This is why there was such an emphasis on providing for the poor in a way that enabled them to continue living within their families, communities and existing networks of support (Lev. 25:35).

Poverty was not understood solely in financial terms... Financial poverty was often a symptom of “relational poverty”.

The yearly and three-yearly tithes of agricultural produce were set aside for the poor, landless and those without families (Deut. 14:22-29). Additionally, those experiencing hardship could ask for a loan at zero interest, rather than an outright gift, with the condition that the loan would be written off in the seventh year (Deut. 15:7-11). This incentivised the poor to work in order to pay the money back, but maintained their self-respect and protected them from mounting debt.

Protecting the vulnerable

In the worst case scenario, when someone had to sell their land or labour in return for provision, there were always limits on the extent of this. ‘Slaves’ had far more protection than elsewhere in the Ancient Near East, including in Egypt, where the Israelites had experienced harsh treatment under Pharaoh. Periodically, the system would be reset with the cancellation of debts and slaves being freed every seventh year (Deut. 15:12-15). Additionally, *everyone* enjoyed a day off each week. It was a system which ensured dignity, not dependency, and a culture of mutual obligation rather than entitlement.



The Sabbath

The Sabbath – as well as the related Sabbatical year (when slaves were freed and debts cancelled) and the Jubilee year (when land was returned to its original owners) – were powerful influences in the life of Israel, reinforcing some of its strongest ideals. They were a key part of the covenant between God and Israel: a way of honouring God and their neighbours.

All of Israel was instructed to rest on the Sabbath... workers' right to rest had to be respected.

All of Israel was instructed to rest on the Sabbath, but it was far more than a day off (Deut. 5:12-15). Yet again, the commandment was a response to the Israelites' background as slaves in Egypt, where they had no choice but to work every day of the week (Deut. 5:15). Because the laws applied to everyone,

Israelite or foreign, slave or free, it also meant that workers' right to rest had to be respected.

Work-life balance

The Sabbath laws affected many different areas of life. First and foremost, the Sabbath had religious significance as a way that the Israelites were consciously to prioritise their relationship with God over work. It was also a means of promoting justice, since when work and financial gain become more important than anything else, dishonesty and injustice soon follow (e.g. Amos 8:4-6). The Sabbath enabled families to have time together without work.

As a whole, the Sabbath, Sabbatical year, Jubilee year and three annual ten-day festivals all reinforced Israel's identity as God's people, as well as the ideals of freedom from slavery and poverty, family economic independence and economic justice. In addition, they helped to ensure proper 'work-life balance', to prevent people becoming materialistic and workaholic.



Justice

If right relationship is the unifying theme of Old Testament law, then the purpose of justice was to restore relationships where, for one reason or another, they had gone wrong. This did not preclude punishment or restitution as part of the process, but they were means to this end, rather than ends in themselves. The relationship requiring restoration might be between the offender and the victim, between two individuals or groups in a civil case, between an individual and the community, or between an individual and God – or any combination of these.

The Law served as a boundary marker, indicating the way individuals were to act if they wanted to remain within the community.

The law codes of the Old Testament outline the framework for the kind of society that God wanted in Israel. The Law served as a boundary marker, indicating the way individuals were to act if they wanted to remain within the community.

Local justice

As with everything else, justice was administered locally wherever possible and only the most difficult cases were dealt with centrally (Deut. 16:18; 17:8-13). Ideally, individuals and communities were to avoid relying on the courts and were to settle disputes amongst themselves without outside intervention – also the principle that Jesus emphasises in Matthew 5:25-26. This placed responsibility and justice in the hands of the people, rather than with a small group of professionals, and encouraged engagement and a relational solution between the two parties.

Where an official decision was necessary, the Levites played a key role in settling disputes and judging legal cases. Unlike the other tribes of Israel, the Levites were not given specific land of their own. Instead, they were given towns and pasturelands in the other tribes' territories, and received tithes and 'firstfruits' (see Deut. 26:1-15), and a portion from the people's sacrifices (see Lev. 7:28-36), in return for carrying out their various 'public services' – roles in health, education, the criminal justice system and constitutional law, as well as regulation of the money supply by standardising weights and measures (see references to the 'shekel of the sanctuary', e.g. Lev. 27:25). In this respect they were not the landed and wealthy elite that the Egyptian priesthood/bureaucrats were; they were reliant primarily on donations from 'the public' – that is, on the Israelite people – and served them.

III. How the world could look different

1. From the past to the present

Early Israel provides an overview or ‘paradigm’ of a whole system of relations at a given time which can help us to understand what God’s purpose is for society today. This is not to ignore the historical development which has taken place between then and now – both in the history of Israel in providing the context for the coming of Christ, and for the extension of God’s purpose from the people of Israel to the entire world.

Different cultures

There is an enormous challenge in applying biblical principles to life in the 21st century. A significant criticism of this approach is that they represent such different settings: the Bible describes a simple, agriculture-based economy whereas we live in one which is complex and technologically advanced. For example, the rise of the market economy, industrialisation and the more recent challenge of the information revolution have led to a far greater complexity of human relationships than has ever existed before. Amongst other things this complexity has involved changes in the character of the state, and has provided new cultural challenges and opportunities which the people of Ancient Israel did not face.

Applying underlying principles

However, the theme of flourishing relationships gives a broad framework within which to re-envision our society. Beyond this, it is not the specific laws themselves that we intend to apply – such as gleaning as a means of welfare, a seven-year limit for loans, death by stoning for adulterers – but the underlying principles that reflect concerns about what God considered central. These are shown in the final illustration, which highlights the differences between our current model and the biblical vision for society.

It is important to recognise that these principles cannot always be applied to society separately. For example, if all loans had to be interest-free but no other measures were taken, investors would pour money into property and other assets, driving up the price of housing and preventing families from owning their own homes. The different strands work best as a whole and there is the danger of unintended consequences if one is applied in isolation.

2. Overview: individualism vs. relationships

Our culture views the rights and freedoms of the individual as more important than almost anything else. There are limits when our behaviour most obviously starts to harm other people, but generally my life is shaped by my desires and my choices, within my abilities. The shape of society as a whole is the result of everyone going in their direction. We expect this to work reasonably well, in the same way that the economist Adam Smith believed, rather curiously in hindsight, that individuals all acting in self-interest would bring the maximum benefits for society as a whole.

Working back from ideal to individual

The society articulated in the Bible looks very different. Rather than starting with the individual's rights and allowing society to evolve from there, the Bible starts with the call to love God, working through an ideal vision of society and back to how individuals should act to bring this about: the responsibilities they have to each other if they want to be a part of it.

This recognition of the way our actions affect other people is critical to the relational approach, whether on the level of personal decisions or international events. We cannot isolate who we are and what we do from everyone and everything else. As explored in the first section, society is a complex system, and the same is true of our lives as individuals;

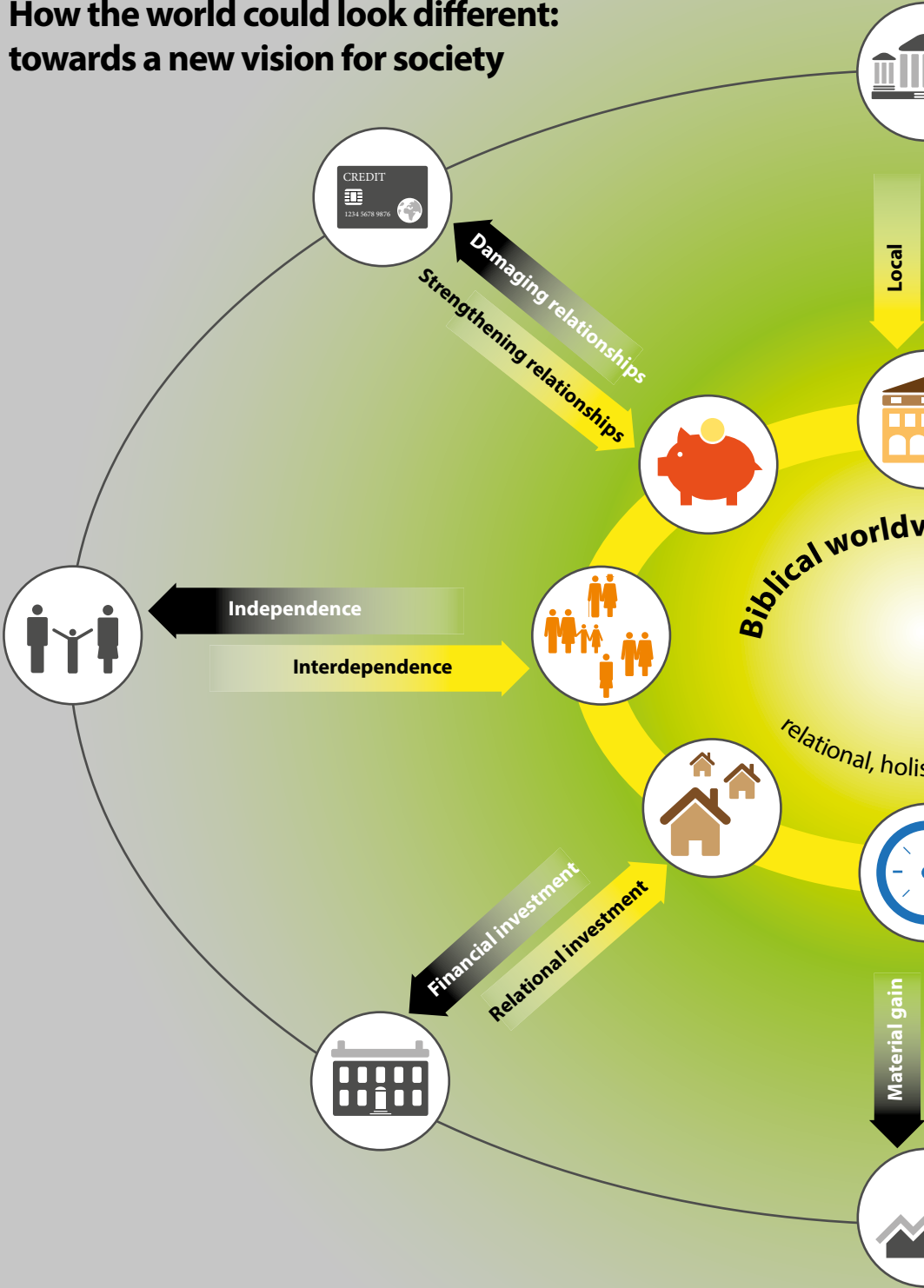
we cannot compartmentalise different areas of life and different relationships, as if they do not affect one another. Where we work, and for how much money, affects and is affected by where we live, how much time we get to spend with our families, the products and services we consume and the way we interact with our communities.

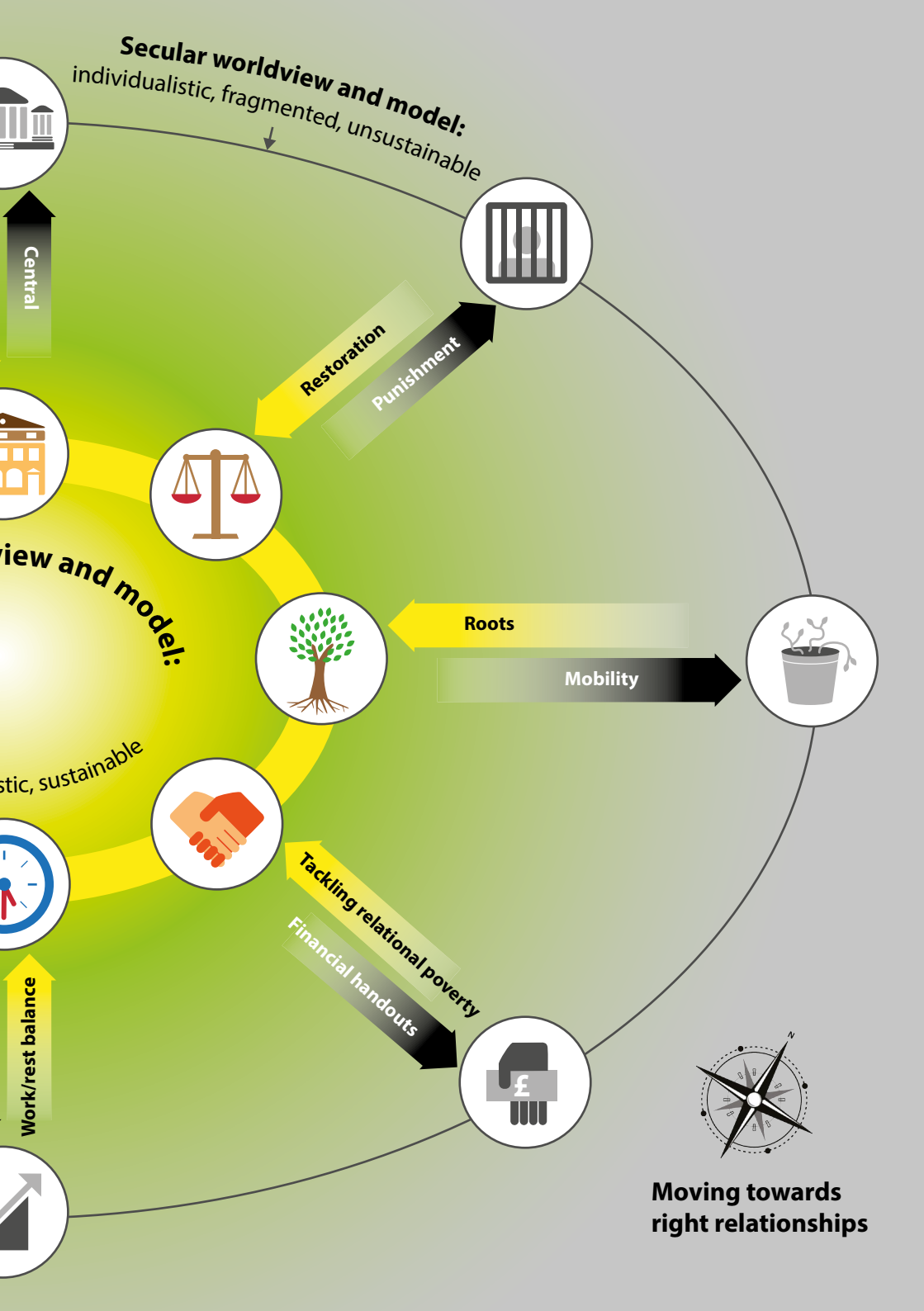
Rather than starting with the individual's rights and allowing society to evolve from there, the Bible starts with the call to love God.

Personal and corporate application

There is also a balance between applying these principles on a personal level, or as churches, organisations or nations: how much should be left to personal choice or household decisions, and the way we decide to live our lives, and how much should be the domain of our corporate Christian lives or public policy. Accordingly, we have presented the core principles as pairs of alternatives to consider. The last illustration shows these broad alternatives, followed by some specific suggestions for personal and public life.

How the world could look different: towards a new vision for society





Family: independence vs. interdependence

The Bible's insights raise the question of how we see our own extended families. Depending on our approach we might view family as anything from an important source of lifelong mutual support to a temporary setting we pass through before embarking on our own, independent lives and careers, perhaps returning to it for a time as parents ourselves. The family might be integral to our lives, or it might seem more like a bolt-on extra.

The way we use our money, the purchases and investments we make – property, pensions, loans and savings, amongst others – can similarly support family or otherwise.

Starting with the end in mind

We may make decisions about employment – where we work, salary, working hours – either to serve our families or at their expense. The way we use our money, the purchases and

investments we make – property, pensions, loans and savings, amongst others – can similarly support family or otherwise.

Neither can our so-called personal lives be separated from these concerns. One of the purposes of the laws around sexual relationships in the Bible was to protect both the members of the extended family and their ancestral property from being split apart. Along with high mobility, divorce and separation are the main reasons for the fragmentation of families today, undermining their solidarity and preventing them from carrying out their crucial roles of supporting and providing for their members.

Similarly, companies and the government play a role in promoting and even incentivising mobility and separation, affecting close proximity to relatives and undermining their ability to provide mutual care and support. At a time of austerity, and with a rising average population age, governments are finding it hard to raise the tax revenue to pay the welfare budget. It is, therefore, vital that families are strong enough to fill the care gap.

Property: financial vs. relational investment

A biblical approach fundamentally affects the way we view property, which is more often understood to mean houses and other buildings today, rather than land on its own. Aside from being a roof over our heads (assuming we live in the property), one of the major emphases today is that homes constitute an important form of investment – essentially a form of capital, the primary purpose of which is to act as savings, or to produce money through rental income and ever-increasing value.

Supporting family and community

But this is to turn property into something the Bible does not intend it to be. The Jubilee laws of Leviticus 25 were designed to ensure that each family had an allocation of land that remained theirs forever. This was a way of rooting a family in a particular location and ensuring that they had the means to be economically independent. It was not to be viewed simply as an asset, or a means of accumulating wealth, and could not be sold on a permanent basis – thereby protecting the family's rootedness and avoiding inequalities from building up over time as the rich amassed property at the expense of the poor.

Seeing property differently

Life is different today, since agricultural land is not the chief means by which most people are economically productive. But property can still be seen in two quite different ways today: either as a way of promoting financial self-sufficiency, rootedness and cohesion for families, or alternatively as an asset against which to borrow, a speculative investment that serves no other purpose than to produce a return. In these circumstances it might be seen as a place to live, but one with little in the way of obligations to the community.

In addition to personal circumstances and investment choices, the ideal of universal property ownership is also affected by inheritance and capital gains tax, as well as settlements in the event of divorce or separation. Government has a role in fixing these, and therefore in determining the likelihood that properties will stay in families over the generations – affecting mobility and community cohesion in the process.

Property can still be seen in two quite different ways today: either as a way of promoting financial self-sufficiency, rootedness and cohesion for families, or alternatively as an asset against which to borrow, a speculative investment that serves no other purpose than to produce a return.

Community: mobility vs. roots

The permanent allocation of land meant that whole communities as well as individual families were rooted in a particular area. This enabled long-term relationships to be established more easily and for people to build up and maintain networks of support.

Building trust

The strength of the community had a widely-felt impact throughout society. Instead of being fragmented and anonymous, relationships within a local area could be closer and more accountable. Welfare and justice were more likely to be activities that were carried out at a personal, family or local level, rather than administered centrally.

We can commit to an area, putting down roots and cultivating relationships, or we can value mobility.

For the same reasons, the way we understand both family and community inevitably affects many other areas of our lives. The choices we make can strengthen or undermine them. As with family, we can commit to an area, putting down roots and cultivating relationships, or we can value mobility – perhaps for

the anonymity, the freedom from obligations to relatives, or the economic opportunities it can bring.

Life decisions

But appreciating the value of roots goes far beyond this, affecting the way we think about employment, property and finance. These can all be things that are viewed within the context of strong relationships, or areas of life that we dissociate from the themes of rootedness and commitment to communities. The idea of roots also intrinsically affects the way we engage with 'government'. We may see our community – including our relationships with neighbours, local businesses and other organisations – as something we use for our personal advantage when we want to, without having any responsibility for the task of shaping the way it operates. Alternatively, we may recognise that our 'community' is something that necessarily reflects the investments of time, thought and effort that we put into it. The challenge today for Christians is to make this a priority when there are so many other demands on our time and resources.

Government: central vs. local control

The Bible carefully limits the role of national government, because it is realistic about the abuses that arise when power is centralised. At its worst, big government is expensive, bureaucratic, coercive and unresponsive to the needs of those it should serve. In all cases, it leads to non-involvement and disengagement of citizens in the decisions which most affect their lives.

Facilitating local activity

In the Bible's ideal, 'government' was a distributed process that occurred primarily across regional and local levels. Central government was only required to carry out activities that could not be fulfilled on these levels, such as foreign policy. Wherever possible, responsibility was located within local communities and even families. The task of government was to enable each group to carry out its role as effectively as possible – not to intervene directly to do everything for them. Only when this was not possible did the responsibility for action move up the chain to a more centralised authority.

Wherever possible, responsibility was located within local communities and even families.

This has implications for our own government, particularly at a time of austerity. Big government is expensive, but it is also inefficient and can only address the symptoms of social problems, not their roots. Greater openness may help to hold government to account, but it does not avoid the underlying problem that transferring power away from citizens robs them of decisions that they are best informed to make, and lowers their commitment to implementation and enforcement.

The part we play

But it also has implications for the way we engage with local politics and the way we take part in the decision-making processes that shape our communities. This may include making use of, and being a part of, local organisations such as schools, churches, voluntary sector care services and businesses, beyond simply voting every few years. We also need to regain the initiative that started co-ops, credit unions, friendly societies and trades unions, which have been in decline in recent decades, and re-engage with the political process through membership in political parties.

Finance and the economy: damaging vs. strengthening relationships

In the biblical model, money was intended to build or serve relationships of one kind or another – rather than relationships being, at best, irrelevant when people make financial investments, and collateral damage at worst. The laws around debt and interest prevented financial capital from being multiplied by the rich at the expense of the poor, increasing long-term inequality in society. Debt was viewed as a last resort – a solution to desperate need rather than a means of temporarily increasing consumer spending, or as a short-cut to capital accumulation in companies.

Debt was viewed as a last resort – a solution to desperate need.

Connecting borrower and lender

There was also a close connection – both materially and relationally – between the investor and user of funds. This is rarely the case today. Banks offer savers fixed rates of interest, but we seldom know what they are doing with our money and we have little idea of whether our capital ‘earns’ its return in a useful way. There is no obvious connection between the interest we receive and the contribution we make towards the profitability of the business where our money is deployed – something the Bible implies is ‘reaping where you haven’t sown’ (Luke 19:22-23). The same is true when the banks lend us money, perhaps for a mortgage or to fund a business. Share ownership also generally comes with no responsibility; we may not even know what we own if a pension company or fund manager handles it for us.

Debt and interest are central to the way our economy works – and also the way it has failed. Disconnection between the borrowers and the ultimate lender was a major contributor to the financial crisis in 2008. The disproportionate power of the financial institutions deemed ‘too big to fail’ led to them receiving huge bailouts funded by us, the taxpayers.

Investing in relationships

At an individual level, we rarely consider how a financial choice such as an investment or loan may affect others, whether they are close to us or on the other side of the world. Instead, we generally look for the most favourable interest rate above any other concerns. However, it may be possible to invest that money closer to home, taking some responsibility for how the money is used, by attending shareholder meetings, and strengthening family and local ties – thus generating a return which is both financial and relational.

Welfare: financial handouts vs. tackling relational poverty

Whilst realising the importance of material provision for those in need, the Bible also recognises that poverty goes far beyond a lack of financial resources. Financial poverty tends to go hand-in-hand with ‘relational poverty’: it is those who have few family members, little support from friends, who lack roots in their communities and who are on the edges of society who are also most at risk of financial hardship. This is why the laws concerned with provision for the poor were designed to enable them to stay in their own towns and villages, rather than compelling people to relocate to find work. The laws banning the charging of interest on loans were repeated in the context of land ownership (Lev. 25:35-37), since the landless were, and are, at risk from moneylenders, making their situation even worse.

Redefining poverty

Our own approach to poverty is often narrowly financial, typically seeking to use welfare benefits to nudge people over a certain minimum threshold of income. High-interest debt disproportionately harms the poor, and mobility and family breakdown mean that fewer people have the community ties that might provide both relational support and employment opportunities. Debt can increase relational poverty by creating great stress in households; it is frequently associated with marriage breakdown and even domestic violence.

Our own approach to poverty is often narrowly financial.

These factors further reinforce financial poverty and, unlike in the biblical Jubilee, there is no mechanism today to reset a fair distribution of property and start again. Neither are there many modern equivalents to the ‘edges of the field’ (Lev. 19:9-10) – the practice of leaving some land unharvested so that the poor could glean food, thereby earning a small income rather than receiving a handout. There may be initiatives today that could provide occasional or part-time work in the community in return for benefits.

A holistic view of poverty

The biblical model recognises that welfare should be a part of a much broader picture – an interconnected vision of society. We cannot solve poverty by reducing it to its financial dimension. Whilst the state can offer a safety net and ensure that everyone has a minimum level of material provision, relational poverty requires a broader and longer-term approach.

Sunday: material gain vs. rest

Our culture increasingly treats Sunday the same as every other day. Shops are open and employees are often expected to work. Some have a choice; others do not.

The biblical Sabbath was a day of rest from work that had far-reaching significance. It was a way of honouring God by placing Him above economic productivity, and celebrating what he had done in rescuing the Israelites from slavery (Deut. 5:12-15). It was also a way of protecting low-income workers and giving families the chance to spend time together.

A culture of work

Extending unnecessary work to a Sunday means that we have lost our shared day off, and whether through choice or poverty we are now in a form of work slavery, and/or debt slavery, to the big corporations. Those with large debts are more willing to work overtime or antisocial hours to pay them off – or

Even if all employees are given one day off each week, there is no guarantee that couples will have the same day off.

feel unable to refuse long hours. Additionally, extending 'working hours' across the whole week has a profound effect on the nation's psyche. There is no regular interruption to the pursuit of wealth and our culture consequently prioritises this above all else.

Even if all employees are given one day off each week, there is no guarantee that couples will have the same day off, or that parents will be able to spend time with their children at weekends. This is on top of already long working hours during the week, which take their toll on family life and are a major factor in family breakdown. As well as the relational impact on families resulting from a lack of shared time together, family breakdown and dysfunction have financial consequences for the economy as a whole and for taxpayers.

Threatening the vulnerable

We can see Sunday as an opportunity to rest, to go to church if we are Christians, and to spend time with friends and family – as a time to strengthen our relationships with God and those around us. Alternatively, we can see it as an opportunity for further financial gain or purchase of 'stuff' – something which may well have a negative impact on our relationships. Many, though, are not in a position to make the choice for themselves. If they refuse to work, they can lose their job and may well face great difficulty in finding another.

Justice: punishment vs. restoration

Biblically, the primary purpose of justice was to restore broken relationships between offender and victim, and between offender and society, to the extent that this was possible. Criminal justice was carried out at the local level wherever it could be through town courts; if a case was too difficult it was passed up to a higher authority. In this way victims were compensated and penalties could be harsh, but offenders were not excluded from the community – except in the very worst cases where their continued presence represented a threat or affront to religious and public life.

The same approach applied to civil law, which sought to compensate the harmed party and maintain their relationship with the offending party and with wider society, ensuring the fairest outcome for all.

Offenders are punished but – with some exceptions – are not required to repair the broken relationships with the victim and community.

Accessible justice

This grass-roots approach to justice, as well as regular public readings of the Law and the role it played in the everyday life of the family, meant that the whole community was involved in keeping order. Everyone was aware of their responsibilities; the law was not the preserve of experts but was accessible to all.

Today we are more likely to see dealing with crime as somebody else's responsibility. The breakdown of community relationships means that we are more comfortable 'outsourcing' justice to police and prisons, even for relatively minor offences.

Fixing broken relationships

Moreover 'justice' is rarely restorative, in that offenders are punished but – with some exceptions – are not required to repair the broken relationships with the victim and community. Instead, criminals are frequently ostracised, finding it hard to secure employment when released from prison and remaining on the margins of society.

Some initiatives today to implement local justice and a restorative vision might include resisting efforts to save money by reducing the number of local courts, so that family and witnesses can continue to attend cases easily. For prisoners, key issues are to teach relational skills in prisons, and to provide employment opportunities so that prisoners are better equipped to reintegrate into the community.

IV. Conclusion

1. Public life

The Bible's vision of an ideal society is very different from our own. Despite this enormous dissimilarity of settings, the principles that lay behind the Old Testament's laws as affirmed and interpreted by Christ in the New Testament have permanent relevance. This is because, far from being concerned primarily with matters of economic productivity or any other single issue, their aim was to establish and maintain flourishing relationships across every area of life.

Empowering smaller groups

In public life, this was achieved by fostering responsibility and engagement at the level of the family and the local community, rather than making decisions centrally by default. The king and state apparatus had an important role, but their job was to support and empower smaller groups and organisations, only intervening when these could not manage on their own.

Different institutions were thoroughly integrated so that their different aims were in harmony, rather than in competition.

Different institutions were thoroughly integrated so that their different aims were in harmony, rather than in competition. This booklet identifies a number of areas of importance in biblical law, indicated by the relative amount of material on each of them. These can broadly be translated into equivalent areas of policy today. Central to

the health of the biblical social order was the extended, three-generational family, since this was most people's source of lifelong support and financial provision. Families and communities were generally rooted and stable, something that was encouraged by the permanent allotment of land, as well as the laws around debt, finance and employment. Where things went wrong, either through crime or hardship, the aim of the Law was to enable people to remain part of their communities and networks of relationships, and to be able to take responsibility for tackling the problems they faced.

Biblically-informed social reform recognises that society is complex, and that we need to address each of these interlinked areas together to bring about genuine and lasting change. This then provides a coherent and integrated agenda for public policy.

2. The Church

In the New Testament the Church adopts Israel's calling to be a light to all nations (Isa. 49:6), instructed by Jesus to be salt and light to the world (Matt. 5:13-16). It is the Church's responsibility to model intimate, healthy relationships – not just for their own members but for society as a whole. The Greek word *koinonia*, often translated 'fellowship', is found many times in the New Testament and includes a sense of both intimacy and business-style partnership. Churches need to practise and model these two aspects of relationships to provide a platform for social engagement.

Engaging with others

Many churches are already at the forefront of social action and engagement in their communities, and are involved in a wide range of programmes. Others may see new opportunities in the needs of their local areas. These may be financial in part, but there will always be a relational component to them as they seek to bring those who are isolated for one reason or another back into fellowship – for example through community lunches; groups for older and unemployed people; and parents and children's mornings. There may be specialist advice services and various kinds of practical support offered. In some cases this can take place in partnership with local businesses, charities and even the public sector.

How we engage with the world around us is key to our corporate identity as believers: whether we meet primarily for our own interests or as part of a mission to reach out to others.

Depending on the resources available, churches may be able to start initiatives such as social enterprises and credit unions, allowing their members to access loans at below market rates. There may be counselling and relationships guidance, debt advice and budget planning, practical skills workshops – activities that would appeal to large proportions of the community – as well as social events and courses with a specifically Christian purpose, such as Alpha.

The purpose of church

How we engage with the world around us is key to our corporate identity as believers: whether we meet primarily for our own interests or as part of a mission to reach out to others and draw them into fellowship. The teaching given in churches also helps determine how we engage with these different aspects of life at a personal level.

3. Personal challenges

The final response is the set of personal choices we make in each of these areas. The decisions we make about family, community and employment, spending and investing money, housing, and time off are not irrelevant to one another. As in the public sphere, they are interconnected and the effects in one area have profound implications for others. The challenge is to make sure our lives are integrated, with the many effects of these choices pointing in the same direction.

A relational lens

That means we have to start seeing things through a different 'lens' – in terms of relationships, not money or other lenses. Whereas it is all too easy to make decisions based on their immediate financial implications, there are often hidden costs, both financial and relational, that may not become evident for many years.

Some of the biggest decisions we make will concern our employment.

Some of the biggest decisions we make will concern our employment. Where we work – both the location in the country and the distance from our homes – and the expectations we have in terms of pay, promotion and mobility over the course of our careers, will have enormous

and far-reaching consequences in other areas of life. They affect the time and energy we spend on our spouses, children, extended families and communities, and receive from them; the properties we purchase and the way we understand their role in our lives; the amount of money we have and our long-term financial decisions – mortgages, pensions, loans and major purchases, such as cars; even our physical and emotional health.

Building relational capital

All of these areas of life are inextricably interlinked, but it is all too easy to make one decision – perhaps our career path – and allow the rest to follow, rather than planning things more holistically. We rarely think where it will lead us in terms of our relationships in ten, twenty or even fifty years' time. But although these are decisions best made at the beginning of our careers, it is never too late to start prioritising relationships. The idea of a 'relational pension' illustrates the need to invest time as well as money for the future – building relational capital for retirement rather than just a pot of stocks and shares. That means being deliberate with the choices we make: seeking out long-term and strong relationships across every area of life, even if it costs us in time or money. Our starting point may be our family, or church, or work, or even where we shop and which businesses we use locally.

Further Resources

The Jubilee Centre publishes the findings of its work regularly. If you are interested in learning more about how a biblical worldview could shape life in the 21st century, email info@jubilee-centre.org or visit the Jubilee Centre website: jubilee-centre.org. Engage Magazine (which includes short articles and news) and Cambridge Papers (essays exploring a contemporary issue from a biblical perspective) are distributed by post each quarter. Email updates are sent out on a regular basis. We also have various training opportunities for individuals and groups to develop biblical thinking for public leadership, including a graduate programme for emerging social reformers. Find out more on our website.

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Two perspectives on Christian social engagement:

Catholic Social Teaching and Relational Thinking

by Mathias Nebel

Paul Dembinski

Guy Brandon

Michael Schluter

Preface to original

In October 2014 a group of 30 senior Christian leaders from business, politics, the Church and civil society met in Caux, Switzerland, to explore the decline of personal and corporate responsibility across Europe and the intellectual and spiritual causes of this trend. They went on to consider how an alternative culture of relational responsibility might be promoted, drawing on the emerging perspective of 'Relational Thinking'.

Participants came from Protestant, Catholic and Orthodox backgrounds, and during discussions several references were made to similarities between Relational Thinking and aspects of Catholic Social Teaching and the common good. Consequently, two of the organising partners (Jubilee Centre and Sallux) decided to undertake further research, and to explore ways the two perspectives might complement each other in helping Christians to engage in the social, political and economic challenges which Europe currently faces.

This report is the fruit of that initiative. Mathias Nebel and Paul Dembinski took the lead from the Catholic Social Teaching side, and Guy Brandon and Michael Schluter responded from the perspective of Relational Thinking.

The two papers that form this booklet are intended by the authors to be the first part of a conversation which they hope to develop further through a series of events during 2017 and beyond.

The authors would welcome any reflections or comments on these two papers; please write to them via info@jubilee-centre.org.

Given that the post-war political settlement in Europe is under mounting threat, this is an opportune time to look for fresh ideas rooted in Christian social teaching, so that the church can keep renewing her mandate to be salt that doesn't lose its saltiness.

Jonathan Tame

Executive Director, Jubilee Centre

February 2017

Part I:

Relational Thinking and Catholic Social Teaching

Convergences and Contrasts

**Mathias Nebel and
Paul Dembinski**

The purpose of this article is straightforward. As the title states it will compare and contrast two traditions of thought, namely Catholic Social Teaching (CST) and Relational Thinking (RT). It will proceed first by stating the differences existing between the two corpuses of texts in scope, purpose and method. Yet the comparison also discloses a no less obvious complementarity between the two corpuses. Both are deeply rooted in the Bible and western Christian tradition. The second part investigates the convergence existing between the two approaches. Finally, the article will try to find in the notion of the common good a way to bridge the two traditions of thought. The understanding of the dynamic of the common good may help refine Relational Thinking; whereas relational analysis may help Catholic Social Teaching reach the level of action and policies.

I Two corpuses of texts

Relational Thinking

Relational Thinking (RT) is a movement. As such it is deeply rooted in the experiences and intuitions of key individuals sharing a conviction: the idea that societies are built and survive on the quality of their relational capital. First among them is probably Michael Schluter. When explaining the origins of the many initiatives now covered by this approach, it is his own experience that he sets in the foreground¹. In an article from 1997, he explains the need he had while in Africa to seek an alternative to the dominant capitalist, Marxist or socialist approach to development. A careful reading of the Bible brought about the 'big idea' that the human condition is one of created beings who are in relationship one with another; relationships through which we are called to learn to love.

This biblical discovery - that love is the ultimate achievement of human relationships, and God's creating and saving love brings human loves to their fulfilment within the eternal communion of God's own Trinitarian relationships - was the genesis of RT. Yet it was in the Old Testament that Michael Schluter discovered the relationship between Israel and God, framed within a Covenant and a Law. The legal, social and economic order organizing the community was not indifferent to its relationship to God. The Covenant was both a law governing the relationship to God and a law covering the relationships between the people of Israel. This is the second element of the 'big idea': the quality of relationships matters to our society - the quality of the relationships generated by law, institutions and policies are not indifferent to the Christian faith.

The Covenant was both a law governing the relationship to God and a law covering the relationships between the people of Israel!

This intuition has since then been brought to politics and action, developing into what is now Relational Thinking. Crucial to it was the book Michael Schluter and David Lee published in 1993: *The R Factor*. Here, the question of how to translate and enact RT in the public square is considered. God's covenant and love can't be established in a pluralistic society as the axis of political engagement. But the quality of relationships can; the quality of social bonds matters to the State and to citizens. As an outcome of this book, the Relationships Foundation was created. Applying the first elements

of relational analysis to concrete political action, the Foundation launched several campaigns and initiatives - 'Keep Sunday Special' (1986), 'Credit Action' (1988), 'Citylife (Allia)' (1996), 'NPI' (Newick Park Initiative) (1987), 'Relational Analytics' (2015), 'Relational Peacebuilding Initiatives' (2015), etc. Out of this flourishing activity, many books and articles have emerged, from which four have been reviewed for this article: *The R Factor* (1993), *Building a Relational Society* (1996), *Jubilee Manifesto: a framework, agenda & strategy for Christian social reform* (2005), and *The Relational Lens* (2016). This is the corpus that will be under review in this article (see bibliography for full references).

Catholic social teaching

The corpus of texts known as Catholic Social Teaching does not form a fully coherent 'doctrine' as many would like to think. It is more a tradition of interpretation: a collection of texts representing the effort by the magisterium of the Catholic Church to be attentive to the surge of God's Kingdom among the many changes of modern society². As in any tradition of thought, you will find a real and conscious continuity between the texts and at the same time some stark inflexions brought in by popes with different sensibilities and by the historical twist of events capturing the attention of the international community. Thus the coherence and continuity of the texts is mainly grounded in the reference to one and the same Christian, Catholic faith as the starting point of interpretation.

Catholic Social Teaching is the effort made by a living Church to understand among the many social changes and challenges faced by our times, where God's Kingdom calls Christians to engagement.

It is commonly understood that the basic corpus of text making up Catholic Social Thought begins with Pope John XXIII's encyclical *Rerum novarum* (1891) on the condition of industrial workers and leads to the latest social encyclical issued by the current pope (Pope Francis, *Laudato sí*, 2015). However, the corpus can be extended well beyond these texts and includes the different written reflections and reactions as well as the practice of Catholic charities around the world. Many important texts issued by Bishop Conferences are considered as part and parcel of this tradition of thought (*Justice for all* US Bishop conference, 1985; *The common good*, UK Bishop conference, 1996; *The many faces of globalisation*, German Bishops conference, 1991). The point is, Catholic Social Teaching is the effort made by a living Church to understand among the many social changes and challenges

faced by our times, where God's Kingdom calls Christians to engagement.

Thus over the last 125 years Catholic Social Teaching has engaged many different topics: industrial labour conditions, workers' syndicates, just pay, the family, the poor, the limits of private property, the common good and the call for justice, solidarity, integral development, globalisation, the financial crisis, and to today's present challenges of climate change. No single document can be said to encompass the full teaching. But each one enriches the previous one and contributes to a Christian reading of the many realities of our present social life.

2 Convergences and overlaps

The importance of relationships

Catholic Social Teaching does not include *relationships* as one of its major categories or even as a term used in its texts. Although relationships are of utmost importance to Catholic theology, there is no *per se* analysis of the *dynamic of personal relationships* in CST and no special emphasis is put on institutions and policies that would affect them in that corpus. But despite this, *social relationships* are the one and central topic of CST: workers and capital, State and citizens, children and school systems, families and social policies, poor and rich, transnational corporations and consumers, human rights uniting human beings, etc. All of these relationships make up the core concern of CST.

These are complex, institutionalized relationships. Unlike close and personal face-to-face relationships, they need a certain amount of *institutional mediation* in order to exist. A *third party* is needed to mediate personal relationships; a third party which, in most cases, turns out to be an institution. It can be the market as an institution between producer and consumers, or the judge mediating quarrelling parties. But it can also be a personal third party: Christ unites through time and history all human beings in his person. Solidarity, justice, responsibility and integral development all, in CST, involve this theological mediation. It is through the person of Christ that we can all

be said to be brothers and sisters. It is in Christ's love that the call for justice opens to mercy, reconciliation and peace. It is in Christ that the hope for the common good can be maintained as the goal of politics.

Yet social relationships are manifold. They can't be reduced to a one-size-fits-all. Work relationships can't be reduced to the rights and duties foreseen by the Law. A human solidarity grounded in our common dignity does not preclude that at another level, private property might not only be legitimate but also required. What is true for family relationships – gratuity, benevolence and non-reciprocity - might not work as the main objective of international relations between States. It is therefore easy to understand why even social relationships are not theorised *per se* in CST.

The economy, politics, culture and law must be understood as but another dimension of our relationship to our neighbour and to God.

But if the multiplicity and heterogeneity of social relationships must be acknowledged, they all belong to one and the same dynamic: that of God's love that created the world and is leading it to its eschatological fulfilment.

The many social relationships and institutions are ordained towards a same and unique end which is God's love. It is a dynamic ordering and one which mostly escapes human understanding. It is God's work in our history, a hidden but nonetheless real and progressive achievement of all human relationships so that the good of the person and the good of the human community does not differ anymore. However, this ordering does not occur like some sort of natural or cosmological fulfilment. God's work is incarnated: it occurs among us and with us and even through us. God's ordering of all things toward their ultimate end involves the participation of humankind. All human progress towards the eschatological common good is actually our human participation in the progressive emergence of God's Kingdom.

Nowhere in CST is that vision better explained than in *Gaudium et spes* (1965). In drafting the role of the Church in today's world, the Second Vatican Council began with a tryptic. The first chapter recalls the personal relationships between human beings and God, created in His image and semblance and called to stay in His love. The second chapter then develops how this intimate, personal relationship to God necessarily involves and opens to others. Social relationships are part and parcel of our relationship to God. The economy, politics, culture and law must be understood as but another dimension of our relationship to our neighbour and to God. Christ is shown here as the ultimate

common good of humanity. Then, the third chapter reaches for action. It shows how our participation in God's salvific action is required; how we are to seek justice, solidarity, the common good among us as much as we seek in our inner life to reach to God's love. A Christian life is a life engaged in all the relationships through which God's love reaches its fulfilment.

Relational Thinking (RT) shares many of the previous elements with CST. This comes as no surprise. Both are rooted in the Judaeo-Christian tradition and refer to the same biblical texts. So when Graham Cole³ describes the origins of the 'big idea' of relationships he gives an overview of the Christian faith in terms of relationships: a *relational God* (Trinity), a *relational humanity* (given itself in relationships and called to a relationship to God), a *relational rupture* (sin as the dynamic breakdown of relationships), a *relational restoration* (in the person of Christ a new and unexpected relationship to God and between human beings is opened to humankind). This enunciation of Christian redemption in terms of relationship lays the ground for a *relational ethic* which claims that relationships are essential to any society and that the *quality of human life is ultimately to be measured by the quality of our relationships*.

But then, unlike CST, RT develops a much more detailed understanding of personal relationships. In 1993, Michael Schluter and David Lee sought to find a way to transform their previous findings into an instrument to assess public policies. They developed the incipient element of the framework that would become a familiar feature of the RT literature. This framework both proposes an understanding of relational proximity and serves as an assessment tool for relationships (both normative and analytical).

RT's aims are to propose solutions to the problems of contemporary society; to be able to come up with an agenda for reform.

Five key features are considered: 1. *The Quality of communication* (directness); 2. *The frequency, regularity and amount of contact and length of relationship* (continuity); 3. *The variety of contexts of meeting* (multiplexity); 4. *Mutual respect and fairness in the relationship* (parity); 5. *Shared goals, values and experience* (commonality).

Unlike CST, RT has a very strong pull towards action. It aims to be operational and see public action as the place where convictions and intellectual framework must be verified. RT's aims are to propose solutions to the problems of contemporary society; to be able to come up with an agenda for reform. This pull toward action is required to transform the biblical framework into something that could reach the level of concrete policies. Hence the need for

Christ identifies himself with the poor, the prisoner and the foreigner.

an alternative benchmark - both qualitative and quantitative - that could be leveraged to measure the impact of government policies. Relational proximity was to serve as a contrasting normative element to individual utility, economic efficiency or the different

claims of equality. The quality of government action should also – but not exclusively – take into account the quality of the relationships it furthers or creates.

The full importance of this claim needs to be rightly understood. The usual benchmarks to measure the success of public policies are 1. *Individual utility* (guarantee of rights, improved material conditions, access to social goods, enhanced freedoms, increased well-being, etc.); 2. *Economic efficiency* (efficient use of public resources; sustainable social investment; institutional coherency, etc.); 3. *Improved fairness and equality* (equality of rights and opportunities; non-discrimination; positive discrimination, etc.). RT adds to these criteria another one. It claims that of equal or even higher importance is the quality of relationship created by public action. For bad policies on that account not only hurt individuals but undermine the coherence and stability of the social link itself.⁴

Reason, pluralism and participation in the public square

Reaching the end of an encyclical, the average reader usually asks himself: ‘well – excellent – but what about action? How can this translate into politics?’ No amount of re-reading will dig up any specific ‘Catholic-Political-Agenda’. Indeed, the Magisterium carefully stops short of promoting specific policies or singling out a political party as being the ‘right one’. This is first due to the separation between Church and State and second out of respect for the legitimate diversity of opinions among Catholics regarding political priorities. This obviously has not always been the case, but since Vatican II, the position of the Church is very clear on the issue. The legitimate autonomy of political affairs – albeit implicitly recognized since *Rerum novarum* (1891) – is duly acknowledged in *Dignitatis humanae* (1965) and *Gaudium et Spes* (1965). Differences of opinions over politics among Catholics are said to be natural and to the benefit of democracy (*Centesimus annus*, 1991). Consequently CST – by making sense of the present world affairs in the light of Revelation – has to be understood as a framework for action. But one that stops short of commanding any specific public action. In that sense, CST principles are

hermeneutical principles that point toward action but do not command a set of specific policies. This distinction might seem dodgy. Does it not reduce CST to an innocuous discourse? That is, a self-defeating religious illusion that asks for action but retreats from action at the same time?

CST argues that the legitimacy of its discourse derives from two sources (*Fides et ratio*, 1998). The first is Revelation and matters for believers. The second is reason and experience and should matter to all. The public square is built on language and reason, argues the Church. By adopting the use of natural reason the Church's reading of social realities is accessible to 'all people of good will'. This does not hide the religious source of this reading. It simply asks for its relevance to be judged on its coherence and usefulness to understand politics. Religion-based discourses are not unfathomable. Expressed in logical, rational terms they may be understood by all. As any other actor on the public stage, the Catholic Church then takes part in the public debate. The authority of its discourse however should be judged on the quality of its arguments and the coherence of its discourse.

Moreover, CST feels compelled to enter the public square. As said before, there is an intimate link between the inner, personal relationship to God and social relationships. In Matthew 25, Christ identifies himself with the poor, the prisoner and the foreigner. Christian salvation is not a private reality occurring in the solitude of the inner-self. Charity requires justice and Justice would decay without charity (*Caritas in veritate*, 2009). The Catholic Church is compelled by its faith to a preferential option for the poor (*Sollicitudo rei socialis*, 1987). And as such, it has a duty to participate in the public square – respecting its plurality and secularity.

Relational Thinking also acknowledges the difficulty of entering the public square from a religiously motivated perspective. Several obstacles are identified: 1) the hermeneutic of biblical texts; 2) the normative authority of biblical texts in a pluralistic society; 3) The tension between principles and policies.

The plurality of texts requires a hermeneutical approach that will give a reasoned account of the main principles underpinning it. Historical developments and cultural changes must be taken into account as part of the interpretative process. The reader himself only reaches for the texts from a specific place in time and history. Reasoned principles are therefore not to be

Reasoned principles are therefore not to be equated with Revelation itself, but as its reasoned, formalized understanding.

equated with Revelation itself, but as its reasoned, formalized understanding.

On the question of the possibility to argue with a non-believer on the basis of religious principles, RT puts forward their exemplarity. Recognition of their religious authority is not needed for them to be part of the public discussion. Their *exemplarity* is sufficient to inspire policies on the basis of their ability to frame specific actions. As reasoned principles they are by nature accessible to all – believers as well as non-believers. There is obviously no question of imposing these principles on the latter, rather to discuss and eventually agree on them.⁵

On the last point RT as well as CST are careful to distinguish principles from specific policies. The first are ethical statements whilst policies are a means to achieve a specific goal. Between the two lies the whole difference between atemporal norms and concrete historical settings, between conviction ethics and responsibility ethics. Specific actions are always complex. There are many possible ways to achieve the same goal and different priorities can be set among competing normative claims. RT therefore advocates a necessity to engage in the political field but calls for prudence when identifying a specific policy as being ‘Christian’.

John Ascroft summarizes the position in the following paragraph:

‘We use the term “principle” here to refer not to a formal legal rule, but to the summary constructs which are our attempt to capture key aspects of biblical teaching, from many parts of the text, in a way that can be brought to bear on contemporary issues. They can be seen as a bridge with one footing fixed in Scripture but constructed differently in order to reach different points on the shifting sands of our contemporary context. As an aid, principles serve to remind us of the key values and guide us in their application rather than to prescribe courses of action directly (...). It is vitally important to distinguish principles from policies. A key distinction is that principles are ethical statements whilst policies are the means of achieving those goals. Christians should be willing to propose and campaign for specific policies as part of their social and political engagement, recognizing that disagreement is legitimate. The church, however, should be cautious in committing itself to policies which merely reflect the art of the possible – economically, politically and socially. (...).’⁶

As this quotation shows CST and RT have - if not identical - at least very similar approaches to politics. However, two important elements set them

apart. The first is the role played by *natural reason* and the notion of the *common good* in CST. The second is the emphasis put by RT on *action* and on *experience*. The Catholic Church trusts reason to be capable to unite people in a shared and common search for truth. The public square is the place ruled by reason where people find agreement out of their common commitment to search for the truth. But the search for truth is not the aim of politics, but a means to it. It has an instrumental value (*Fides et ratio*, 1998). Human polity aims at the common good, that is, the firm hope and belief that the good of a person and the good of its community ultimately stand in conjunction. There may be a permanent tension between the two, but they are meant to converge and will eschatologically be united. Christians must therefore engage in politics not just out of their concern for the poor, but out of their commitment to the common good. Searching for the public good is an essential part of the search for their own good. Public reason is the way to engage in this common search. Therefore if deep dissensions and strong disagreements are a natural part of the common good dynamic, they should not be confounded with the natural state of a human community (an unavoidable conflict of interest). Disagreements and dissensions can be and will be ultimately resolved. There is always a way forward toward the common good. Thus Christians, for all the setbacks, must constantly and peacefully engage in politics, in search of the common good.

Christian faith is incarnate and must show coherence between convictions and actions.

Relational Thinking on its side insists on action and the value of experience. Between convictions and actions there must be a continuity. The stated aim is from the beginning not so much to read the ‘signs of the time’ and propose a meta-discourse on politics but to engage in politics, to propose reform and to be able to achieve concrete results. The emphasis on action is adamant. Christian faith is incarnate and must show coherence between convictions and actions. The great intuition of RT is then to see the quality of relationships as a standard and a metric, which articulates *Christian convictions* (God’s love is the ultimate normativity of human life) and *political action* (a good society can be apprehended through the quality of relationships it builds between its members). The relational lens provides an alternative vision of society on which we can act.

Yet this very insistence on the necessity of action also leads RT to value experience. We must learn from experience. RT is no top-down, rigid Christian view of politics. It stems as much from experience as from Christian

convictions. Practice and experience of community life, economic transactions, policy making and political struggles are as important as the core Christian values that inspire them. Experience shapes a crucial understanding of how to translate Christian values into efficient and coherent policies. Action is learned through experience. Thus RT acknowledges a full hermeneutical cycle: ‘Our own experience has been that the interpretative cycle of text-paradigm-principle-policy can work in any order and any direction, enabling continual revision of provisional understandings.’¹⁷ This capacity to learn from experience and improve the conceptual framework of the relational lens sets apart RT from CST.

3 Mutual enrichment

A compare and contrast approach to CST and RT is of little help if it stops there and does not search for mutual enrichment. In this last section we will explore how one approach could benefit from elements taken from the other. Yet this positive move implicitly builds on a negative one. To search for mutual enrichment is to have a fair idea of at least some of the shortcomings of each approach. Thus we begin this section with some critical notes. We then move on to possible mutual enrichment.

Some of the limits

Catholic Social Thought and the ‘ivory tower syndrome’; Relational Thinking and the ‘one-size-fits-all’ relational lens.

CST is the voice of a magisterium. It is a discourse spoken out from the safe distance of the doorway to transcendence. Bishops or popes don’t engage in politics any more. The recognition of the difference between religious power and political power and the recognition of the autonomy of politics is now a given fact of Catholicism. This is right and was long overdue.

But there is a side effect: the distance of non-engaged players from those on whom they are commenting. The same syndrome affects academics. The self-imposed distance between the magisterium and world affairs is one that affects

CST. As a ‘teaching’ from an authority that refrains from entering the world and therefore retreats from the world, it leaves to ‘others’, namely to the famous ‘people of good will’, the task of acting according to its teaching. ‘Others’ must engage politics, ‘others’ must deal with the ambiguity of the world and ‘others’ will have to cope with hard political decisions. This distance explains the often *irenic* and mildly *ingenuous* stance of CST toward politics and governance in particular; this distance also explains the lack of practical thinking that could lead toward action and concrete policies. Lay people may be involved in the redaction of social encyclicals, but the point of view, however, always remains that of the magisterium. The ivory tower syndrome is one that haunts CST and limits its operability.

Too much prudence sometimes leads to irrelevance. For centuries popes were and acted as the head of a temporal power, excommunicating enemies, engaging wars to preserve their domains and opposing the pretensions of the incipient sovereign states. The Catholic Church has since then thoroughly revised its position and renounced political power. So much so that the magisterium doesn’t engage any more in any national political body and reduces its direct political action to CST: a position reflected in its status at the United Nations as Permanent *Observer* (not an *agent*). Indeed, this is the well-known weakness of CST. The corpus might be interesting and coherent, but it is widely ignored by politicians and economists. Even within the Catholic Church, few people – mainly theologians – read the social encyclicals. Practical irrelevance is actually the main challenge that CST has to face.

The ivory tower syndrome is one that haunts CST and limits its operability.

One of the limits of RT comes from its strength. By making relationships the main focus of its approach, it may also be asking too much from one single concept. First and foremost not all relationships are good relationships. The relational lens⁸ could easily overlook cases of institutional abuse or pathological relationships. Take the case of alcoholism. Most regular consumption takes place at home and usually takes a heavy price on family relationships. Would an alcoholic father or mother be picked up by the five standard benchmarks of RT? It might appear as a lack of *directness* (capability to engage the other), or failure of *parity* (lack of fairness and respect in the relationship) or even an incapacity to achieve *continuity* (length and duration of the relationships). But most alcoholic parents do love their children, claim that they respect them and are in a long term relationship with them (how can they cease to be their parents?).

Indeed, the relational lens in its effort to adapt to a secular society has dropped its reference to the end goal of relationships recognised by the Christian Revelation, namely love (*agape*). The qualitative dimensions making up the standard benchmark of RT are *fairness*, *dignity* and *sustainability*, none of which can stand as the goal of relationships. You don't engage in a relationship to achieve dignity, sustainability or fairness. These values are instrumental. They are needed for a relationship to exist and thus are important to it. But they nonetheless remain only 'means-to-an-end-values', not the goal.

And here is the problem. You can't drop the aims *without losing what makes the internal dynamics of relationships*. Drop love and you lose the ability to understand why some relationships are so much more important than others;

Drop love and you lose the ability to understand why some relationships are so much more important than others.

why some relationships are essential to human flourishing while others are superficial. How can love – and then not any love but *agape* in the RT founding texts – be the end goal of relationships? Is it possible to objectively assess the *quality* of a relationship without taking into account the dynamic of wider relationships towards their own achievement?

And then, is there only one aim, *agape*? What about the other human forms of love? Which are the dynamic relationships between those human loves and God's love?

Another related limit of the RT framework is that all kinds of different relationships are revised through the same lens, as if there was no difference between family ties, economic contracts and a shared language. The incredible diversity of relationships is reduced by the lens to a 'one-standard-fits-all'. Not that this is the claim of the RT approach. It recognises the diversity of relationships and the heterogeneity of contexts. That is why the interpretation of what is seen through the lens is of such importance. But nonetheless, one and the same lens is used to measure relational proximity in all sorts of contexts and relationships. Again, we find here the same question as before. To deal with the real diversity and heterogeneity of relationships, you need to have a fairly good understanding of their internal dynamic towards the same end.

The following two sections aim to engage these limits.

The dynamic of the common good

The roots of the notion go back to antiquity, but the common good tree really grew up during the Middle Ages and came to flourish during the Renaissance⁹. It is a concept inherited from Aristotle's *Ethics* and *Politics* and partly taken over from the Roman legal notion of *utilitas communis*. Its elaboration to a fully-fledged concept, however, was to be the work of scholastic thinkers. With stunning audacity they interpreted the concept in Christological terms and from there, brought it back to metaphysics, ethics and politics. By then, the specific content of the common good also became hotly debated and served, for example during the Italian Renaissance, to justify republics and monarchies alike. The dawn of Modernity saw then many of its key features becoming secularised: the hope of the common good became our faith in 'progress', the content of the common good was pinned down to mean 'general interest', the eschatological subject in whom the common good would be ultimately achieved was said to be the 'sovereign, national state'. Oblivious to this mutation of meanings, the Catholic Church still refers to the common good as if everybody would understand and agree on the notion. This is not the case anymore. Few people understand the concept and fewer still know its history. However, after almost vanishing in the second part of the twentieth century, politicians, lawyers and philosophers are rediscovering the importance of this tradition, especially as a critical instrument that helps explain the shortcomings of political liberalism.¹⁰

So what does the Catholic Church understand when referring to the common good? To put it in a simple way, *the common good is a hope, the hope of a real and possible conjunction between the good of a person and that of its community*. This hope directly contradicts what Cavanaugh has termed the 'ontology of violence' that spurs Modernity¹¹. In the view of the Catholic Church, there is no such thing as a bitter and unending conflict of individual interests at the root of societies. On the contrary, there is a hope that these conflicts are not meant to endure for ever and can be resolved *because the good of each of us and the good of our communities are not antithetical*. They will ultimately converge.

The core of the concept is theological. It is in Christ that the good of each and all persons coincide, that is, in the person of the risen Lord as it will be revealed eschatologically at the end of time. Several key features of this

The common good is a hope, the hope of a real and possible conjunction between the good of a person and that of its community.

concept develop from here: a) *universal eschatological reach*, b) *historical incompleteness*, c) *conflictive and dialogical nature*, d) *kenotic dynamic (dialectic)*.

a) Universal eschatological reach

The first refers to the size of the community envisioned by the Church. The good of each person must encompass the good of all people – that means all humankind. The search for the common good won't be complete before it is enlarged well over the borders of limited national or cultural communities to reach all human people. This universal enlargement is the horizon of the common good. It is however a *real hope*, not a utopia. Eschatology is no fairy-tale. It is the real point towards which time and history flow. Thus the hope for the common good is anchored into a metaphysical belief: violence, greed and injustice won't last forever; but peace, justice and love will.

b) Historical incompleteness

The second is but the corollary of the first. If the full common good is eschatological in nature, we should not expect it to be realized in any specific historical community. Any historical common good, for all its achievements is incomplete. The very borders of the community enjoying the common good will progressively generate tensions, because it excludes others from it. Thus

It is however a real hope, not a utopia.

the very dynamic of the *universal common good* will slowly erode borders and put them into question. This is vividly illustrated today by the pressure put on national borders by migration or by transnational corporations

on national tax law. The point is that this *incompleteness* is normal and unavoidable while human history has not reached its close. Yet this is not an excuse to forgo the search for the universal common good. On the contrary. We must tend to realize the full common good knowing that we won't ever totally achieve it. CST thus differentiates between the eschatological common good (Christ's Person and Christ's Kingdom) and the many specific, historical common goods that may be achieved.

c) Conflictive and dialogical nature

The multiplicity of the different historical common goods that can be achieved, the many different *means* existing to achieve them and the *priority order* in their consecution explain the conflictive and dialogical nature of the search for the common good. This is why politics is said to have one unique aim: the common good. But the recognition of this aim is not here to quell the

conflictive and difficult nature of this search. Hope unites us, but the practical setting of the common good's requirement may be fracturing. Indeed, to search and work for the common good is more often than not a question of breaking down entrenched privileges or opposing reductive views of a common good limited to one's constituency, a party or the 'grand national interest'. The creation of political power itself is one of the first and more basic common goods. Yet the conflictive search for the common good always lies under the normativity of the eschatological common good. This is why CST insists on the will to dialogue with others and confront peacefully the conflicting views of what the common good requires from us.

d) The kenotic dynamic of the common good

Hegel's dialectic is inspired by the kenotic nature of the dynamic of the common good. In simple terms, in many social contexts, not even the most basic requirements of the common good can be met. The will to work for the common good may be so efficiently opposed that to even hope for it seems foolish and unrealistic. Self-interest, disillusion and cynicism – the realistic approach to politics – are the three attitudes most efficiently opposing the search for the common good. In private, despair turns to entrenched egoism; in public, it transforms politics into a power play without any other purpose than personal privilege (Machiavelli). The Catholic Church never despairs of the search for the common good. But it recognises that the search is frequently kenotic. We will seemingly work for nothing and our best effort doesn't reach the outcome we had hoped for. But precisely then, this engagement, this work will bear fruit in due time, precisely because the dynamic of the common good is ultimately that of God's Spirit in the world. The death and resurrection of Christ are at the root of our hope for the common good to be realistic and feasible. We should therefore expect similar difficulties as those of our Master when engaging for the common good. This is why *humility* is directly bound by CST to *governance and politics*. We are part of a dynamic that is greater than us and that we don't master or fully understand. *Humble* service is therefore the attitude corresponding to the work for the common good.

But what about the specific content of the common good? To medieval scholars, the common good was not only a goal but set very specific requirements on rulers. It was a norm of politics as much as an end. Yet if norms partly derive from the end, the concrete requirement of the common good is a matter of local discernment. Much depends on the decision to recognize one or another good or value as being part of the common good. With typical refinement scholastic thinkers made distinctions between the *sources* and

forms of normativity associated with the common good (between internal and external sources of normativity - *ordo duplex* - and between material and formal elements of normativity).

CST inherited these distinctions but chose to summarize what is required by the common good as material goods, institutions and social virtues: (a) *material goods allowing survival and well-being* (i.e. the material conditions set for seeking the common good); (b) *institutionalized reciprocity of dignity, meaning institutions organizing our living-together as one of human beings* (i.e. the formal conditions set for the research of the common good); (c) *social virtues, that is the social enactment of the common good* (i.e. the ethical condition of the common good). Now as the common good is a social dynamic, there is not a closed list of goods making up the normative content of the common good. Each society must constantly ask itself what is *now, in our community, under the present circumstances*, required by the common good. Thus the question of the common good is also the permanent and constant question of politics.

Yet as the question is not new to societies, CST holds some elements to be of crucial importance. First among the common goods that must be ensured are the *material base* of survival (peace, stability, food and water, housing, basic public infrastructures, etc.), then some of the key *institutions achieving important common goods* like security, justice; solidarity; political participation; etc. But material goods or institutions aren't enough. The best goods or institutions can be perverted if not used according to the common good. A set of *shared practices* are required for the public square to exist and function *for* the common good. Indeed, the common good is first and foremost a set of common values and social virtues that are as much the *result* as the *ethical condition* of the common good. Different lists of social virtues exist, but justice, peace, solidarity, perseverance, concord, strength, prudence, charity and brotherhood are often mentioned by CST. These are the social practices needed by social institutions to work well and achieve their contributions to the common good. For CST it is the *quality of our common values and social practices* that we use to measure the quality of the common good achieved by a society.¹²

Now, is that not what RT tries to measure? Does the quality of our relationships not directly ensure the quality of our common values and social practices? For all its refinements, CST's understanding of the common good's normativity singularly lacks the capacity to concretely assess the quality of the common good achieved by a society. This is something RT does.

Looking at the common good through the relational lens

Institutions shape relations. And good relations are necessary to have functioning institutions. These are two basic tenets of RT. Now, we could also assume that the quality of relationships generated by an institution may indeed be an indicator of the level of common good achieved by this institution. This idea seems pretty straightforward. Institutions, especially public institutions, are generally set in the hope of producing a specific social good (mobility for roads, education for state schools, health for the NHS, etc.). To that aim, a complex net of reciprocal relationships is organized. Through them cooperation among many individuals is achieved in order to produce the desired social good. The quality of relationships depends then on the *quality of the organization* as well as the *quality of the produced social good*. Hence the level of common good achieved by an institution can rightly be measured by the quality of the relationships it creates. The quality of relationships is probably one of the best indicators for the assessment of the level of common good achieved in a community or a society.

The quality of relationships depends then on the quality of the organization as well as the quality of the produced social good.

CST would gain a lot by adding a relational lens to its concept of the common good. Not only would it enhance its ability to assess specific policies and institutions, but it would also give it a crucial tool it so needs to become operational. The relational lens bridges the gap existing between an innocuous discourse on the common good and an effectively sharp capacity to propose concrete policies for the common good. It could be usefully added to its understanding of labour-capital relationships, to the tensions existing between private property and the creation of public goods, or to its analysis of poverty or even financial crisis. Certainly this is a theme that would benefit from further exploration.

But then RT could also gain from CST's understanding of the common good dynamic. Not all relations are equally important. Some matter more than others. Some are of more value than others. How could we tell apart the ones that are more essential from the ones that are of lesser importance? The common good understands social relationships as a dynamic, a dialectic emergence of an ever greater common good. As such it brings back to RT the notion of the ultimate end of all social relations. Such hope for the common good allows us to recognize non-absolute hierarchies of importance among

the many specific common goods that may be achieved by institutions or policies. It is a question of priority among the specific common goods, but one based on a qualitative difference. Some common goods are more essential to our humanity than others and should therefore be prioritized. These orders of priority could serve to differentiate - among the multiplicity of relationships - the ones that are of major importance and should receive special attention. But even without ordering, the mere fact that relationships ought to develop along the dynamic of the common good already brings a possible refinement to the notions of *continuity* and that of *commonality*.

The common good perspective may also help RT deal with the *multiplicity* of relationships. The diversity of specific, historical common goods is unified by their belonging to the same dynamic that leads them to the ultimate and eschatological common good. Thus their diversity can be fully recognized without renouncing the unity of their belonging to one and the same normativity. The different specific common goods build upon different values and social virtues. They therefore also tend to generate different kinds of relationships. For example universal education does not build upon the same social virtues as peace and security. Adopting the dynamic of the common good as a framework, the relational lens could both

recognize the radical multiplicity of relational contexts but still be capable of putting them under one and the same overarching normativity. The one-size-fits-all difficulty may be - if not solved - at least mitigated.

Last but not least, the common good framework could help RT understand the management of power within relationships. *The Relational Lens* book explores in detail how much this is a complex question. There is no relationship without power plays among them. Neither the top-down, hierarchical approach nor the egalitarian approach are deemed suitable. But through the many examples given there doesn't seem to be a general answer on how to handle power in order not only to preserve relationships, but actually to allow them to flourish. Relational governance might actually be what CST understands when speaking about governance for the common good.

Some common goods are more essential to our humanity than others and should therefore be prioritized.

Conclusion

This article can only be but the beginning of a larger investigation. It closes with the conviction of the richness of both approaches and all that could be gained by bridging them more closely. Both approaches share the same Christian and Biblical background. Even if they are different in kind and scope, they remain none the less deeply correlated. The longer historical time span of CST is matched by the greater will and ability to reach action of RT. Both approaches may gain from each other.

More specifically, I have tried to propose here – in a rather unilateral way – how this mutual enrichment could work. Clearly the notion of the common good could be of interest to RT and help improve relational analysis. And on the other hand, RT could be of great use to CST in order to assess the quality of the common good generated by specific policies and institutions. However the task is still wide open and should be researched much more thoroughly than we were able to do here.

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Part II:

Catholic Social Teaching and Relational Thinking

A response to Mathias Nebel
and Paul Dembinski

**Guy Brandon and
Michael Schluter**

The Jubilee Centre is grateful to Mathias Nebel and Paul Dembinski for taking on the task of studying Relational Thinking both in its Christian and ‘secular’ expression and providing a critique from the perspective of Catholic Social Teaching with particular reference to ‘the common good’. Mathias Nebel exemplified in his discussions on earlier drafts of the paper values which underpin Relational Thinking – always courteous, attentive to the other point of view, looking for the positive and seeking clarity. The response set out in the sections below we hope will be treated in that same spirit of a desire for mutual understanding and deeper fellowship, for we all seek to serve the same Father through the Lord Jesus Christ. These responses to Mathias Nebel’s paper are intended to stimulate further discussion, greater clarity and a deeper understanding of how we may best serve one another in the pursuit of our shared commitment to the gospel of Christ.

1 A history of Christian Social and Relational Thought

In exploring the similarities and differences between Catholic Social Teaching (CST) and Relational Thinking (RT) it is helpful to understand the background to each. It is worth noting in particular that RT is a movement, rather than an idea or interpretative tradition.

CST has its origins in papal encyclicals, and although the authorship is broader than this (including Bishops' Letters, for example), it is primarily a collection of official documents of the Catholic Church, delivered to the community.¹³

RT, in contrast, is multipolar.¹⁴ It is Covenantal, and a grassroots and predominantly lay movement that seeks to communicate with its audience through a wide variety of means, without (necessarily) the direct involvement of Church authorities. Although there is a clear group of people who have started this movement, they do not express ownership of RT in the way CST is delivered by the Catholic Church. Moreover, the intention is precisely that RT *should* be taken up and developed further by a wide range of people and organisations, though ideally remaining true to its Judeo-Christian roots. Thus, whilst there are extensive similarities between RT and CST, the distinctions perhaps flow from differences in sources of authority between Protestantism and Catholicism discussed in section 2.

Although the corpus of texts that constitutes the body of CST begins with Pope John XXIII's 1891 encyclical *Rerum novarum*, the tradition of interpretation dates back at least to the scholastics of the middle ages. Similarly, although RT is articulated in a number of books and articles since the 1970s,¹⁵ it draws on church tradition back to the early Church Fathers and trends in Protestant thought as it emerged in the 16th and 17th centuries. Another difference is therefore simply the respective amounts of time they have existed. Although both have roots in earlier thinking and ultimately the Bible, their formal beginnings are relatively clear. CST has had an additional 80 years or more to develop its key themes and gain traction.

Although RT is articulated in a number of books and articles since the 1970s, it draws on church tradition back to the early Church Fathers.

The major issue addressed by RT is the neglect of relationships in the Protestant Tradition. Broadly, the Reformation emphasised the individual's response to God. CST emphasises the collective outcome; whilst the idea of Personalism in CST focuses on the *relationships* of the individual, the *individual* remains paramount. Personalism has little to say about group or organisational relationships. In the Protestant Tradition, there is a stress on the role of the local church within a hierarchy of Church bodies. However, the focus on relationships is not central either to CST or the Protestant Tradition.¹⁶

2 The role of epistemology

CST builds on the tradition of the Church. It can be traced back to the principle of 'Love your neighbour'. This is then applied, using reason, to a wide range of issues that confront society at the time the Church speaks. A number of derivative principles are identified but CST does not investigate scriptural Revelation in detail to derive these principles. There is no unifying underlying paradigm in CST: it is intended to be accepted as a tradition of interpretation rather than a systematic body of thought.

RT, theologically, rests on biblical law as a category that is distinct from the Kingdom of God.

Theologically, CST rests on the Kingdom of God and its forward momentum towards the time of Christ's return, when evil will be thrown out of the world: 'all human progress towards the eschatological Common Good is actually our human participation in the progressive emergence of God's Kingdom.'¹⁷

RT, theologically, rests on biblical law as a category that is distinct from the Kingdom of God.¹⁸ Biblical law assumes the hardness of the human heart (cf. Matthew 19:8, and bear in mind that most Israelites of the Exodus generation died in the wilderness and never reached the Promised Land).

Biblical law provides a normative paradigm.¹⁹ Jesus appeals to the law as a normative basis for decisions (e.g. Mark 7:9-13). Biblical law's interest in Righteousness and Shalom is carried through into Jesus' teaching about the Kingdom of God. There is therefore continuity between the ways of the Lord as represented by the law in the Old Testament and the ways of the Lord

as described in the Kingdom of God. Jesus also appeals to underlying principles to use when applying biblical law within a different context (e.g. Mark 3:1-6).

A great deal of effort has been devoted by the Jubilee Centre – which is tasked with ensuring RT remains true to the Judeo-Christian tradition – to developing the methodology for deriving principles from the text, and testing their legitimacy. In particular, there is also the issue of how we deal with changing culture and apply biblical principles to constantly changing social mores – for example on issues such as slavery, homosexuality, and the role of women. Nebel argues that ‘The plurality of texts requires a hermeneutical approach that will give a reasoned account of the main principles underpinning it. Historical developments and cultural changes must be taken into account as part of the interpretative process. The reader only reaches for the texts from a specific place in time and history. Reasoned principles are therefore not to be equated with Revelation itself, but as its reasoned, formalized understanding.’ However, our framework must also be grounded somewhere in order to ensure we are not just giving our culture the answer it wants to hear. In Mark 7:9-13 Jesus warns against avoiding the ethical thrust of biblical law, in this case by keeping the letter but not the spirit of the Law.

Lastly, there is the issue of the interconnectedness of society and the way that biblical law takes this into account. It is impossible to adjust one element of public policy (e.g. interest rates) without impacting not only the intended variable but also many other aspects of society and the economy (for example, inflation, economic growth and employment but also borrowing, house prices, welfare spending, even family breakdown). Biblical law articulates a holistic system in which the different strands of society and the economy pull in the same direction with the same overarching goals, largely avoiding such unintended consequences. It is biblical law as a whole that acts as a relational paradigm rather than simply each law in isolation, being relational in its intention and consequences. These issues are explored further in *The Jubilee Roadmap*.

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3 Distinction of principles and policies

There is agreement between CST and RT about the distinction between principle and policy. 'RT as well as CST is careful to distinguish principles from specific policies. The first are ethical statements whilst policies are a means to achieve a specific goal. Between the two lies the whole difference between a-temporal norms and concrete historical settings, between conviction ethics and responsibility ethics. Specific actions are always complex. There are many possible ways to achieve the same goal and different priorities can be set among competing normative claims. RT therefore advocates a necessity to engage in the political field but calls for prudence when identifying a specific policy as being "Christian".²¹

Nebel quotes the following position on RT's approach to principle and policy from John Ascroft:

'We use the term 'principle' here to refer not to a formal legal rule, but to the summary constructs which are our attempt to capture key aspects of biblical teaching, from many parts of the text, in a way that can be brought to bear on contemporary issues. They can be seen as a bridge with one footing fixed in Scripture but constructed differently in order to reach different points on the shifting sands of our contemporary context. As an aid, principles serve to remind us of the key values and guide us in their application rather than to prescribe courses of action directly (...). It is vitally important to distinguish principles from policies. A key distinction is that principles are ethical statements whilst policies are the means of achieving those goals.

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Christians should be willing to propose and campaign for specific policies as part of their social and political engagement, recognizing that disagreement is legitimate. The church, however, should be cautious in committing itself to policies which merely reflect the art of the possible – economically, politically and socially. (...).^{22'}

Nebel suggests that CST stresses reason and the Common Good, whilst RT stresses action and experience.²³ Whilst RT does seek action, it also stresses the legitimacy of Christians differing in what they consider to be 'right' in a given situation, given the complexity of calculating the relational impact, the

timeframe of the impact (long-term vs. short term), and so on. Also, both principles and policies lie on a 'ladder of abstraction' that stretches from the broad to the more specific.²⁴ The more general principles are a check on the more specific ones, but need to be applied in specific situations. For example, in Mark 3:1-6 Jesus applies the broad 'Do good' principle to the specific situation of discerning whether it is legitimate to heal on the Sabbath.

4 How Catholic Social Teaching and Relational Thinking understand relationships

Catholic Social Teaching stresses the heterogeneity of relationships,²⁵ as does Personalism, which distinguishes personal (e.g. family) relationships from functional relationships.²⁶ CST also uses the concept of 'institutional mediation'. 'The issue is that a generic idea of relationship might miss the structurally specific kinds of relationship that exist (or should exist) in marriage, family, school, hospital, trades union, etc... how is "relational proximity" or "fairness" different in families and universities, for example?'²⁷

RT, by contrast, stresses that the same categories apply to all relationships – namely relational proximity/distance and the five dimensions of relational proximity: Directness, Continuity, Multiplexity, Parity and Commonality. These are drawn from an analysis of biblical texts.²⁸

RT addresses relationships of all kinds – between individuals, but also between and within families, nations, ethnic groups, and organisations (e.g. stakeholders in a company). RT also enables discussion of the significance of these relationships based on biblical teaching. Deuteronomy 24:5, for example, shows that the state does not have an unlimited or unqualified claim on its citizens.

5 Underlying assumptions

There is a case for saying that RT ends up with a more radical critique of society today than CST, since it refuses to accept a series of problematic issues raised by individualism:

- The individualism inherent in the rights agenda
- Evaluation of policy from the perspective of individual utility²⁹
- The individualism assumed within the schools system
- The focus on shareholders, consumers etc. as individuals within capitalist economies
- Even the individualistic-materialistic definition of key terms like ‘poverty’ and ‘development’.

However, RT also adopts assumptions from the prevailing worldview. It takes on assumptions about the structurally-specific features of institutional relationships (schools, prisons, businesses, for example) in order to apply the concept and framework of relationships. For example, RT refers to the relationship that is appropriate between company and regulator – but the term ‘appropriate’ needs unpacking further. What is appropriate may differ from context to context; it could be defined by the perceptions of the different parties as determined by an RPF questionnaire; it could be defined externally by legislation; or for an institution like marriage it might fall back on the Relational Values of the Judeo-Christian Tradition (RVJCT). More work is needed to clarify the assumptions used by RT that are currently summarised in the word ‘appropriate’.

6 Audiences

RT seeks to influence Christian and non-Christian audiences. These may include those of other faiths such as Buddhists and Hindus, but also secularists. The explanations of RT are elaborated using science, reason, experience and intuition, whilst not hiding the fact that they are underpinned by RVJCT. People

are invited to evaluate propositions using the RT framework, unless they are among those who believe in the Judeo-Christian tradition, in which case they may also evaluate it in terms of biblical revelation.

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The audience of the encyclicals (which make up the formative thinking of CST) is Catholics and ‘all people of good will’, as the encyclicals sometimes put it. *Rerum novarum* (1891) was addressed ‘To Our Venerable Brethren the Patriarchs, Primates, Archbishops, Bishops, and other ordinaries of places having Peace and Communion with the Apostolic See.’ *Humanae Vitae* (1968) was addressed ‘To his venerable brothers the patriarchs, archbishops, bishops and other local ordinaries in peace and communion with the apostolic See, to the clergy and faithful of the whole catholic world, and to all men of good will’. Whilst a range of arguments are used, does this imply a degree of sympathy with the Catholic faith is required to engage with CST?

7 Action focus

There is an ongoing debate about the degree to which CST is focused on action. Nebel writes that ‘Unlike CST, RT has a very strong pull toward action... No amount of re-reading will dig up any specific “Catholic-Political-Agenda”... CST – by making sense of present world affairs in the light of the Bible – has to be understood as a framework for action. But it’s one that stops short of commanding any specific public action. In that sense, CST principles are hermeneutical principles that point toward action but do not command a set of specific policies.’³⁰

This point of view has been challenged, however. Jonathan Chaplin writes that an emphasis on action ‘is already present in key strands of CST, e.g. in the “see-judge-act” model developed after Vatican II. And CST documents are often in fact the outcome of years or decades of grass-roots experience. Indeed this was true of the very first one, *Rerum Novarum*, which could

not have been written without decades of parish-level diaconal activity by priests in deprived industrial areas.’ The existence of Catholic hospitals and universities and the activism around life issues shows that these encyclicals do inform and promote action. As Nebel acknowledges, ‘the corpus [of CST] can be extended well beyond these texts and includes the different written reflections and reactions as well as the practice of Catholic charities around the world.’³²

Nevertheless, RT is more explicitly and obviously intended to drive action. It has developed metrics specifically to measure change in institutions such as schools and companies, and includes the development of categories of description for relationships.³³ It is not yet clear whether RT results in normative recommendations for action in every circumstance.

8 ‘Macro-social accounts of specific relational contexts’

CST and RT in their current forms differ somewhat in their approach to macro-social trends and issues.

RT does recognise the deep asymmetries of political and economic power that exist within bureaucratic states, corporations and interest groups that threaten all human relationships. (These are addressed in books such as *The R Factor*, *Jubilee Manifesto* and *After Capitalism*.) RT uses biblical teaching on Kingship (e.g. Deuteronomy 17:14-20) as a starting point to critique undue concentrations of power, and attributes concentrations of capital to Christian neglect to observe the biblical ban on interest, the Jubilee land laws, and so on – which are all part of the Law. Some attempt has been made to spell out how these macro-relational effects impact the micro-relational on a day-to-day basis, for example in the promotion of household debt by banks and the impact this has on families in terms of divorce, domestic abuse and mental health issues. The Keep Sunday Special campaign uncovered the insight that trades unions were unable to argue for a shared day off because the level of their members’ debt was such that they wanted the extra working time at higher weekend rates of pay. Nevertheless, this is a key area that RT needs to

develop and spell out further. There is room for a greater analysis of historical issues from a relational perspective.

CST appears to have greater awareness of the macro-social and its impact on the micro-social, but its analysis is arguably less detailed given the absence of a normative underlying framework based in scriptural revelation. Thus its categories of analysis overlap more obviously with those of contemporary political and social critiques.

9 A theory of social change?

Unlike CST, RT is explicitly rooted in the paradigm of biblical law. Matthew 5:17-19 confirms the continuing validity of the Law in the Kingdom of God. However, Jesus applies the Law to thoughts as well as actions, an internalised version of the Pharisees' practice of 'building a fence around the Law' to prevent commandments from being broken. For example, not only is murder forbidden but anger, the emotion that precedes it, is also; lust similarly precedes adultery (Matthew 5:21-30). This also confirms the invalidity of abstracting principles from isolated laws and the validity of understanding the whole and using the whole as a paradigmatic framework

Broadly, the relational theory of social change will involve communicating and fostering the adoption of relational frameworks of thinking that set a relevant agenda, so that people are discussing the right issues in the right way; and then encouraging formal and informal communities to apply these biblical/relational principles within and between themselves, at every level.

Because biblical law speaks to all the different spheres of society, RT aims to influence many different institutions to achieve social change.

Suggestions for practical application are made at the level of state, individual and civil society – institutions from churches and NGOs to businesses and their many stakeholders (customers, suppliers, employees, local communities, and so on). Also, change is sought at different 'levels' in any sector, including:

Because biblical law speaks to all the different spheres of society, RT aims to influence many different institutions to achieve social change.

- Legislation
- Ethos/administrative rules/culture
- Working practices
- Personal transformation

10 The role of the Church

‘CST is the voice of a magisterium. It is a discourse spoken out from the safe distance of the doorway to transcendence. Bishops or popes don’t engage in politics any more. The recognition of the difference between religious power and political power and the recognition of the autonomy of politics is now a given fact of Catholicism. This is right and was long overdue.’³⁴ There is thus a conscious distancing of the ‘Magisterium’ from the world’s affairs; practical application of CST is left to the layperson, or ‘people of good will’.

RT has no worked-out position on the Church as an institution. This is due to its starting point (from within non-conformist Protestantism), not specific intent. So far it has only recognised that individual Christians who accept RVJCT, and often the authority of scriptural revelation, are likely to be in the vanguard of those wishing to reform the social/economic/political order with RT and that there is value in working together in community.

11 The nature of the social vision

The visions that CST and RT seek to bring about also differ. CST emphasises the Common Good, as explored in this extended quote from the encyclical *Gaudium et Spes* (1965):

‘By Common Good is to be understood “the sum total of social conditions which allow people, either as groups or as individuals, to reach their fulfillment more fully and more easily.”³⁵ The Common Good concerns the life of all. It calls for prudence from each, and even more from those who exercise the office of authority. It consists of

three essential elements:

'First, the Common Good presupposes respect for the person as such. In the name of the common good, public authorities are bound to respect the fundamental and inalienable rights of the human person. Society should permit each of its members to fulfil his vocation. In particular, the Common Good resides in the conditions for the exercise of the natural freedoms indispensable for the development of the human vocation, such as "the right to act according to a sound norm of conscience and to safeguard... privacy, and rightful freedom also in matters of religion."³⁶

'Second, the Common Good requires the social well-being and development of the group itself. Development is the epitome of all social duties. Certainly, it is the proper function of authority to arbitrate, in the name of the common good, between various particular interests; but it should make accessible to each what is needed to lead a truly human life: food, clothing, health, work, education and culture, suitable information, the right to establish a family, and so on.³⁷

'Finally, the Common Good requires peace, that is, the stability and security of a just order. It presupposes that authority should ensure by morally acceptable means the security of society and its members. It is the basis of the right to legitimate personal and collective defense.³⁸

RT also picks up biblical law's vision of *shalom*, or social harmony, as the ultimate goal, cf. Jeremiah 29:7. 'Also, seek the peace and prosperity of the city to which I have carried you into exile. Pray to the Lord for it, because if it prospers, you too will prosper.' In RT the 'relational society' is defined both negatively, in terms of the absence of injustice, conflict and relational dysfunction, as well as positively, in terms of the ends of kindness, generosity, patience, and love in action. Both RT and CST are, in effect, interested in describing and encouraging a foundational level of social good (justice, peace etc.) which can be expected between strangers and aliens. Neither intend for society to stop at that foundational level.

RT picks up biblical law's vision of *shalom*, or social harmony, as the ultimate goal.

RT seeks to make human society conform more closely with God's revealed will in terms of relationships (cf. the Lord's Prayer). God's vision is for more than comfortable strangers. Thus RT is concerned to help society

RT sees a healthy, functioning society as including not only healthy inter-personal relationships but also a healthy dynamic between all collections of relationships.

recognise and encourage fellowship and community, whether that is familial, social or collaborative (such as creative arts/worship). The collective relationships are themselves significant in God's eyes. RT sees a healthy, functioning society as including not only healthy inter-personal relationships but also a healthy dynamic between all collections of relationships.

12 The internal dynamic of CST

Although there are significant differences between CST and RT, there is substantial common ground and the possibility of close cooperation for mutual benefit.

In his paper, Nebel raises the question of the internal dynamics of different kinds of relationship:

'Indeed, the relational lens in its effort to adapt to a secular society has dropped its reference to the end goal of relationships recognised by the Christian Revelation, namely love (agape). The qualitative dimensions making up the standard benchmark of RT are fairness, dignity and sustainability. None of which can stand as the goal of relationships. You don't engage in a relationship to achieve dignity, sustainability or fairness. These values are instrumental. They are needed for a relationship to exist and thus are important to it. But they nonetheless remain only 'means-to-an-end-values', not goals.

'And here is the problem. You can't drop aims without losing what makes the internal dynamics of relationships. Drop love and you lose the ability to understand why some relationships are so much more important than others; why some relationships are essential to human flourishing while others are superficial. How can love – and then not any love but agape in the RT founding texts – be the end goal of relationships? Is it possible to objectively assess the quality of a relationship without taking into account the dynamic of wider relationships towards their own achievement? And then, is there only

*one aim, agape? What about the other human forms of love? Which are the dynamic relationships between those human loves and God's love?*³⁹

RT does not drop the idea of love (or maintain that fairness/dignity/sustainability *per se* are the goal of relationship), but asks what is the 'good' inherent in relationships: i.e. *what does love actually look like in practice?* Thus the goal is love, but that love needs nuancing in different contexts – 'love' in a marriage would look quite different to 'love' in international relations. The Relational Proximity Framework (RPF) does not suggest that its dimensions (Directness, Continuity, Multiplexity, Parity, Commonality) are the goals of relationship: they are the conditions under which relationships are most likely to thrive. Where there is Relational Proximity, there is more likely to be results such as Trust, Empathy and Understanding, Commitment, and so on.⁴⁰ Relational Proximity can bring about better knowledge of a person, but it cannot be assumed that this will lead to greater love.⁴¹

In unpacking the Common Good as the desired ends found in CST, Nebel defines it as '*a hope, the hope of a real and possible conjunction between the good of a person and that of its community*'.⁴² It has several key features, including its universal eschatological reach, historical incompleteness, conflictive and dialogical nature, and kenotic dynamic.⁴³ Nevertheless, from the perspective of RT, questions remain about the nature of the common good, which Nebel states requires 'material goods, institutions and social virtues':

'(a) material goods allowing survival and well-being (i.e. the material conditions set for seeking the common good); (b) institutionalized reciprocity of dignity, meaning institutions organizing our living-together as one of human beings (i.e. the formal conditions set for the research of the common good); (c) social virtues, that is the social enactment of the Common Good (i.e. the ethical condition of the common good). Now as the Common Good is a social dynamic, there is no closed list of goods making up the normative content of the common good. Each society must constantly ask itself what is now, in our community, under the present circumstances, required by the common good? Thus the question of the Common Good, is also the permanent and constant question of politics.'

One problem with this approach from the perspective of RT is that it risks reading in current cultural values about material prosperity. Perhaps more significantly it risks affirming the dichotomy between humans (individuals) and organisations (formal and informal groups). The very fact that agape

The very fact that agape is important means that individuals and organisations are obliged to enable and protect relationships where such agape is expressed.

is important means that individuals and organisations are obliged to enable and protect relationships where such agape is expressed. The obligation does not just go one way, from institutions to individuals: there is an obligation on individuals to enable the formal and informal groups to thrive. How this applies depends on the type of relational group. The obligations on people to help a

marriage are different from the obligations to help a village or a workplace. Nevertheless, there is common ground between RT and CST in the question of the nature of relationship we aim to achieve in different circumstances.

RT seeks an overarching biblical ethic to apply to relationships. Exodus 34:6-7 lists some of the chief characteristics of God, indicating how he treats his people – and some of the qualities we should seek to emulate. ‘Then the Lord passed by in front of him and proclaimed, “The Lord, the Lord God, compassionate and gracious, slow to anger, and abounding in lovingkindness and truth; who keeps lovingkindness for thousands, who forgives iniquity, transgression and sin; yet he will by no means leave [the guilty] unpunished, visiting the iniquity of fathers on the children and on the grandchildren to the third and fourth generations.”’

Of course, ‘love’ is the most obvious overarching ethic, and this is the word that Jesus uses to summarise the Bible in Matthew 22, quoting Leviticus 19:18. The word for ‘love’ used in Leviticus 19 is *’ahābā*, though like the English word ‘love’ this is open to misinterpretation. In nuancing it, the word *ḥeśed* is a useful term to understand.⁴⁴ This ‘loving-kindness’ or ‘covenant loyalty’ is a key attribute of God’s character and encompasses many of the qualities mentioned above: grace, compassion, faithfulness, love; as well as embodying or bringing about justice, righteousness and holiness. ‘Other proposals for major themes of the narrative... are all elements of *ḥeśed*... *Ḥeśed* is a signpost that points to the overarching biblical narrative. It could be developed further in relation to the whole canon as an ethic of the imitation of God.’⁴⁵ The Jubilee Centre argues on the basis of RVJCT that *ḥeśed* is a rich enough yet general enough term to find application in every relationship. It references certain qualities of relationship that are always good: it is fair to say that there is no relationship between God and his Creation that does not manifest *ḥeśed*.

Catholic Social Teaching also affirms the importance of *hesed*. The encyclical *Dives in misericordia* ('Rich in mercy', see Ephesians 2:4) explores the theme of mercy, prompted by Jesus' teaching in the Sermon on the Mount: 'Blessed are the merciful, for they will be shown mercy' (Matthew 5:7). However, 'mercy' is a complex and multi-faceted term with many strands to it. 'The Old Testament proclaims the mercy of the Lord by the use of many terms with related meanings; they are differentiated by their particular content, but it could be said that they all converge from different directions on one single fundamental content, to express its surpassing richness and at the same time to bring it close to man under different aspects.'⁴⁶

The encyclical holds that the English word 'Mercy' captures 'a specific and obviously anthropomorphic "psychology" of God' in the Old Testament, and encompasses many different themes but especially *rah^amîm* and *hesed*. Far from being a one-size-fits-all term, *hesed* can be applied as the goal of all relationships without losing the distinctive character of each:

'While *hesed* highlights the marks of fidelity to self and of "responsibility for one's own love" (which are in a certain sense masculine characteristics), *rah^amîm*, in its very root, denotes the love of a mother (rehem = mother's womb). From the deep and original bond – indeed the unity – that links a mother to her child there springs a particular relationship to the child, a particular love. Of this love one can say that it is completely gratuitous, not merited, and that in this aspect it constitutes an interior necessity: an exigency of the heart. It is, as it were, a "feminine" variation of the masculine fidelity to self expressed by *hesed*. Against this psychological background, *rah^amîm* generates a whole range of feelings, including goodness and tenderness, patience and understanding, that is, readiness to forgive...

This 'loving-kindness' or 'covenant loyalty' is a key attribute of God's character.

'This love, faithful and invincible thanks to the mysterious power of motherhood, is expressed in the Old Testament texts in various ways: as salvation from dangers, especially from enemies; also as forgiveness of sins - of individuals and also of the whole of Israel; and finally in readiness to fulfil the (eschatological) promise and hope, in spite of human infidelity, as we read in Hosea: "I will heal their faithlessness, I will love them freely" (Hos. 14:5).'⁴⁷

Conclusion

The Jubilee Centre is grateful to Mathias Nebel for his initial exploration of the similarities and differences between Relational Thinking (RT) and Catholic Social Teaching (CST). As Mathias Nebel articulates it, the ultimate goal of CST is for society to move towards the Kingdom of God, manifesting the Common Good – though it is not always clear what constitutes the Common Good. The ultimate goal of RT is a ‘relational society’ where personal and institutional relationships are characterised by people knowing and caring for one another. RT is a movement towards righteousness/right relationships, taking into account the reality in public life that human nature is characterised by sinfulness and hardness of heart.

The differences between CST and RT can be traced back to different starting points. CST sees the ultimate goal being pursued by the Common Good as the Kingdom of God. In contrast, RT seeks to establish the conditions under which people may better understand the categories of the gospel, such as grace, love and forgiveness. The aim of RT is to foster a framework for both public and private life that is more in tune with and sympathetic to the Christian faith without preaching it directly – since so much of its engagement takes place within the secular world. It aims to restrain evil and promote good. To summarise, *RT prepares the way for the Kingdom, whilst CST proclaims the Kingdom.*

For this reason, it is difficult to compare RT and CST directly. Rather, they should be seen as complementary. RT helps to articulate what the Common Good might look like, whilst CST helps cast a collective vision and sows the seeds of the gospel. The Jubilee Centre recognises and welcomes the potential for working together across a wide range of issues, as well as the two traditions/movements learning from each other.

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- 12 Pope Francis' insistence on exclusion as being not a collateral damage of societies functioning otherwise well is a striking example of CST stance on this matter. Exclusion, especially the exclusion of the poor, is the symptom of a worrying breach of the common good. And as he states in *Evangelii gaudium* or *Laudato si* what needs to change is not only the institutions generating the exclusion, but also the attitudes and habitus of consumption that are part of this systemic exclusion of the poor.
- 13 Despite its top-down delivery, CST is informed by grassroots activity – see point 7: Action focus.
- 14 See Nick Spencer, 'Apolitical animal? Lessons from a biblical model', 2003, see <http://www.jubilee-centre.org/apolitical-animal-lessons-biblical-model/>. Drawing on B.G.B. Logsdon, 'Multipolarity and Covenant: Towards a Biblical Framework for Constitutional Safeguards' (unpublished Jubilee Centre paper).
- 15 Notably *Jubilee Manifesto; Old Testament Ethics for the People of God; God, Justice and Society; Transforming Capitalism from Within*.

- 16 These issues are explored further in chapter 3 of *Jubilee Manifesto*. See p. 58 for a discussion of Personalism.
- 17 Mathias Nebel, p. 10.
- 18 See Michael Schluter and Roy Clements, 'Jubilee Institutional Norms: A Middle Way between Creation Ethics and Kingdom Ethics as the Basis for Christian Political Action' in *Evangelical Quarterly* 62:1 (1990), pp. 37-62.
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- 29 See Nebel, p. 12.
- 30 P. 13.
- 31 Personal correspondence.
- 32 P. 8.
- 33 See *The Relational Lens* and Relational Analytics website, <https://www.relational-analytics.com/>.
- 34 Nebel, p. 16.
- 35 *Gaudium et Spes* 26 § 1; cf. GS 74 § 1.
- 36 GS 26 § 2.
- 37 Cf. GS 26 § 2.
- 38 See http://www.vatican.va/archive/ccc_css/archive/catechism/p3s1c2a2.htm
- 39 Nebel, p. 18.
- 40 See *The Relational Lens*, pp. 153-160.
- 41 The connection between knowing and loving is one that must be explored in greater depth elsewhere.
- 42 P. 19.
- 43 P. 21.
- 44 As *Dictionary of the Old Testament* states, 'Another Hebrew word and concept (*hesed*) may better serve as a context for Jesus' and Paul's reference to love.' (p. 227)

45 *Dictionary of the Old Testament (Pentateuch)*, p. 229.

46 *Dives in Misericordia* (1980), http://w2.vatican.va/content/john-paul-ii/en/encyclicals/documents/hf_jp-ii_enc_30111980_dives-in-misericordia.html

47 *Dives in Misericordia*, fn 52.

Crumbling Foundations

A biblical critique of modern money

by Guy Brandon

Preface to original

Two days before becoming Prime Minister in July 2016, Theresa May declared that ‘Monetary policy – in the form of super-low interest rates and quantitative easing [QE] – has helped those on the property ladder at the expense of those who can’t afford to own their own home.’ The current policy is failing to contribute to the kind of society that she envisions, ‘one that works for everyone not just the privileged few’.

Then in August the Bank of England announced a further £60 billion round of QE and cut the base interest rate from 0.5% to 0.25% in an unprecedented bid to stimulate demand and prevent recession and possible deflation.

These circumstances open a window of opportunity for considering how to reform the monetary system, especially the way money is created. Since the 2007/08 global financial crisis, it has become more and more apparent that you cannot understand the economy if you don’t understand finance. And you can’t understand finance if you don’t examine how money is created and managed by institutions in that sector.

The Jubilee Centre has a track record of providing biblical perspectives on developments in the economy and finance for over three decades. We’re convinced that another banking crisis is looming on the horizon, as too few of the issues exposed eight years ago have been resolved.

This booklet is written to help Christians, especially those working in the financial sector, to be better prepared with fair and effective policy responses when that crisis does come, and in the meantime to help them be more effective as ‘salt and light’ in this crucial arena of public life (Matthew 5:13-16).

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November 2016

Acknowledgements

A number of people provided thoughtful and helpful feedback on this paper, without which it would have contained many more mistakes. The remaining errors are mine.

Paul Mills works as an economist specialising in public finance and financial markets in the UK and Washington DC. He has provided extensive and helpful feedback on the final draft.

Dr David McIlroy is Visiting Professor in Banking Law, SOAS, University of London. He gave detailed comments on the initial draft.

James Featherby is Chair of Bible Society, Chair of the Church of England's Ethical Investment Advisory Group, and author of *Of Markets and Men*. He also gave helpful feedback on the initial draft.

Gabor Gyura and **Ranjeet Gupta** were very helpful at an early stage of the project, and **Michael Schluter** provided useful feedback on later drafts.

Introduction

Money can't buy what it used to. In 1971, the average house in the UK cost around £6,000.¹ Inflation means that £1 in 1971 would purchase the same as £14 today – a fall of 93 percent in value. Meanwhile, annual wages have risen by over 16 times, from £1,600 in 1971 to £26,000 in 2015. Yet by 2015, the average house cost £285,000, almost 50 times higher.²

Wealth inequality, which fell substantially over most of the 20th century, is now rising fast.³ Britain's richest 1 percent own more wealth than the bottom 50 percent of the population, and the top 10 percent own almost half the country's wealth.⁴ Debt is rising too. In 2005 the national debt was 38 percent of GDP, but the financial crisis meant that by September 2016 it was estimated to have reached over 83 percent of GDP – around £1.6 trillion. The interest bill is expected to top £1 billion every week (peaking at £57.3 billion annually by 2019-20) despite historically low interest rates.⁵ Personal debt follows the same pattern, with UK households now owing a total of £1.45 trillion.⁶

The Global Financial Crisis sparked a renewed debate about the nature of a healthy economy and the shortfalls of Capitalism, the ideological framework within which our financial system operates. Although there has been much discussion about finance and the economy, there has been less interest in the monetary system that underpins these – and now that the immediate danger has passed, there is no longer much impetus for change.

But the reality is that the way money is created has huge implications for the economy it is supposed to serve. All of the above examples are rooted in, or influenced by, the way we 'do' money in the 21st century. Trying to treat a dysfunctional economy without understanding the monetary system on which it rests is analogous to treating a respiratory complaint without appreciation for the quality of the air the patient breathes. Money matters.

Christians should be engaging with these issues of social justice but lack a coherent framework within which to do so. Moreover, there is little consensus among experts about some of the most fundamental aspects of money creation and its effects on the economy. As Winston Churchill said, 'If you put two economists in a room, you get two opinions, unless one of them is Lord Keynes, in which case you get three opinions.' This makes any application from biblical principles – already controversial enough in its own right – certain to attract criticism from some quarters. This booklet aims to provide

both an overview of money itself and a set of biblical principles from which to work, with the intention of informing Christian engagement in monetary reform.

What is money?

Although there has been a lot of debate about the nature of money, there is no real consensus at a fairly basic level about what money really *is*. Economists broadly agree that money must serve three main functions in order to be useful. These are overall purposes, which may be achieved more-or-less successfully, depending on the nature of the currency in question and the characteristics of the economy in which it is used.



Unit of account. Money is a measure of value (or, more accurately, price): it enables direct comparison of value between items of different natures.



Means of exchange. Rather than exchange goods or services directly with each other (barter), money can be used to mediate the transaction. Thus money should ideally be universally accepted by merchants.



Store of value. Money must retain most of its value over time, and it must be possible to save and retrieve it at a later date so that it can be used as a medium of exchange in the future.

These functions are made possible by a number of innate properties. They are not binary characteristics, and different forms of money will exhibit them to a greater or lesser extent.

- 1) **Fungibility.** One unit must be equivalent to another – any £10 note has the same value as any other £10 note. Merchants should not have to compare units to decide whether to accept them or not.
- 2) **Scarcity.** There should be a limited supply of the currency, allowing it to retain its value (which would otherwise be lost through inflation).
- 3) **Portability.** It must be possible to move money around in order for it to fulfil its function as a medium of exchange – either in physical form, as coins and notes, electronically, or in other ways.
- 4) **Divisibility.** It should be possible to divide money into small units without affecting its value.
- 5) **Counterfeit-resistance.** Money must be recognisable as such, and also hard to forge so that it maintains its scarcity.
- 6) **Durability.** It must not decay or otherwise lose its value over time.

Although these are the ideal properties of money, they are not all strictly necessary and some forms of money in the past have not had all of them. Micronesian rai stones are large, carved limestone disks, up to 3.6 metres tall and weighing up to 4 tonnes. They meet the criteria of scarcity, durability and resistance to counterfeiting, though they are neither divisible nor portable. In this case, money changes possession not through being handed from person to person, but by being recorded in an oral history – a rai stone belongs to someone through agreement, and stones are not generally physically moved if ownership changes. (A similar system is used for vault gold.)

Regardless of these 'ideal' characteristics, money is effectively just what people agree is 'money'.

Regardless of these 'ideal' characteristics, money is effectively just what people agree is 'money'. Over the course of history and in different situations, there have been many forms of currency – gold and silver, seashells, salt, cattle, cigarettes, squirrel pelts, knives, rum and Parmesan cheese, to name a few. There is no single one-size-fits-all solution that works just as well across every context – for example, at any point in history, for face-to-face transactions, over the internet, for large and small payments, for international transfers, and so on. What we think of and use as money is highly dependent on context.

The origins of money

One of the major theories for the evolution of money holds that it developed from the shortcomings of a barter economy. The theory is that in early societies, people would trade different goods directly. However, if you wanted axe heads but only had cows, you had to find someone in the opposite position – a ‘coincidence of needs’. There was also the problem that people would not have the right quantities of the items being traded. Perhaps the agreed exchange rate is ten axe heads for a cow but the person in question only has five axe heads to trade.

It therefore makes sense to find a universal medium of exchange to use as an intermediate step in trading – something that is rare enough to have value, that is divisible, and on the basis of which other items can be priced. Corn is one example of such a medium. Now, the cow can be sold for a given amount of grain, and some of this grain can be exchanged for axe heads whilst the rest can be kept for consumption or future purchases.

Precious metals, particularly gold and silver, have been used as money from early times due to their scarcity, attractiveness and durability. Since metals had to be weighed out and their purity verified, coins were eventually minted to standardise the quantities used in transactions.

Money as debt

In the above case, money represents a ‘credit’ for a given item. A competing theory holds that debt was really the first medium used to facilitate trade.⁷ Barter of course existed, but tended to take place between strangers or enemies, never as the chief means of commerce within a close group: it was the default means of transaction amongst those who were not held together by ties of kinship.

David Graeber argues that there is no real evidence that money developed to expedite barter – in fact, there is no evidence that full barter economies ever existed, or exist anywhere in the world today.⁸ Instead, people in early communities went into each others’ debt when one of them had need. The coincidence of wants is addressed by (formally or informally) remembering the debt with the knowledge that it would be repaid in the future because it was in everyone’s interests as neighbours to work together and trust each other. Assets might be taken as collateral and forfeit in the event of non-

payment, and those who defaulted might quickly find themselves marginalised and without support when they needed it.

This is a more human way of understanding early commerce than the conventional assumption that money arose out of the deficiencies of the barter system and its inconvenience for those who used it. The idea is that – at least in a small and close-knit community – it is more natural to trade goods and services with someone because they have given you something or helped you in the past, than because a previous transaction has given you a positive balance, which you can spend where and with whom you choose.

In this theory, money and debt were created at the same time, because money is used to quantify debt.

In this theory, money and debt were created at the same time, because money is used to quantify debt. Some of the oldest written documents in existence record funds owed for rent of temple lands and rations issued by temples. ‘One shekel’s weight in silver was established as the equivalent of one gur, or bushel of barley. A shekel was subdivided into 60 minas, each corresponding to one portion of barley – on the principle that there were 30 days in a month, and Temple workers received two rations of barley every day. It’s easy to see that “money” in this sense is in no way the product of commercial transactions. It was actually created by bureaucrats in order to keep track of resources and move things back and forth between departments.’⁹ Once that unit of account had been established, silver effectively became money – though debts were more often settled in other ‘currencies’, such as barley.

So Graeber maintains that debt/trade finance came first, and that the normal way of doing business was to run up a tab, which would be settled at a convenient time (such as the harvest, or whenever they next slaughtered a pig). Money was a standard of deferred payment.

The next development was that whatever the state accepted as settlement for tax debts became considered as money (‘legal tender’), since this fully standardised payment methods. Chartalism, or the State Theory of Money, sees money as originating as the instrument of the state – a means to raise taxes and manage economic activity. The state may or may not actually create money, but enforces its value (gives it value as a way of paying tax) and sets out the legal terms under which it operates (which monies can be used to discharge debts).

Money in the Bible

Some of the earliest written texts establish equivalence between a given weight of silver and a measure of barley, period of labour, and many other things beside. Whether as a means of accounting or a substitute for the inconveniences of barter, silver could thereby be used as a medium of exchange.

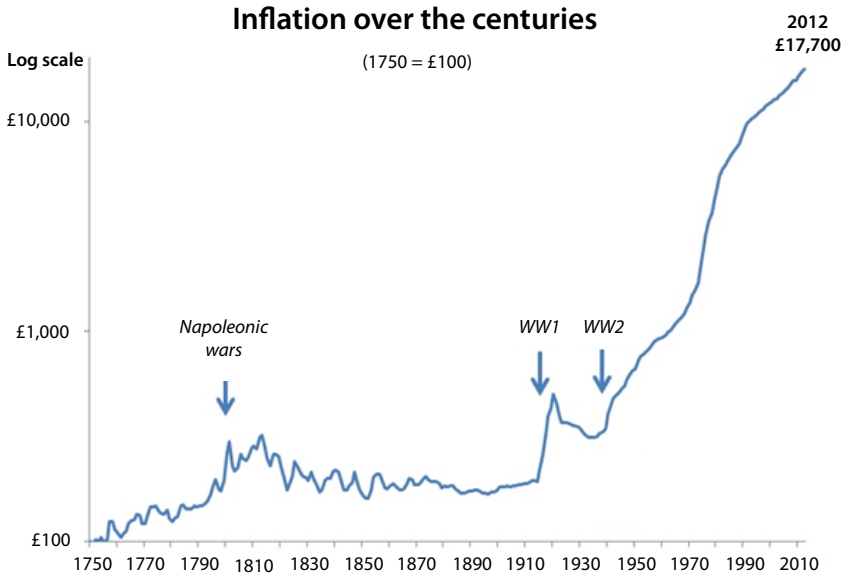
Both silver and grain are used as currencies... biblical texts establish the exchange rate between silver and barley seed.

This is the case in early biblical times. The Hebrew word for money is *keseḥ*, which also means silver – pieces of metal that were measured out to an agreed weight for the transaction in question.¹⁰ A touchstone would

be used to determine the purity of silver being weighed out, meaning it was relatively easy to quantify the value in any given transaction. The main issue appears to have been some unscrupulous merchants using dishonest weights – about which there are numerous laws in the Bible (e.g. Leviticus 19:35). Both silver and grain are used as currencies¹¹ and, as with the Sumerian records, biblical texts establish the exchange rate between silver and barley seed (see Leviticus 27:16).

Inflation

Silver satisfies the criterion of scarcity, though it is not as scarce as gold so there was enough of it for convenient everyday use in the ancient world. Money – silver – retained a relatively constant value over hundreds of years. Jeremiah paid 17 shekels for the field at Anathoth (Jeremiah 32:9). Zechariah 11 records the prophet throwing 30 silver pieces to the Potter in the Temple; nearly six hundred years later, Judas's 30 silver pieces bought the Potter's field (Matthew 27:9-10).¹² Assuming they are the same fields, or even different ones of remotely similar size, this shows remarkable stability of prices over hundreds of years. At a rate of 2% inflation, the target rate for many governments today, the field Jeremiah purchased for 17 shekels would have cost around 2.5 million shekels by the time of the crucifixion!



Moreover, money truly belonged to the people. It was not issued or controlled by a single body, whether a central bank, the Temple or the state. The Levites only had a role in maintaining accurate weights and measures (see 1 Chronicles 23:29 and Leviticus 19:35-36). This was the sanctuary shekel, used for transactions in the Temple (e.g. Exodus 30:13). This may have been used to verify merchants' weights too. Such oversight was clearly necessary: the prophet Micah voices God's anger at some of the practices that existed: 'Shall I acquit someone with dishonest scales, with a bag of false weights?' (Micah 6:11)

Different authorities had different standard weights they used (like the royal stone and the sanctuary weight) but no one controlled money itself. Market forces might have pushed its value up or down; a particularly good harvest might have seen barley's value fall against silver, for example, as oversupply decreased the price of grain. Conversely, in the siege of Samaria recorded in 2 Kings 6, the high demand for food meant that a donkey's head changed hands for as much as 80 shekels. New supply was possible through mining or conversion of jewellery or plate metal. But no civil servant could interfere with the money supply centrally, at the whim of a king or emperor.

Limits on government

This independence of the money supply would change later in biblical history – partly due to the adoption of new processes and technologies, and partly due to political developments. In Israel's earliest days, there was no formal system of government as we understand it. Rather than rigid top-down organisation, tasks were carried out by families, clans, towns, tribes and Levites, depending on which had most direct interest in the outcome. Responsibility was passed upwards to a higher or more centralised body only when necessary – for example, when a local court could not deal with a complex case (Deuteronomy 17:8-13), or when the nation as a whole came together in the interests of national defence. This has similarities to the idea of Subsidiarity in Catholic social teaching and to the idea of sphere sovereignty in Neo-Calvinist thought.¹⁴

Concentrated power risks being distant and indifferent towards its citizens, at best.

In fact, the Bible shows a distinct wariness of centralised authority. Over the course of biblical history, God's people suffered repeatedly under oppressive and abusive rulers: first the Egyptians, with their extensive state bureaucracy and all-powerful god-king Pharaoh; then under the Assyrians and Babylonians, responsible for exacting heavy tribute and for the exile of the northern and southern kingdoms of Israel and Judah, respectively; and finally under the Greeks and Romans, in the New Testament, who denied the Jews their autonomy as a people and persecuted both them and the new sect of Christians. The Israelite monarchy itself was a concession to the people (1 Samuel 8) and its consequences for the nation were disastrous. The monarchy was a source of national idolatry, and few kings received God's unconditional approval.

Concentrated power, whether political, financial or technological – the three tend to go together, today and in biblical times – risks being distant and indifferent towards its citizens, at best, and more likely exploitative, oppressive and coercive. For this reason, the Bible is clear that there should be limits to the power of Israel's own king. The king was to be under the Law, not above it. He was not to amass financial or military resources (Deuteronomy 17:14-20). Unlike Pharaoh, his authority was not absolute. The Law and the Levites provided a system of checks and balances that were intended to prevent Israel's king from acting like a tyrant, beyond accountability.

This is of great relevance to our approach to money and any application we might make from biblical principles. With the development of coinage, money became and has remained ever since an instrument of the state. How we deal with money today is still connected fundamentally with our view of government.

Coins: seigniorage, debasement and inflation

Standardised weights in the form of coins were a relatively late development. In the year 588 BC, almost 1,500 years after Abraham purchased the field for Sarah's burial, Jeremiah weighed his own payment for a field on scales, indicating that coinage still wasn't available or trusted (see Jeremiah chapter 32). Coins were probably not developed until the 6th century BC, in Lydia (modern-day Turkey), possibly reaching the Israelites after the return from exile, through Persian influence, as late as the 4th century BC.

Coins were issued by authorities such as governments and could have a higher face value than their cost of production (primarily the weight of the precious metal in them). This difference (seigniorage) is the 'trust premium' that such a coin would always be accepted by the authority in question as holding that value – as in the payment for taxes. Outside of that system, there were no guarantees the premium would be paid; foreign governments, for example, would not necessarily accept the coinage of another state at face value, though they would accept its metal value.

Seigniorage is effectively a tax that allows an authority to profit from minting coins.

Seigniorage is effectively a tax that allows an authority to profit from minting coins, though there would usually still be a broad link between the value of the coin and the metal from which it is made. (In the modern context, there is far greater difference between the face value of banknotes and their cost of production.) Throughout history, governments have exploited this as a source of funds, debasing the money supply by adding a percentage of low-cost metals to the gold and silver in their coins as a form of easy tax revenues. More serious debasement was unpopular, since people soon realised the metal content of their money was worth significantly less than its face value.¹⁵

Coinage allowed governments to take reliable control of the money supply for the first time in history. Money became an instrument of the state, issued by the state and due to the state. Questioned about the legitimacy of paying

taxes to the Romans, Jesus famously asks for a denarius, used to pay the tax. ‘He asked them, “Whose image is this? And whose inscription?” “Caesar’s,” they replied. Then he said to them, “So give back to Caesar what is Caesar’s, and to God what is God’s”’ (Matthew 22:20-21).¹⁶

As it happens, the denarius is the perfect example of the risks of state control over a currency. When it was first minted in around 211 BC it was made from almost pure silver and weighed around 4.5 grams, but over the years both its size and purity were reduced. In Jesus’ time it contained around 3.9 grams of silver, and later in the 30s AD Nero further reduced the silver content. By the middle of the third century AD it was a copper coin with no more than a thin plating of silver.

Inevitable interference through seigniorage and debasement led to money being worth less than it claimed to be at face value.

Thus money developed, in biblical times, from being pieces of silver – highly divisible, weighed out on demand, and of known purity – to government-issued coinage. Inevitable interference through seigniorage and debasement led to money being worth less than it claimed to be at face value. If the economy is not expanding,¹⁷ or if people lose confidence in the currency, then debasement causes inflation and the *de facto* transfer of wealth from holders to issuers of money.

Making money today

The use of precious metals as money continued for many centuries, with both gold and silver widely used for coinage and most currencies formally or informally remaining on some kind of gold or silver standard until the early 20th century. Each currency unit could be redeemed for a given weight of precious metal, but commodity money is inconvenient for moving large amounts of cash around. The solution was the creation of representative money, whether in the form of coins or paper notes, exchangeable at least in theory for physical reserves of gold, which therefore retained its value but was easier to manage.

Fiat money

The development of representative money opened the way for the new development of ‘fiat’ money, from the Latin ‘it shall be’. Fiat money is neither created from, nor backed by, precious metal.¹⁸ Instead, the government – generally through an independent body such as a central bank – simply decrees that it is legal tender, giving it value, not least because it can be used for paying taxes, despite the token itself being intrinsically worthless. Severing all links with precious metals allowed governments not only to debase a currency but to control the money supply fully. The state can literally print money if it wants, though there can be inflationary consequences when it does.

There are advantages and disadvantages to fiat money. The control it gives the government over the base money supply is double-edged. It can lead to devaluation of the currency and runaway inflation. The Weimar Germany is the textbook example, along with both post-war Hungary and Zimbabwe from the late 1990s.¹⁹ However, control of the money supply can also provide a tool to deal with changes in the economy. A shortage of new money can hold back economic growth; in a recession, governments can increase aggregate demand by creating more money.

There are advantages and disadvantages to fiat money. The control it gives the government over the base money supply is double-edged.

Money creation: central and commercial bank money

Money in its different forms – physical cash, central bank deposits and commercial bank deposits – is essentially an IOU from one party to another.²⁰ Currency is an IOU from the Central Bank to the public, as the inscription on UK banknotes states: ‘I PROMISE TO PAY THE BEARER ON DEMAND THE SUM OF...’ Central bank deposits are IOUs from the Central Bank to commercial banks. And commercial bank deposits are IOUs from commercial banks to account holders.

Only a small amount of the total money in an economy exists as currency, that is, physical coins and notes. Notes are typically printed by the Central Bank and coins minted on behalf of the Central Bank or Treasury. The Central Bank credits commercial banks with central bank reserves equal to the note value in circulation. It also purchases securities like government or corporate bonds

and credits clearing banks with central bank reserves. Together, these reserves and currency are known as central bank money.

Central bank reserves are only used by financial institutions. However, by far the largest proportion of the broad money supply – that is, the most accessible forms of money, including physical cash and funds in deposit accounts – is created by commercial banks,²¹ which effectively lend money into existence when granting customers new loans. The process of money creation by commercial banks in the UK is explained by the Bank of England thus:

‘In the modern economy, most money takes the form of bank deposits. But how those bank deposits are created is often misunderstood: the principal way is through commercial banks making loans. Whenever a bank makes a loan, it simultaneously creates a matching deposit in the borrower’s bank account, thereby creating new money.

The reality of how money is created today differs from the description found in some economics textbooks:

- Rather than banks receiving deposits when households save and then lending them out, bank lending creates deposits.
- In normal times, the central bank does not fix the amount of money in circulation, nor is central bank money “multiplied up” into more loans and deposits.

Although commercial banks create money through lending, they cannot do so freely without limit. Banks are limited in how much they can lend if they are to remain profitable in a competitive banking system. Prudential regulation also acts as a constraint on banks’ activities in order to maintain the resilience of the financial system. And the households and companies who receive the money created by new lending may take actions that affect the stock of money — they could quickly “destroy” money by using it to repay their existing debt, for instance.²²

All of this happens electronically. Banks can, effectively, convert one form of money (currency/central/commercial bank deposits) into another. When a bank creates an asset in the form of money that it lends to a customer, it also creates a liability. Money created will appear as an increase in the customer’s deposit account, however briefly. For example, if a customer borrows £100,000 for a mortgage, that will be reflected by a £100,000 asset on the bank’s balance sheet (since the customer has committed to paying them this amount), and a liability for the customer to repay the same amount, plus interest. The customer will then pay this money to another party (the owner

of the house he or she is purchasing), so it will be transferred to another bank account. Thus in the overall banking system newly-created assets in one bank are balanced by corresponding liabilities, most often in a different bank.

Contrary to popular perception, then, banks do not lend out customer savings – the now-obsolete ‘Bailey Building & Loan’ model of *It’s A Wonderful Life*. They create money by lending. The total amount of loans is generally between 20 and 33 times the bank’s equity, the value of everything they actually own, meaning the equity of the banks represents only 3-5% of their assets. ‘In early 2009, around the height of the financial crisis, the market valued the combined equity of the major UK banks at less than 2% of their total assets. In other words, the market thought these banks were, on average, over 50 times levered. Measured by their regulatory returns, average leverage was “only” 30 times or so.’²³ There is no clear and enforced separation between demand and savings deposits (instant-access and investment deposits locked up for a certain period of time, and typically paying higher interest rates; a problem with higher-risk, higher-return savings can therefore affect the availability of instant-access deposits). This should indicate something of the fragility of the banking system, recent increases in capital requirements notwithstanding, and why factors such as the subprime mortgage crisis could trigger such devastation of the whole financial sector and beyond, and require such immense taxpayer bailouts.

Contrary to popular perception, then, banks do not lend out customer savings – the now-obsolete ‘Bailey Building & Loan’ model of *It’s A Wonderful Life*.

Clearing

Moving money between accounts within the same bank is just a matter of updating the bank’s internal (electronic) ledger – crediting one account and debiting another. When money is moved between banks,²⁴ most of the changes can also be made on the banks’ own ledgers, since on any given day a bank will have broadly similar amounts of funds going into and out of its accounts from many other banks. The banks cancel out these transactions between them in a process called clearing. There will naturally be some discrepancy because the amounts won’t match exactly. At the end of each day, these are cleared at the Bank of England by adjusting the deposits held by each bank. Thus a relatively small amount of Central Bank reserves can support a much larger money stock and transactions handled by commercial banks.²⁵

A biblical critique of modern money

The monetary system reflected in the Bible is almost unrecognisable compared to our current one. The earlier books of the Bible describe an environment in which ‘money’ (mainly pieces of silver or measures of grain) would be weighed out for each transaction – though most transactions recorded in the biblical text were infrequent and significant, such as land purchase, dowries, compensation for injury, temple tax and so on. Coins were only introduced after the exile, and with them, routine state control over money.

Today, by contrast, we have a complex system whereby both central and commercial banks play a role in the creation of money, and where a large proportion of our transactions are electronic.

Today, by contrast, we have a complex system whereby both central and commercial banks play a role in the creation of money, and where a large proportion of our transactions are electronic. (Although almost half of all transactions still use cash, a far larger amount of money is moved electronically.²⁶) Nevertheless, there are lessons we can learn from the Bible, and principles we can extract to apply to our own situation. The following sections critique some aspects of our current

monetary system from a biblical viewpoint. The Application section below will suggest possible ways forward to address these shortcomings within that biblical framework.

Debt, interest and inflation

Both interest and inflation are foundational to the way our economy works. Inflation is the devaluing of money; 2 percent inflation means that a loaf of bread that costs £1 today will cost £1.02 next year. Therefore inflation can be thought of as negative interest on holdings of money; £100 of savings will be able to buy less than £100 of goods and services in a year’s time than it can today.

Increasing the money supply is not only undertaken when there is a recession, when deflation or low inflation might otherwise hold back economic recovery.

Inflation is a matter of deliberate public policy, with most Western economies targeting around 2 percent a year. There are several reasons why governments, and many citizens, consider some inflation desirable:

- It reduces debts in real terms, meaning that the money repaid has less purchasing power.
- It encourages spending because people think products will be more expensive tomorrow, fuelling short-term economic growth.
- Nominal wage increases make people feel better off year-on-year, by overstating real-terms wage increases or masking real-terms wage decreases.
- Aiming for moderate inflation reduces the risk of outright deflation.

Inflation has a series of negative consequences, too:

- Lenders will not receive back the amount they lent in real terms.²⁷ Unless they are economically literate, they may be deceived into thinking they are making a greater return than in truth they are.
- Inflation disincentivises saving, because it is cheaper to buy something today than tomorrow.
- Inflation penalises those who derive income from savings, like many pensioners, because it reduces the real return on their investments.

Debt and interest are inherent in our monetary system, because commercial banks create a debt on their ledger to lend out the corresponding credit to customers. The interest they charge is the reward they require for the risk of taking that debt onto their balance sheets, and compensation for inflation. The riskier the loan is perceived to be by the bank, the higher the interest rate they charge.

The Bible has a completely different approach to debt and lending. Borrowing entailed a promise to repay by the borrower to the lender, and thus a form of financial servitude (Proverbs 22:7). Taking out a loan was supposed to be a last resort, a way of avoiding destitution, rather than a part of normal life. From the lender's side, profiting from a loan to another person was forbidden: 'You shall not charge interest to your countrymen: interest on money, food, or

Debt and interest are inherent in our monetary system, because commercial banks create a debt on their ledger to lend out the corresponding credit to customers.

anything that may be loaned at interest' (Deuteronomy 23:19). The only time interest could be charged was to someone outside the Israelite community, who was not bound by the same rules as Israelites and might otherwise exploit them by readily defaulting or taking an interest-free loan and lending it out at interest to someone else.

Interest was seen as a form of extortion: a means by which wealthy people extracted money from those who were already poor and vulnerable. To charge interest was to do someone an injustice. 'Whoever increases wealth by taking interest or profit from the poor amasses it for another, who will be kind to the poor'²⁸ (Proverbs 28:8). Charging interest on a loan promoted inequality and entrenched poverty. This is the reason that debts were cancelled every seven years, in the Sabbatical year: it was a kind of economic reset, preventing the poor from being caught in a never-ending cycle of repayment and debt servitude (see Leviticus chapter 25; Deuteronomy chapter 15).

Thus money had nothing to do with debt in the way that we take for granted today. The relatively fixed supply meant that money could not effectively be created from nothing to lend to another person at interest. Deuteronomy 23:19 is universal in its scope: no commodity was exempt from the ban on interest.

Not only this, but debt repayment was taken seriously. Jesus repeatedly uses debt as an image for sin, including in the Lord's Prayer. It was a last-ditch solution to poverty, and taking on a debt was not a decision anyone would make lightly. There were consequences in cases of default, including loss of collateral or servitude to repay the debt through labour. Defaulting on a debt was a serious sin – effectively breaking a promise as well as a form of theft. 'The wicked borrow and do not repay, but the righteous give generously' (Psalm 37:21). Default was relationally worse than theft as it involved breach of promise and loss of reputation, as well as depriving another of their property.

The relatively fixed supply meant that money could not effectively be created from nothing to lend to another person at interest.

This is one reason we might see inflation as being opposed to biblical ideals for money and the economy. Inflation erodes the value of money over time. It obscures the truth when a loan is made: it means that lenders are not repaid the money they are ostensibly promised in real terms, contrary to the biblical obligation to pay our debts. The fact that governments implicitly use inflation as a way of reducing their debt obligations, such as the UK in the 1970s, has significant consequences for the rest of society. It benefits governments to

allow high inflation to reduce debt in real terms, thus benefitting current and future generations of taxpayers at the expense of savers and pension funds.

Inflation creates a redistribution of wealth away from citizens towards the government, and from creditors to debtors. This amounts to a form of theft, and thus contravenes the eighth commandment (Exodus 20:15). To place a positive spin on inflation is therefore disingenuous, to say the least.²⁹ The Bible's teaching on debt and interest, and its implications for inflation, offers a counterpoint to the foundations of the monetary system used today.

Quantitative Easing

A special case of inflation and seigniorage is Quantitative Easing (QE), the controversial process of 'printing money' used to stimulate the economy during and since the financial crisis in the UK, US, euro area, Japan and elsewhere. In reality, no new (physical) money is printed. Instead, central banks purchase central bank money into existence by buying assets such as government and corporate bonds, and mortgage-backed securities, crediting the seller of those assets with new central bank reserves. The sellers of those assets then use this money to purchase other assets like shares and corporate bonds. In the UK, the Bank of England created £375 billion of new money via its asset purchase programme between March 2009 and July 2012, which it used to buy government bonds (gilts) from institutional investors like pension funds and insurance companies.³⁰

QE is a tool to lower long-term interest rates, over which central banks have traditionally had little direct control relative to their control over short-term rates. The intended effect is to boost asset prices, which in turn promotes economic growth through a wealth effect. For example, because people's homes are worth more, people are willing to spend more. Banks' balance sheets are stronger because pension and investment funds have new deposits with them, at least until they purchase other assets, so they are willing to lend more. One other effect of QE is to change the composition of the money supply, since the proportion of central bank reserves in the total money supply rises.³¹

The long-term effect of QE is still unknown. Central banks could sell the assets they have bought as the economy improves, effectively destroying the money created to buy them in the first place.³² This unwinding will have to be carefully timed to avoid a deflationary impact somewhere along the line.³³ It is also hard to guarantee that the banks will lend the new money created by

QE to the 'right' place – like local businesses – rather than in other places that offer a higher, if more fragile return, such as emerging economies. There have been criticisms that QE has not been much help to ordinary consumers and small businesses, because commercial banks have used the money to support their own balance sheets and improve capital holdings – a requirement of new regulation.

Because of the resultant low interest rates and difficulty in targeting the new liquidity towards its desired ends, QE has led to money flowing into other assets, almost certainly contributing to the overvaluation of the stock market and housing assets, if not outright bubbles.³⁴ Thus it has enriched the already-wealthy, increasing wealth inequality.³⁵ Meanwhile, some savers and those who rely on savings income have been harmed by lower returns;³⁶ low interest rates have increased the funding shortfall of defined benefit pension schemes while vastly inflating the off-balance sheet liability of government for the state pension and the pensions of public sector workers.

Physical cash

In the Bible, physical cash was the only kind of money in use. There was no electronic money. Today, a high proportion of transactions still take place in coins and notes. Recently, though, there have been suggestions that we should do away with physical cash altogether; these range from apparently serious propositions to 'thought experiments' and 'precautionary principles'.³⁷ There are several reasons for this, but the chief reason given is that it would enable the Bank of England to reduce interest rates well below zero in an attempt to raise the price level by encouraging people to spend the money in their bank accounts. However, in practice, there are already some indications it may not have the desired effect.^{38,39}

In principle, the abolition of notes and coins has a number of flaws from a biblical perspective.

Centralisation

One problem with the proposal to abolish notes and coins is the even greater centralisation of money creation and control that it entails, and therefore the concentration of power away from the end-user and up towards the body tasked with creating and managing money. In biblical terms, any concentration of power – including financial – is dangerous, opening the way to numerous abuses. Connected to this is the requirement

that everyone who wished to transact would need a bank account (provided either by the central bank or a conventional private bank), which would strain the consciences of many Muslims and some Christians. The use of alternative monies (such as foreign and local currencies, bitcoin, and gold) would have to be prohibited.

Transaction costs

Many payments are made conveniently by cash, which would involve significantly higher costs if made by electronic means. The abolition of cash would make the payments system more expensive to operate, particularly for small amounts and for the elderly.

In biblical terms, any concentration of power – including financial – is dangerous, opening the way to numerous abuses.

Surveillance⁴⁰

One outcome of moving to an entirely electronic system is likely to be the use of money as a tool of surveillance. Physical cash is anonymous. Forcing every transaction to go through an account enables banks to track who is spending what. This has the advantage of making criminal activity potentially more difficult and expensive to conduct. However, this also undermines personal privacy and civil liberties, reinforcing the tendency towards mass state surveillance, and implicitly assuming citizens are guilty until proven innocent. Access to physical cash is an important limit on the power of a state and a protection against tyranny, since an authoritarian state could control its citizens by controlling their ability to use money, as well as more easily imposing a bank deposit/wealth tax.

Devaluation

Perhaps the most serious problem, though, is that it increases the charge attached to using money. As we saw in the first section, money's purpose to the end user is as a medium of exchange, store of value and unit of account. However, these are fundamentally different to the purposes for which a central bank wants to charge for its use, making it a worse store of value for the user and a source of income for itself. There is a conflict of interest between stakeholders. One of the stated purposes of getting rid of coins and notes is to manage inflation in a low-interest environment by causing people to spend money rather than hold it in an account. Aside from the biblical implications of inflation, this also leads people to save less, increasing the risk of debt, and therefore the risk of poverty and long-term economic

instability for the country.

Bank deposits and risk

Keeping money in a bank has further issues attached to it due to the expectations we have about risk and return. There are broadly two kinds of bank account, reflecting two different purposes of banking. Historically, current accounts simply provided the ability to pay bills without the need for physical cash, and customers received little or no interest. In contrast, the deposit or savings account provided a return above inflation. The bank invested the funds, taking on the risk of using that money to generate greater returns, and keeping the difference if they were successful.

Returns on any interest-generating account seem riskless to the depositor, but in reality there is always some risk attached to investing or lending by the bank. Thus, to guarantee deposits inevitably means pushing that risk elsewhere.

It is a biblical principle that those receiving a return from an investment should also share in the risk involved.

The Financial Services Compensation Scheme (FSCS), which is Treasury backed but industry funded, covers depositors up to £75,000⁴¹ but has minimal reserves in practice and relies on support from the government for a bailout in the event of a large bank failure.

There is obviously a conflict of interests here.

The banks are commercial enterprises that exist to make money for their shareholders, who have limited liability if the bank fails. If the risks they take result in losses, as inevitably they will from time to time, the money to repay depositors has to come from somewhere, and when a bank is deemed 'too big to fail' because of the devastating consequences for the wider economy and society, the only solution is for the government to step in and cover the losses – as happened in the bailouts that occurred during the Global Financial Crisis. In this regard, large banks' actions are akin to holding the wider economy hostage, forcing society to cover their losses in cases of systemic failure.

It is a biblical principle that those receiving a return from an investment should also share in the risk involved. In the Parable of the Talents in Matthew 25, the servant levels this criticism at his master:

“I knew that you are a hard man, harvesting where you have not sown and gathering where you have not scattered seed.” ... His master replied, “You wicked, lazy servant! So you knew that I harvest where I have not sown and gather where I have not scattered seed? Well then, you should have put my money on deposit with the bankers, so that when I returned I would have received it back with interest.”

Rather than legitimising interest, Jesus seems to confirm the Old Testament view that interest is a form of injustice and oppression: it is the kind of thing a hard man would do, reaping where he has not sown.⁴²

The picture regarding returns on bank deposits has changed somewhat as a result of the Global Financial Crisis. As central banks have reduced interest rates, even some commercial banks are now offering returns below zero, having previously insulated customers from negative rates. Alternative Bank Schweiz was one of the first to announce that it would be charging depositors fees of up to 0.75 percent on deposits held with it.⁴³ At the present time, deposit accounts are not a way of receiving a guaranteed, inflation-proof, income. Although this was caused by adverse economic circumstances, we should realise that this is based on the economic reality that we should not expect to earn an income unless we are prepared to put our capital at risk.

Current accounts in the UK, meanwhile, receive no interest but their services are apparently provided for free. In reality, payment services have to be paid for. Banks have met these costs in the past by increasing the spread in interest they charge between deposit rates and loans, selling (and mis-selling) Payment Protection Insurance and by imposing draconian charges on customers whose accounts have become overdrawn. ‘Free banking’ is only possible thanks to cross-subsidisation from other customers.

‘Free banking’ is only possible thanks to cross-subsidisation from other customers.

Capital flows and the pro-cyclical economy

A further problem of the current money system is the increased volatility of the economy that tends to result. In a recession, governments and central banks generally lower interest rates to encourage people to spend more money by making saving less attractive. This also means credit is cheaper and

the banks lend out larger amounts to satisfy greater demand. Companies may borrow money to hire new people and invest in their business, for example. But often, the additional money is not spent directly but flows into assets deemed undervalued such as property, stocks, and commodities such as gold and oil. The result can be a speculative bubble. When this is accompanied by inadequate regulation of lending, as in the sub-prime mortgage crisis, the size of the bubble is exaggerated further.

Control over monetary policy gives central banks the ability to address unwanted economic conditions but, in its current form, can also have the effect of exaggerating the impact of capital flows, leading to cyclical 'boom and bust'.

As the economy recovers and grows more rapidly, inflation increases and the central bank raises interest rates to bring it back down. This means that many who have borrowed money have to pay it back at higher rates, which they may find impossible. Having bought assets with cheap money, pushing up their price, they are now forced to sell them, perhaps at a loss, to pay their debts, which may lead to a crash and potentially cause the

next recession as the effects spread through the wider economy. Companies are also affected as they have to pay back loans, and profits are lower because consumers have less money due to their need to pay back their own loans. Jobs are lost, making the problem worse. As the economy moves back into recession, the central bank lowers interest rates to stimulate growth.

Thus control over monetary policy gives central banks the ability to address unwanted economic conditions but, in its current form, can also have the effect of exaggerating the impact of capital flows, leading to cyclical 'boom and bust'.⁴⁴ The way our monetary system operates is inherently destabilising to the wider economy.

Alternative approaches

Our present monetary system poses many risks and disadvantages. From both a biblical and practical viewpoint, there are serious problems that need to be addressed. Various individuals and organisations have suggested ways to engage constructively with the process of money creation and administration to bring it onto a more just and sustainable footing. For background to the

applications given later in this booklet set out below, some of these approaches are summarised here, along with comments on how they align with the biblical ideals for money.

Positive Money

The UK-based group Positive Money (www.positivemoney.org) has campaigned for monetary reform, arguing that because money is created through debt, we have to pay interest on all the money that is issued, and that this is at the root of high levels of debt, inequality and soaring house prices.

Positive Money has campaigned to take money creation away from profit-seeking banks (and vote-seeking politicians), instead giving the decision of how much new money to create to a politically independent body such as the existing Monetary Policy Committee. The resulting money would be spent by the government and lent to banks, who would make their own decisions about where to deploy it in the real economy. Whilst this entails the important step of severing the link between money creation and debt, a centralised committee would still make decisions about how much money the economy needed. Without reform of bank balance sheets, there would also be little control over where this new money was deployed and its effect on the economy.

The Green Party Manifesto and Labour's 'Corbynomics'

In their 2015 General Election manifesto,⁴⁵ the Green Party noted the recklessness and dishonesty of the financial industry, and their role in bringing about the financial crisis and resulting austerity. They recommended a similar solution to Positive Money:

'We believe that the time has come to recognise that the creation of currency and the control of the money supply is far too important to be left to profit-seeking private sector banks and should be brought back under the democratic control of the state. Quantitative easing was but a first step. Commercial banks should be no more than the custodians

The Green Party noted the recklessness and dishonesty of the financial industry, and their role in bringing about the financial crisis and resulting austerity.

of publicly created money in current accounts, and the creation of that money should become the function of a new monetary authority, independent of day-to-day government control... The change to the new system would create a new and substantial cash flow for the government, which could be spent on social and environmental priorities and assist in paying down the national debt.'

This still represents a potentially dangerous level of centralisation, risking the misuse of money creation in the future for one reason or another. It also has overtones of Labour leader Jeremy Corbyn's 'QE for the people',⁴⁶ the idea that money might be created to spend on environmental and infrastructure projects such as roads, housing and the renewable power industry.⁴⁷ Aside from giving more financial and political power to government, this risks harming the economy, because it would send a signal that the UK is not financially healthy enough to fund these projects through other means. It would be currency debasement for political ends and have potentially serious inflationary consequences.

The Gold/Silver Standard

Some politicians and groups have campaigned for a return to the gold standard, or something like it, including more conservative members of the US Republican Party.⁴⁸ They argue that this would make the dollar stronger and prevent inflation, create a more stable economy, rein in government borrowing and stop the state from growing ever more powerful.

Silver has been used as currency for thousands of years, and forms of a silver standard have been employed at various points in history

The silver standard is a variation on this idea. Silver has been used as currency for thousands of years, and forms of a silver standard have been employed at various points in history –

including for several hundred years in Britain. Old Testament laws setting an exchange rate between silver and grain were a form of 'silver standard', similar to a gold standard. Silver is more abundant than gold, meaning the money supply could more easily be expanded if necessary; a system using two or more precious metals could mitigate issues around shortage of supply of new money holding back economic growth.

Most mainstream economists believe that returning to the gold standard would

be disastrous, though their criticisms typically presuppose our debt-based financial system that cannot cope with periods of disinflation. However, others have claimed it would be possible to return to a form of the gold standard without such serious consequences.⁴⁹ Alan Greenspan, former Chairman of the US Federal Reserve, once supported the gold standard.⁵⁰

A gold or silver standard is vulnerable to state intervention, as with any centrally-controlled system.

A gold or silver standard is vulnerable to state intervention, as with any centrally-controlled system. The US government did so to address the problem of deflation during the Great Depression. ‘On April 5, 1933, President Franklin D. Roosevelt ordered all gold coins and certificates of denominations in excess of \$100 turned in for other money by May 1 at a set price of \$20.67 per ounce... In 1934, the government price of gold was increased to \$35 per ounce, effectively increasing the dollar value of gold on the Federal Reserve’s balance sheet by almost 70 percent. This action allowed the Federal Reserve to increase the money supply by a corresponding amount and, subsequently, led to significant price inflation.’⁵¹ The bailouts of RBS and Lloyds banks were examples of such unilateral intervention in the context of our existing system (though this did not impact the value of Sterling in the same way).

Another issue with a gold or silver standard – or any commodity-based standard – is that there is no way of limiting new supply of metal through mining appropriate levels. Gold has the reputation of keeping a stable value, but its value fluctuates all the time; as a so-called ‘safe haven’ asset, its value rose from less than \$300 per oz in the early 2000s to over \$1900 in 2011 amid renewed concerns about the global economy. There are some buffers, in the sense that more metal will be mined or released from jewellery/bullion if prices rise, but intense speculation or discovery of new supply can result in rapid changes in value. In *The Ascent of Money*, Niall Ferguson writes about what happened when Spanish conquistadors flooded the market with 45,000 tons of plundered silver in the 16th-18th centuries: its purchasing power fell dramatically, causing sharp increases in the cost of living.⁵² Any commodity standard is vulnerable to discoveries of new supplies and to technological innovation, though it is unlikely we would ever again see the kind of vast new supplies the conquistadors introduced.

These fluctuations in the supply of the commodity backing the currency will dictate the availability of credit and the growth or otherwise of the economy,

assuming no other changes take place at the same time. Then there are the problems that would arise from only one country using the gold standard while the rest of the world continues to use fiat money, including the appreciation of its currency, making exports less competitive – as happened to the UK in 1925 when the country temporarily returned to the gold standard. Against such drawbacks are the considerable advantages of having an apolitical and broadly non-inflationary monetary system.

Asset-backed currencies

A variation on the gold or silver standard is to create currencies backed by other assets. Gold has been widely used as money and to store value for centuries, but in the 21st century there are arguably better ways to underpin a currency. In theory, almost anything could be used: other precious metals, shares, property – even state assets or future tax revenues, two solutions suggested during the recent Greek debt crisis. It would be possible to create a currency backed by a basket of diversified assets, perhaps including gold, silver, property, exchange-traded funds (ETFs) that track major stock markets, and so on. This would reflect real-world economic conditions, and could be balanced to avoid undue exposure to any single element of the economy.

It would be possible to create a currency backed by a basket of diversified assets.

One hundred percent reserve money

Full-reserve, or 100 percent reserve banking, as opposed to fractional reserve banking, means that banks would be required to keep all of their customers' transaction deposits in cash or central bank reserves. Customer funds would be held in accounts that paid no interest, and that were therefore essentially risk-free: the bank would hold all of this money without lending any out.

Variations on this idea have been recommended by a number of high-profile economists,⁵³ and it has seen more recent interest in the wake of the 2008 financial crisis. Although it would end the risk of bank runs, it would have far-reaching consequences, since money creation would become the sole preserve of the government, and lending would increasingly be undertaken by the unregulated and unofficial 'shadow banking' industry.

In practice, banks would have to charge current account customers for the banking services they provide on these accounts. Deposit accounts that generated a return would have to be subject to the rules that most investors take for granted – that the higher the potential gains, the higher the risk to your capital.

Local currencies

There has been a growing movement in favour of local currencies such as the Totnes Pound, Bristol Pound, Massachusetts BerkShares and the Canadian Salt Spring Dollar, amongst others. The purpose of these currency schemes is to support their local economy, since they cannot generally be spent outside their immediate geographic area. Effectively, they work as an accounting ledger for local transactions. Local currencies may or may not be backed by the national currency, and may or may not have 100 percent equivalence. BerkShares, for example, cost \$0.95 to residents but are accepted by participating businesses and non-profits at their face value of \$1, on the grounds that the 5 percent discount for consumers increases monetary velocity and the local economic multiplier – that is, BerkShares dollars circulate more and bring greater benefit than ordinary dollars.

In some ways, local currencies are similar to loyalty systems like supermarket reward points, Frequent Flyer miles, club card points, and so on. These all aim to encourage customers and users to spend within a specific economy – in this instance within a business or network rather than a geographic area. Through partnerships with third parties they can often be redeemed against goods and services from other businesses.

There is some precedent for the idea of private money. English law sees banknotes as a form of bill of exchange – a piece of paper which circulates and is used to pay for goods and services, and that is therefore a form of currency. Historically, and in English law up until 1992, cheques were also bills of exchange. A company like Marks & Spencer could issue a cheque for £10 payable to 'Cash' or 'Bearer'. Anyone could then take this into a shop and spend it in the same way that they could spend a £10 note. In the eighteenth and nineteenth centuries, the use of cheques in this way as a private form of currency was commonplace. Cheques were acceptable provided the recipient trusted the credit of the issuer. During the 1970s when the Republic of Ireland banks were hit with long-lasting industrial disputes, cheques circulated as private monies – sometimes for months. In Greece today, post-dated cheques

are widely used as money. Business debt factoring, where invoices are sold to a third party (a ‘factor’) at a discount in return for immediate cash is another example.

Dollarization

In countries where the local currency is prone to inflation or debasement, it is common to find US dollars circulating as an alternative form of currency. People who do not have faith in their local fiat currency prefer to receive payment in dollars because the dollars will retain their purchasing power for far longer.

Similarly, currency boards in some smaller countries or territories maintain a fixed rate between a local currency and a foreign currency, with the former backed by holdings of the latter. For example, the Falkland Islands Pound is pegged to Sterling. Many Francophone countries in West Africa used to have currency boards which pegged their currency to the French Franc. The advantage is that there are no concerns about the stability of the local currency, though the country can no longer set its own monetary policy. This is similar to a gold standard in which a currency is backed by reserves of gold.






Cryptocurrency (digital money)

Cryptographic currencies or cryptocurrencies are new forms of online cash or digital money. Satoshi Nakamoto,⁵⁴ the creator of bitcoin,⁵⁵ the first cryptocurrency, solved the ‘double-spend problem’ – the issue that digital information can easily be copied, and that transactions can therefore be duplicated unless a trusted third party polices them. The ability to circumvent this challenge enables for the first time peer-to-peer transactions online, completely outside of the control of a central authority such as a government, bank or payment processor.⁵⁶

Cryptocurrencies operate on decentralised networks of computers, with transactions being stored on a shared ledger called a blockchain. Money supplies are either static or algorithmically determined,⁵⁷ rather than being set by a central party. This means that ‘coins’ are of mathematically-guaranteed ‘purity’, and that inflation and seigniorage – where applicable – are both foreknown and removed from central (state) control. Instead, they are granted to those who secure the networks, along with the nominal transaction fees

charged. The fixed rules on supply effectively ensure a 100 percent reserve system and prevent the creation of debt for lending at interest.

There are potential issues that arise from using such a radically different paradigm of money. Like cash, digital money transactions are irreversible, because there is no central authority to intervene. Like cash, the relative anonymity of digital money makes it an attractive tool and target for fraud and criminal activity. Because it works on a trustless model, inflation and the relative value of a digital currency cannot be influenced by creating more of it, as central banks do with fiat money. Although in the long term the limited new supply should make it a good store of value, in the short term speculative demand can cause significant volatility – far more so than the relative value of most fiat currencies against each other.⁵⁸ Its comparative infancy means that usability and security remain barriers to widespread adoption. Nevertheless, the ability to create money of guaranteed quality/supply and to transact outside of state (or any centralised) control arguably make cryptocurrencies closer to the biblical ideals than most forms of money that have been developed since the invention of coinage.

		Centralised issuance ⁵⁹	Control over payments ⁶⁰
	Precious metal (gold/silver bullion)	No	No
	Coinage	Yes	No
	Physical fiat money (cash)	Yes	No
	Electronic fiat money	Yes	Yes
	Cryptocurrency	No	No

Application

God is relational. He exists in perfect relationship of mutual love within the Trinity. When Jesus summarised the Law and the Prophets, he did so in terms of love, a quality of relationship (Matthew 22:34-40). Every law in the Bible seeks to govern an aspect or aspects of one or more relationships, whether with God himself or between humans. Since this concern for right relationships underpins everything in the Bible, it must also underpin our thinking as Christians around a form of money fit for use today.

We cannot claim that the forms of money found in the Bible were the ideal forms of money for all time. Their properties were bounded by the technology and circumstances of their era. For example, the fact that silver pieces were weighed out at the point of transaction is *descriptive* of biblical money, not *prescriptive* of what money *should* be. The Old Testament law assumes the use of silver as money but never requires it.

Although we cannot directly transfer principles about the nature of money from their biblical setting, we can aim to understand the ideals and characteristics that underpinned money in the biblical writers' minds, and whether these have continuing relevance for today. Below are included some areas for further discussion and consideration.

Centralisation and state interference

Despite the operational independence of the Bank of England with regard to monetary policy, the government is still involved in setting the MPC's⁶¹ inflation target, appointing its members, creating and regulating the use of money, as well as deciding levels of government debt, which affects monetary policy. How we view money in the 21st century is fundamentally determined by our approach to the role of state. In biblical teaching, all centralised power – whether political, financial or technological – is viewed as suspect due to its tendency to become abusive and coercive. A biblically-informed approach, therefore, will seek to limit the power of government over its citizens. Power is decentralised as much as possible, with decisions being taken at the lowest and most local level appropriate. This is known as the principle of Subsidiarity.

The Levites in the Old Testament period had some responsibility for regulating money by ensuring that honest weights were used, but neither they nor the

king had a mandate to create money itself. The Levites were not a part of the state apparatus, but acted as a form of accountability for the monarchy. Other standard weights for money were apparently maintained by different groups, including a 'merchants' standard' and the sanctuary shekel. Verses such as Deuteronomy 25:13-16 and Proverbs 20:10, 23 emphasise the need for a consistent standard, condemning the merchant who uses a light weight when selling and a heavy weight when buying. These passages have direct application to a government which profits from seigniorage when issuing money, and then again from its ability to push up inflation to minimise the real cost of repaying its debts.

A significant challenge is how to remove the creation of money from centralised and politicised control, whilst ensuring it remains fit for purpose for a modern economy. Further challenges lie around removing the moral hazard inherent in the way that money is created and used, as discussed below.

Separating retail and investment banking

Since the 1980s, retail and investment banking have been closely linked. This means that when a bank suffers heavy losses due to its investment activities, this also threatens basic services like payments and account access. This structure means that banks can effectively hold taxpayers to ransom because elected governments cannot countenance funds belonging to voters and depositors in the banks being lost if the bank makes bad financial decisions. This was the situation in 2008 when loss of confidence in the value of subprime securities as collateral in the US, and contagion around the world, threatened to close a number of major banks.

Banks can effectively hold taxpayers to ransom because elected governments cannot countenance funds belonging to voters and depositors in the banks being lost.

The Bank of England is now implementing rules that will require large banks to ring-fence customer funds.⁶² However, losses on commercial bank loans could still render a bank insolvent and put customer deposits at risk. A complete separation of retail and investment banking is necessary so that the banks can no longer hold taxpayers to ransom, but the banks are lobbying politicians vigorously to prevent this as it threatens their profit margins.

However, the separation of retail and investment banking has downsides that

customers must accept, too. Interest-bearing accounts will always have some risk attached to them. Thus, regular bank deposits and the insurance they enjoy also require reform. One way of going about this would be to bring in a system of ‘100 percent reserve’ banking, in which no customer funds are used for other activities, but are only held for instant access. These would be fully guaranteed, but might be limited to £20,000 per person. Savings deposits that generated a return would have to share in any risk involved, and would not necessarily be instant access.

An end to Quantitative Easing

The use of QE to prop up the economy has had serious side effects and highlights the moral hazards inherent in the centralisation of money creation. QE has contributed to an asset price bubble that has generally benefitted the already-wealthy; property owners and stock investors have seen the price of

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their homes and portfolios rise,⁶³ while many ordinary savers and younger workers have been heavily penalised. Inequality has risen across society. Banks have shored up their balance sheets rather than lending to local businesses, and first-time homebuyers have

been priced even further out of the market.

More broadly, any inflationary policy favours debtors, including the government, allowing them to reduce the real value of their nominal debts in depreciated currency. This is quite simply a conflict of interest; it is impossible to make an impartial decision when decision-makers benefit, whether politically or financially, by one outcome at their disposal. The redistribution effect of QE is a reminder of the biblical implications of money creation: that seigniorage and (unanticipated) inflation are forms of injustice and theft.

QE should therefore be wound down as soon as is reasonably possible, with income from gilts (government bonds) purchased being used to replace the new central bank reserves – destroying this money in the same way it was first created. A first step would be for the Bank of England not to replace its maturing QE gilts with further purchases in the market.

A greater role for local, alternative and digital currencies, and continued use of cash

Money is traditionally required to serve as a means of exchange, unit of account, and a store of value. In biblical thought, it broadly fulfils these purposes, but it is also a relational tool, designed to function as a kind of social glue by strengthening relationships – or, at the very least, limiting the potential harm caused by financial instability.

It is not meant to be a tool of the powerful by which value can be unilaterally moved around, from end users to banks, governments and the already-wealthy. Neither is it centralised around a specific authority – an attribute that inherently tends to lead to unbalanced power dynamics. In fact, different monetary systems were used in parallel, as indicated by the different shekel standards recorded. Barley as well as silver was apparently used as a day-to-day currency; there was a silver-barley standard, and land – another important commodity – was valued in terms of its ability to produce grain (Leviticus 25:14-16). At other times, wealth was also measured in gold and cattle (Genesis 13:2). Ultimately, money is whatever is accepted as money and the biblical record shows some diversity of currencies and standards. The main concern is for transparency, particularly that weights should be accurate to avoid fraud.

The biblical record shows some diversity of currencies and standards. The main concern is for transparency

Another obvious application is the greater decentralisation of money, not just in terms of the process used to create state-approved fiat currency, which inherently must have a degree of centralisation, but through the creation and adoption of separate currencies that gain traction as alternative means of payment. Competing monies add to convenience by reducing transactions costs, and restrain the abuse of seigniorage by any one issuer.

Local currencies such as the Bristol Pound have already paved the way for this. However, they have lacked widespread adoption due to a number of factors, including geographical limitations: they are only accepted within a given local area. They generally take the form of physical cash, since there are usually no associated banking facilities available. A similar concept is the reward points issued by many companies, which can be redeemed within their business networks but nowhere else. These are typically non-transferrable.

Cryptocurrencies also offer a completely different approach, in that they are fully decentralised and transferrable, but have no pegged or intrinsic value, the value derived from adoption and network effects notwithstanding (that is, the value conferred by the fact that a large number of people use them as money).

It is highly likely that future applications will combine cryptocurrency protocols with loyalty schemes and other alternative currencies, as well as existing as parallel currencies in their own right. These could prove a valuable addition to the economy. Consider one possible implementation:

Like many other corporations, Sainsbury's offer reward points in their Nectar scheme. Points are earned on purchases in Sainsbury's stores and other participating businesses, and can be redeemed as money off future in-store purchases, or against goods and services from companies including BP, Pizza Express, Argos, easyJet, Vue cinemas and Homebase. Points cannot be transferred from one customer to another.

However, a similar system that was based on a blockchain would enable third-party transfer and therefore trading of reward tokens. The price of a token would approximate to its real-world value, which would be the value of the goods/services for which it could be redeemed, though it would trade at some discount to this, reflecting the fact it would have less flexibility of use than regular cash. To all intents and purposes, it would be a form of private money, and could be used to pay for goods and services outside of that network of businesses. Such systems are already being created, though none have yet gained widespread adoption as a currency. It is almost inevitable that these will become more popular, though to some extent this will be dependent on the regulatory frameworks in their jurisdiction. All the same, the nature of a decentralised currency is that it cannot easily be controlled.⁶⁴

On their own terms, cryptocurrencies offer promising advantages, but also have some issues that require addressing before they will be widely adopted. Their independence from structures of power carries both benefits and risks. Concerns have been raised about fraud and money laundering, for example, because the irreversible and pseudonymous nature of bitcoin and other digital currencies make them ideal tools to keep funds out of sight and reach of the authorities. It also means that security is particularly important: if an exchange

is hacked or user's wallet compromised, it can be extremely difficult to recover the funds. Notwithstanding, the transparent nature of the blockchain could be an excellent tool for fighting corruption, since payments can be tracked to make sure they are going directly to those they are supposed to reach. Whilst there are currently some practical questions, ideologically cryptocurrencies appear to be better aligned with biblical principles than fiat money, due to their pre-determined supply and freedom from centralised interference.

These are applications that Christians should explore, not least because decentralised protocols are almost impossible to shut down and therefore such implementations are likely to arise anyway. There is also the opportunity to shape the emergence of these cutting-edge technologies and use them in ways that reflect God's will for the economy and monetary system, rather than leaving others who do not share Christian values to appropriate them.

The situation that might conceivably arise would be something like Friedrich Hayek's idea of having competing private currencies instead of a state monopoly on money creation. Currencies deemed by the market to be less trustworthy would cease to be used. A related

but slightly different proposal would be to have a limited number of parallel or complementary currencies, rather than ones that competed for supremacy against sterling, as argued by Hayek in an updated version of his thesis.⁶⁵

Whilst state-backed fiat money will probably still maintain its primacy, the number of alternative currencies in all their different forms raises the prospect of an exciting grassroots and market-driven change in the way monetary arrangements are structured. At the same time, the continued existence of physical cash is a vital check on the power of the state.

Ideologically cryptocurrencies appear to be better aligned with biblical principles than fiat money, due to their pre-determined supply and freedom from centralised interference.

Open and permissioned ledgers

A recent development is the extensive research into 'permissioned ledgers' by major financial institutions and global governments in the interests of creating digital money and using 'distributed ledger technology' (DLT) across financial services, including China, Dubai, Russia, Japan, Goldman Sachs, JP Morgan, Credit Suisse and many others. These permissioned ledgers are very similar to the open ledgers used by regular cryptocurrencies such as bitcoin, but include

a control layer that both restricts who can submit a transaction, and allows the authorised parties to reverse transactions.

This has a series of implications. The permissioned nature of the ledgers means that KYC/AML (Know Your Customer and Anti-Money Laundering) requirements are easier to meet. However, the control layer necessarily introduces vulnerabilities: where there is a gatekeeper there is a gate. Thus there are potentially security implications. A permissioned ledger is also not immutable: transactions can be changed or reversed unilaterally by the bank or government, so there cannot be full confidence in its transparency and reliability.

Perhaps the most concerning implication is the degree of power that such technology hands to already powerful banks and governments to control electronic money, and therefore to influence those who use it. Of course, banks already have the ability to reverse or block transactions, but the speed and level of oversight that permissioned ledgers enable opens the door to serious abuses. It is not hard to imagine a situation in which banking facilities are restricted for people who are marginalised in some form and dependent on state benefits, perhaps to ensure they can only spend money in certain places and on certain goods and services.

But the speed and level of oversight that permissioned ledgers enable opens the door to serious abuses.

In the UK, the Azure card given to asylum seekers already has this function.⁶⁶ This could be carried out by allowing transactions only with 'whitelisted' parties – a 21st century state variation on the Company Store of early 1900s America.⁶⁷ In countries like China,

which routinely exercise control over their populations by mass surveillance, such initiatives are deeply concerning. One response is to seek to further the development of open platforms that enable compliance and are suitable for the needs of modern financial institutions.

Backed digital currencies

We have discussed the idea of a gold or silver standard above, as well as asset-backed currencies. Although the costs of moving from one system to another would be significant, new technologies give rise to the possibility of backed currencies being issued in parallel, rather than as replacements, to fiat currencies.

This could initially be trialled using a digital currency backed by reserves of silver or, alternatively, by a diversified portfolio of assets. One unit of the currency could represent one ounce of silver, held in fully insured and audited vaults. The money supply could be expanded as required, with new digital coins being issued as more silver was added to the account. These coins could then be transferred and traded on a peer-to-peer basis, in the knowledge that they would always represent one ounce of silver. They could even be redeemed for physical silver, with a fee to cover administration and shipping costs.

Keeping the supply free from state control means that there is no immediate motive for unilateral government interference, as occurred with the gold standard under Roosevelt.

Such an initiative would require confidence in the issuer, with full transparency to make sure that reserves were properly audited at regular intervals. A commercial bank might trial it, though there is no reason a reputable company might not do the same.⁶⁸ Keeping the supply free from state control means that there is no immediate motive for unilateral government interference, as occurred with the gold standard under Roosevelt. The adoption of such a currency, or of similar initiatives, would be a function of their perceived advantages or otherwise over existing forms of payment.

Money without debt

At present, almost all the money people use (commercial bank money) is created hand-in-hand with debt – if all the debt was paid back, there would be little money left. It is a system that benefits commercial banks, because money creation inherently involves the charging of interest and the enjoyment of the banking spread between deposit and loan rates, thereby pulling resources out of the real economy and into the financial sector.

The alternative forms of money described above – silver/gold, cryptocurrencies, and some asset-backed currencies – can be considered forms of ‘positive money’, or money that is created without debt. But positive money is also an idea that could be extended to mainstream money. Critics have argued that the government alone should create money, spending rather than borrowing it into existence.⁶⁹

In order to remove money from political control, a form of silver standard

or digital money with stable and predictable supply would be required, or a combination of the two. Current criticisms of returning to a gold or silver standard are based on the problem that it could not work in our heavily-indebted system. Debt-based systems cannot cope with falling prices, because deflation means debts become larger and unmanageable. Introducing a new form of money now with more-or-less fixed supply would mean periods of disinflation in which indebted banks and sectors such as housing might suffer heavy losses.

The first step is, therefore, to address the fundamental problem of the system being unable to exist with a falling or even stable price level over time. Once that has been achieved, it is more feasible to introduce a more just monetary system.

An intermediate arrangement between our current monetary system and a silver/digital standard might involve some or all of the following changes:

- 100 percent reserve current accounts would be established, fully state guaranteed, but capped at £20,000 per person (see above).
- Savings deposits would generate returns, but these may have lock-in periods before they can be withdrawn and could be ‘bailed in’ – that is, would forfeit a proportion of their balances – if the bank was deemed insolvent.
- The central bank would pre-screen pools of commercial bank loans to act as collateral in a liquidity crisis in return for rescue loans at a penal rate.⁷⁰
- Banks would take measures to protect taxpayers meaningfully from the risk of bailout in a systemic crisis.⁷¹
- Asset-backed cryptocurrencies would be accepted as competing monies to the national currency, and local currencies would be allowed flexibility to innovate and offer an alternative.
- Alongside these measures, a serious attempt would be made to shift housing and corporate finance away from debt to equity (including leasehold, or rent-share contracts). Banks would eventually make their money from fee-based asset management services and operating a payments utility, rather than leverage and maturity mismatch of assets vs. liabilities.

However we might reimagine and recast money, it is not a process that will happen overnight. In the meantime, we need further constraints on the risk posed by the existing system.

Countercyclical policy

As discussed, the creation of money is fundamentally linked to the health of the economy. In times of low growth, interest rates are reduced, meaning that banks lend to, and thereby create more money for, businesses and consumers, if they demand it. This often prompts unsustainable borrowing and investment, and when interest rates are raised again there are inevitably redundancies and defaults. As we have explored above, newly-created commercial bank money may be used for almost any purpose, including speculation, at a risk to the wider economy. At the very least, new regulation might ensure that credit was not directed towards speculation. Instead, 'credit guidance' could encourage new loans to be allocated to more productive ends.

The correct diagnosis for our economy is not depression: it is manic depression.

In the words of Czech economist Tomáš Sedláček, the correct diagnosis for our economy is not depression: it is manic depression. Economic growth is, of course desirable – particularly for many low-income countries. However, *constant* economic growth is not realistic. Chasing increasing GDP for its own sake is putting the cart before the horse, meaning that short-term policies are pursued at the expense of sustainable growth. A better alternative is that we should seek stability as a first priority, not as an afterthought, and growth as a by-product of responsible management of the economy. Instead of focusing on maximising GDP, our goal should be to minimise debt, so that a lack of growth does not mean collapse.⁷²

This is currently problematic, because although the right to print money no longer belongs to politicians, they retain the prerogative to incur debt. Thus politicians can essentially force the Bank of England into a position where they may have to create more money by taking imprudent borrowing decisions. Sedláček recommends a 'stability pact' whereby in any given year, growth and the budget deficit together will not exceed 3 percent GDP (at 3 percent growth the budget would be balanced, and money set aside at greater levels of growth; at zero growth, borrowing may increase to 3 percent). However, such a suggestion has to be taken in the light of persistent slow growth in the

Eurozone and elsewhere; if growth remains close to zero for the next 10 to 20 years, this could result in a huge increase in debt before any improvements were felt. Although the detail of the policy would need adjusting, the principle is sound: we have sacrificed stability in pursuit of growth, and the solution is to do the reverse, selling excess growth to buy stability.⁷³

This approach resonates deeply with the vision for trust and contentment expressed throughout the Bible, including in the Tenth Commandment, 'Do not covet', and in Jesus' warning that we cannot serve both God and money (Matthew 6:24). As 1 Timothy 6:10 warns, 'the love of money is a root of all kinds of evil. Some people, eager for money, have wandered from the faith and pierced themselves with many griefs.'

Conclusion

There is no such thing as a perfect monetary system. What works well in one context will not necessarily be right for another. Although some forms of money might be more convenient than others, over the centuries people have used whatever best suited their purposes at the time. Money is, simply, what we collectively agree is money. However, the nature of that money has far-reaching consequences for all of us.

Biblical teaching on the ordering of society has much to say about money and the structures of power that surround it, both directly and indirectly. Its concerns for limiting concentration of power, whether financial, political or technological, are particularly relevant here. Centralisation of the money supply almost inevitably leads to its abuse in one way or another, and therefore injustice for all of us, the users of money. Many advocates of monetary reform argue for greater centralisation, demanding that the power to create money should be the sole preserve of the government. This risks even greater abuses.

The state has an important role in creating and administering at least one form of money – a function it currently grants to commercial banks, for the most part. However, this state-issued or state-sanctioned money is still an instrument of the government, whatever safeguards are put around it. A greater plurality of forms of money would guard against its misuse or failure. Biblical history and teaching displays such decentralisation: not just a 'separation of powers' that prevents the state from accumulating financial and political control; not

just distributing responsibility for the silver shekel weight across different groups (at least three standards were in use); but even to the extent of using different currencies, including gold, silver and grain of different types.

The upshot was that no one could co-opt money creation for their own ends: not the state, not merchants or businesses, not powerful individuals or foreign governments. Money was too important for the wellbeing of its users to risk the injustices that came with interference.

Social justice is core to the gospel and Christians have a duty to be at the forefront of monetary reform. Perhaps a world with money can never be perfect. But we can work to find the least imperfect version for our circumstances and honour God through how we use it. For, as Jesus himself says, 'Where your treasure is, there your heart will be also' (Matthew 6:21).

Glossary

Bail-in: an alternative to a bail-out, in which external investors (such as taxpayers) rescue a borrower by providing funds to help pay for a debt. A bail-in instead forces the borrower's creditors to bear part of the burden by writing off a proportion of the debt they are owed.⁷⁴

Bitcoin: the first true cryptocurrency or peer-to-peer digital currency. Bitcoin uses a blockchain to enable users to transfer value directly between each other online, without requiring an intermediary.⁷⁵

Blockchain: a shared and transparent ledger of transactions maintained collectively by a network of computers.

Cryptocurrency: digital money based on a blockchain, including bitcoin.

Clearing bank: a commercial bank that is a member of a network of banks allowed to process transactions, regardless of whether the transaction originated at that bank.

Commodity money: money which has value because it is made from or consists of a commodity that has value – typically precious metals, but also grain, salt, tobacco, cowrie shells and many other objects throughout history.

Debasement: the practice of decreasing the value of a currency, generally by lowering the content of precious metals it contains.

DLT (distributed ledger technology): alternative term for blockchain.

Fiat money: money that is created (Latin fiat, 'may it be so') by government decree and given value by law, in contrast to the intrinsic value of commodity money.

Gilts: bonds issued by the UK government, generally considered low risk. The original certificates had gold or gilded edges.

Local currencies: currencies that are accepted within in defined geographic area, such as the Totnes pound or BerkShares. The idea is to stimulate a local economy by encouraging money to circulate within it.

Open blockchain (open ledger): a blockchain that anyone can access and that is not subject to controls, such as the bitcoin ledger.

Permissioned ledger (permissioned blockchain): a blockchain that includes a control layer by design, so that only approved actors can submit a transaction, and transactions may be subject to intervention.

Representative money: typically used to mean paper money that is backed by a commodity, and that may be redeemed for its underlying asset.

Security: a tradeable financial asset, including bonds, stocks and derivatives.

Seigniorage: the profit made by the issuer of a currency due to the difference between its face value and the costs of production.

Subsidiarity: organising principle derived from Catholic Social Teaching, which holds that social/political matters should be carried out by the lowest appropriate group or individual, and that responsibilities for activities should not be unnecessarily centralised.

Further reading

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Graeber, David, *Debt: The First 5,000 Years* (Melville House, 2011).

Mills, Paul, *The Divine Economy* (*Cambridge Papers* vol. 9 no. 4, December 2000).

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Endnotes

- 1 <http://www.ons.gov.uk/ons/rel/hpi/house-price-index/august-2015/rft-hpi-table-2.xls>
- 2 See <http://www.ons.gov.uk/ons/rel/hpi/house-price-index/august-2015/rft-hpi-table-1.xls>. The increase in house prices is due to a number of factors aside from inflation. On the demand side, households are smaller due to increased family breakdown, people marrying later and living longer. Average household size fell from 2.9 people in 1971 to around 2.3 today, and the population is larger. On the supply side, fewer new houses are being built.
- 3 <http://www.theguardian.com/news/datablog/2012/jun/27/century-income-inequality-statistics-uk>
- 4 <http://www.theguardian.com/uk-news/2014/may/15/britains-richest-1-percent-own-same-as-bottom-55-population>
- 5 <http://researchbriefings.files.parliament.uk/documents/SN05745/SN05745.pdf>
- 6 <http://themoneycharity.org.uk/money-statistics/>
- 7 See David Graeber, *Debt: The First 5,000 Years* (Melville House, 2011). The idea has been articulated by various other authors, though is not as popular as the mainstream theory. See for example Alfred Mitchell-Innes, 'What is Money?' (1913) and 'The Credit Theory of Money' (1914).
- 8 See Graeber, p. 29.
- 9 Graeber, p. 39.
- 10 There were a number of different weights in use throughout biblical times, including the talent, mina, shekel, beka, gerah, pim and kesitah, with the shekel (simply meaning 'weight') being the most common for day-to-day transactions. From the few weights found by archaeologists, it seems that a shekel was around 10 grams. However, it is likely to have had different values depending on the system and the period in which it was used. When Abraham buys a field for his wife's burial, he 'agreed to Ephron's terms and weighed out for him the price he had named in the hearing of the Hittites: four hundred shekels of silver, according to the weight current among the merchants' (Genesis 23:16), indicating an agreed standard for commerce. Exodus 30:13 refers to a shekel 'according to the sanctuary weight', whilst 2 Samuel 14:26 records a weight of 200 shekels 'by the royal standard'.
- 11 E.g. Hosea 3:2, 2 Chronicles 27:5.
- 12 The exact relationship between the three texts is not clear, since Matthew attributes the prophecy to Jeremiah, whilst the Zechariah passage fits the reference better ('Jeremiah' may be used as a shorthand term for the prophets in general here).
- 13 Source: <https://iea.org.uk/blog/inflation-is-still-a-major-problem>
- 14 See David McLroy, 'Subsidiarity and Sphere Sovereignty' in *Journal of Church & State*, no. 45 (2003), pp. 739-64.
- 15 The Great Debasement (1542-1551) saw the silver content of English coinage drop by two thirds in the course of a few years, earning Henry VIII the nickname 'Old Coppernose', because the thin silver easily rubbed off his debased copper coins, generally starting with the nose.
- 16 The explicit context here is paying taxes to a hostile and pagan government, rather than whether the state has the right of seigniorage and control over the money supply. Jesus implies that the state does have a legitimate though limited claim to our money and loyalty, so long as that does not conflict with our loyalty to God. The state has a role in upholding law and government; if a Jew possessed a Roman coin, it might be seen as legitimate to pay taxes for their participation in that system.

- 17 In Henry VIII's time, the extra money created by the Great Debasement was spent on wars and vanity projects that did not stimulate long-term prosperity, and resulted in high inflation.
- 18 Paper money goes back many hundreds of years. In the 800s AD, for example, Chinese emperor Hien Tsung introduced paper notes as a means to address a copper shortage. Since this was not backed by copper, it can be considered among the first examples of fiat money.
- 19 See Steve Hanke and Nicholas Krus, 'World Hyperinflations' in the *Routledge Handbook of Major Events in Economic History* (Routledge, 2013).
- 20 See Money in the Modern Economy. *Bank of England Quarterly Bulletin*, Q1 2014. <http://www.bankofengland.co.uk/publications/Documents/quarterlybulletin/2014/qb14q1prereleasemoneyintro.pdf>
- 21 Reserves balances for 6 April 2016 stood at £318,419 million (£318 billion) with notes in circulation £68,955 million (<http://www.bankofengland.co.uk/publications/Documents/weeklyreport/2016/0604.pdf>). Broad money or M4 totalled £2,136,560 million. Thus banknotes represent only about 3% of the total money in circulation by this measure. Immediately before the financial crisis, at the end of July 2007, reserves balances stood at £19,873 million, notes at £45,438 million and M4 totalled £1,610,760 million. The ratio of broad money to narrow money has therefore fallen from around 23:1 to less than 6:1.
- 22 See *Money Creation in the Modern Economy*. Quarterly Bulletin 2014, Q1. <http://www.bankofengland.co.uk/publications/Documents/quarterlybulletin/2014/qb14q1prereleasemoneycreation.pdf>
- 23 Jon Cunliffe, speech, 'The role of the leverage ratio and the need to monitor risks outside the regulated banking sector', July 2014. <http://www.bankofengland.co.uk/publications/Documents/speeches/2014/speech746.pdf>
- 24 Banks can also transact between themselves on the money markets, which include the interbank, CD (certificate of deposit) and repurchase agreement (repo) markets.
- 25 In addition, the central bank aims to maintain the stability and efficiency of the financial system by seeking to ensure the ability to make payments quickly and safely in the case of clearing and settlement failures within in the payment system that would otherwise affect the ability of financial counterparties to meet their payment commitments. A central bank also often acts as the lender of last resort within their payments jurisdiction, providing banks with liquidity against illiquid collateral in the case of unanticipated withdrawals during a crisis such as a bank deposit run. (Walter Bagehot's 1873 book *Lombard Street* is the textbook treatment of how this should be conducted – specifically at a high rate of interest against good securities, to avoid moral hazard. In practice, this is not always possible since such high rates would induce the failure of the institution.) They also have the ability to create more central bank money by buying assets during a recession, as discussed above.
- 26 <http://www.telegraph.co.uk/news/shopping-and-consumer-news/11619728/Cash-overtaken-by-card-and-computer-as-favourite-way-to-pay.html>
- 27 Returns on some investments are linked to inflation, such as the CPI index-linked gilts issued by the UK government. If a fixed interest rate is offered, though, inflation may or may not outpace it.
- 28 'Interest and profit' here translate two different words for interest in Hebrew, possibly referring to different ways in which a loan was structured. The two words, meaning 'bite' and 'increase' respectively, may refer to regular vs lump sum interest repayments, or to a sum of money deducted from an amount repayable before the borrower receives it vs the increased amount to be repaid on the principle. There is no evidence that 'usury' or 'excessive interest' is meant, and elsewhere in the Bible charging interest of any form is routinely forbidden.
- 29 Since the UK came off the gold standard in 1914, prices have risen approximately a hundredfold.
- 30 In August 2016 the Bank of England announced another £60 billion round of QE as a response to economic uncertainty following the Brexit vote.

- 31 See note 21 above; the ratio of broad money to narrow money has fallen from around 23:1 to 6:1 due to QE.
- 32 At present, the Bank is reinvesting the receipts it receives from maturing bonds, maintaining the stock of assets purchased with new central bank reserves at £375 billion. <http://www.bankofengland.co.uk/publications/Pages/news/2015/008.aspx>
- 33 The preceding inflationary impact may have been undesirable, but a downwards revaluation would inevitably harm yet more people.
- 34 'QE feeding Europe house price bubble, says study' in the *Financial Times*, 20 July 2015. See <http://www.ft.com/cms/s/0/739a3700-2eeb-11e5-8873-775ba7c2ea3d.html#axzz3qQx314lS>. 'How Long Can Central Bankers Ignore Bubbles?' in the *Wall Street Journal*, 24 March 2015. See <http://blogs.wsj.com/moneybeat/2015/03/24/how-long-can-central-bankers-ignore-bubbles/>
- 35 'Britain's richest 5% gained most from quantitative easing – Bank of England' in the *Guardian*, 23 August 2012. See <http://www.theguardian.com/business/2012/aug/23/britains-richest-gained-quantitative-easing-bank>
- 36 'Warning: QE is eating your pension' in *The Spectator*, 7 March 2015. See <http://new.spectator.co.uk/2015/03/warning-qe-is-eating-your-pension/>
- 37 'Scrap cash altogether, says Bank of England's chief economist' in the *Financial Times*, 18 September 2015. See <http://www.ft.com/cms/s/0/7967908e-5ded-11e5-9846-de406ccb37f2.html#axzz3uTvvpk4c>. 'Cash may no longer be king but notes and coins are here to stay, says Mark Carney' in the *Telegraph*, 24 November 2015. See <http://www.telegraph.co.uk/finance/bank-of-england/12014501/Cash-may-no-longer-be-king-but-notes-and-coins-are-here-to-stay-says-Mark-Carney.html>
- 38 The Bank for International Settlements has questioned whether negative interest rates are desirable, since they could harm banks' profitability and cause people to hoard funds in one form or another outside the banking system, which will have a deflationary effect. Businesses such as insurance companies and pension funds may also be adversely affected. Thus those nearing retirement would actually need to save more. See http://www.bis.org/publ/qtrpdf/r_qt1603e.htm
- 39 'A more radical proposal still would be to remove the ZLB [Zero Lower Bound] constraint entirely by abolishing paper currency... As well as solving the ZLB problem, it has the added advantage of taxing illicit activities undertaken using paper currency, such as drug-dealing, at source.' From 'How low can you go?' speech given by Andrew Haldane, deputy governor of the Bank of England, on 18 September 2015. <http://www.bankofengland.co.uk/publications/Documents/speeches/2015/speech840.pdf>
- 40 See Guy Brandon, 'None of your business: Privacy, Anonymity and Surveillance', October 2014. <http://www.jubilee-centre.org/none-business-privacy-anonymity-surveillance/>
- 41 As of 1 January 2016. <http://www.fscs.org.uk/what-we-cover/products/banks-building-societies/>
- 42 See Paul Mills, 'Investing as a Christian: Reaping where you have not sown' (Cambridge Papers vol. 5 no. 2, June 1996).
- 43 <http://www.cityam.com/229321/swiss-bank-worlds-first-to-charge-savers-to-park-cash>
- 44 Since the Global Financial Crisis, central banks have been empowered with so-called macroprudential tools such as countercyclical capital buffers to help mitigate such asset boom and bust cycles.
- 45 See https://www.greenparty.org.uk/assets/files/manifesto/Green_Party_2015_General_Election_Manifesto_Searchable.pdf
- 46 https://d3n8a8pro7vnmx.cloudfront.net/jeremyforlabour/pages/70/attachments/original/1437556345/TheEconomyIn2020_JeremyCorbyn-220715.pdf?1437556345
- 47 This would require the UK to withdraw from the EU since we are bound by the Maastricht Treaty prohibition on monetary financing of government.
- 48 <http://www.teaparty patriots.org/monetary-policy/>

- 49 The Foundation for Economic Education is one such organisation. See <http://fee.org/freeman/how-to-return-to-the-gold-standard/>
- 50 See Alan Greenspan, 'Gold and Economic Freedom' in Ayn Rand et al., *Capitalism: The Unknown Ideal* (New American Library, 1966). <http://www.usagold.com/gildedopinion/greenspan.html>
- 51 <https://www.stlouisfed.org/On-The-Economy/2014/August/The-Gold-Standard-and-Price-Inflation>
- 52 Niall Ferguson, *The Ascent of Money* (Penguin Books, 2009), pp. 19-26.
- 53 Including Henry Simons and Irving Fisher as a response to the Great Depression in the 1930s. More recently it has been suggested by Martin Wolf.
- 54 Satoshi Nakamoto is widely believed to be a pseudonym. Ongoing speculation notwithstanding, the developer's definitive identity (or identities) is, at the time of writing, unknown. See for example <http://www.lrb.co.uk/v38/n13/andrew-ohagan/the-satoshi-affair>
- 55 The bitcoin white paper (<https://bitcoin.org/bitcoin.pdf>) was published in 2008 and implemented in 2009. Since then hundreds of cryptocurrencies have been created, most of them based on the bitcoin protocol.
- 56 The same approach to proof of ownership without a central authority can be extended to other areas such as ownership of property and stocks, contracts and so on.
- 57 For example, the supply of new bitcoins decreases by half every 4 years, and there will never be more than 21 million bitcoins in total.
- 58 Occasional large movements in the value of fiat currencies notwithstanding, such as Sterling's one-day 8% fall against the US dollar on 24 June 2016.
- 59 Whether by a state, commercial or central bank, or a combination of these.
- 60 The difference between centralised control over seigniorage and centralised control of the payment system is worth noting, since the impacts are also different.
- 61 The Monetary Policy Committee, a group of eight members plus the governor of the Bank of England.
- 62 <http://www.telegraph.co.uk/finance/newsbysector/banksandfinance/11932810/Britains-biggest-banks-to-be-forced-to-separate-retail-banks-from-investment-arms.html>
- 63 'The Distributional Effect of Asset Purchases', Bank of England, 12 July 2012. See <http://www.bankofengland.co.uk/publications/Documents/news/2012/nr073.pdf>
- 64 Such a crypto-reward token would be somewhat centralised in terms of backing, since its value would depend on the willingness of its issuing company or companies to redeem it, but decentralised in infrastructure, meaning that it could be freely transferred and traded anywhere there was an internet connection.
- 65 F. A. Hayek, *The Denationalization of Money: the argument refined* (Institute of Economic Affairs, 1978). Hayek anticipated that stable currencies would be most accepted by users, since they would not unduly favour creditors or debtors. Critics such as Milton Friedman have suggested that network effects and switching costs would make this unviable, though in practice it has not been tested extensively enough to know what the dynamics would be. Technological advances since then have reduced the transaction costs that would be associated with exchanging digital currencies.
- 66 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/423333/azure_card_carrier_04_2015.pdf
- 67 Company stores were typically run in remote industrial communities and reviled as being restrictive, monopolistic and exploitative (perhaps none more so than in Merle Travis's song *Sixteen Tons*).
- 68 Such initiatives already exist, launched on smart contract platform Ethereum's blockchain, amongst others. See <https://dgx.io/>

- 69 This is a central strand of the Positive Money campaign. Professor Richard Werner has also argued for government-created money that is spent directly into existence. See video 'Debt Free and Interest Free Money': <https://www.youtube.com/watch?v=zIkk7AFYymg>
- 70 Cf. Bagehot's *Lombard Street*, see note 25 above.
- 71 For example, banks would hold common equity of 15-20% of their assets and bring leverage down to 5-7 times.
- 72 See 'Greed is the Beginning of Everything' in Der Spiegel, 23 March 2012. <http://www.spiegel.de/international/business/spiegel-interview-with-tomas-sedlacek-greed-is-the-beginning-of-everything-a-822981-2.html>
- 73 See also Tomáš Sedláček, *The Economics of Good and Evil* (OUP, 2011).
- 74 See <http://www.economist.com/blogs/economist-explains/2013/04/economist-explains-2>
- 75 See <https://bitcoin.org/bitcoin.pdf>

Artificially Intelligent?

Grappling with the myths, present realities
and future trajectories of AI

by Calum Samuelson

Preface to original

The Jubilee Centre has always been concerned with political, social and economic questions that may have an impact across multiple spheres of public life. Consequently, we have been keeping a watchful eye on the development and deployment of artificial intelligence (AI), with two particular reasons for this scrutiny. First, because it may lead to a ‘fourth industrial revolution’ causing significant disruption to patterns of work and substantial ‘technological unemployment’. Secondly, reporting in the news media is often on the alarmist side, conflating AI with robotics, especially humanoids, with the implication that AI might end up running out of control.

Therefore, we thought it was an appropriate time to research carefully into this area, and analyse the assumptions, trends and prospects around artificial intelligence from a biblical perspective. This booklet is the result of that work; it is intended to provide church leaders and other Christians interested in AI with an introduction to the issue and offer a framework based on a biblical worldview to guide their responses.

The leadership at CARE invited us to contribute to a national conference on the Church, Robotics and AI in June 2018, and we were grateful for the opportunity to present some of the preliminary findings of our research at a workshop there.

Our prayer is that this report will bring clarity and understanding, as well as help Christians engage positively in the debate and responses to the opportunities and challenges of AI.

Jonathan Tame

Executive Director, Jubilee Centre

October 2018

Introduction

It seems that more and more attention is being directed towards **Artificial Intelligence (AI)**. Amidst the various media stories and latest productions from Hollywood, it can be difficult to think clearly about AI developments and separate fact from fiction, much less be proactive about engagement with AI on a personal, organisational, or public policy level. Therefore, this paper aims to formulate a biblically-based framework for evaluating developments in Artificial Intelligence that will enable Christian leaders in church, business and public service to make informed responses that are inspired by their faith. This will involve several related—though separate—steps. Although not everyone reading this paper will be concerned about the so-called ‘existential risks’ associated with AI, this will certainly be true for some. Ergo, it is necessary to provide a measure of reassurance by dispelling some of the sensationalism and apocalyptic narratives surrounding AI (‘What AI is *not*’). Dispelling more extreme narratives, however, does not permit us to become apathetic or dismissive of AI in general. Therefore, the second section of this paper will grapple with how AI operates and how to understand it more clearly (‘What AI *is*’). A clear understanding of AI inevitably redirects focus to deeper and more foundational questions about humanity and society. Consequently, the third section will help inform some of the most pertinent issues in the AI conversation by drawing on three biblical themes (‘Understanding humanity’). After gleaning some key insights from the wisdom of Scripture, section four will consider how the application or neglect of those insights can generate divergent trajectories as AI is applied in different sectors of society (‘The impacts of AI’). Finally, seven general guidelines will be suggested for engagement with AI at both the expert and non-expert level (‘What AI *can be*’).

Amidst the media stories and Hollywood productions, it can be difficult to think clearly about AI.

As part of the research for this report, ten leading AI practitioners and thinkers were interviewed. Some of their general viewpoints are reflected throughout this paper, but because of diverging opinions and wishes to remain anonymous, individual interviewees have not been cited. Their names can be found in *Appendix A*. Finally, this report seeks to complement work already carried out by some groups and individuals, including Nigel Cameron¹ and the more recent report from the House of Lords.² In particular,

we agree with the sentiment that Britain seems to be especially well positioned to lead the way in thinking through AI for the rest of the world.³ Due to the amount of potentially unfamiliar terms used in this report, the *Glossary* provides concise definitions for all terms in **bold type**.

1 What AI is *not*: exposing 'myths'

Many prominent figures are worried about AI.⁴ Considerable thought has been invested in mapping the possible trajectories of different apocalyptic scenarios, which include both the intentional and indifferent elimination of humanity.⁵ On the other hand, there are those who see AI as the key which will allow us to transcend the limitations of our human lives as we now know them.⁶ Several of our interviewees spoke about the need to expose these types of myths. This paper uses the word 'myth' not to reject all plausibility of these scenarios occurring, but mainly to highlight the fact that they are rooted more in aspirations and fears (whether personal or cultural) than in science. Ultimately, we contend that AI on its own will neither spell humanity's ultimate doom nor ultimate salvation. Below, four interrelated myths are examined: unlimited exponential growth, superintelligence, computer consciousness and the singularity. Importantly, these myths operate in a type of succession, so that each builds upon the assumptions of the preceding myth(s).⁷ Thus, like someone building a structure on an unstable foundation, each level becomes increasingly shaky. This is unfortunate, not least because these myths attract a great deal of attention, obscuring and inhibiting productive dialogue (especially—though not exclusively—at the popular level).

Unlimited exponential growth:⁸ 'technology is improving at an ever-increasing rate and nothing will stop it'

The term 'exponential growth' is used frequently in discussions about AI and can generate fears of an increasingly powerful and unstoppable computer. It is linked with **Moore's Law**, which in layman's terms predicted

that computing power would double roughly every two years.⁹ Perhaps the most serious flaw with ‘exponential growth’ as it is commonly used is that it presumes inevitable and unbounded progress. This presumption seems to disregard all the examples of exponential growth that occur only for limited periods of time—as in various chemical reactions or the growth of bacteria. In fact, outside of pure mathematics, there are no actual examples of unabated exponential growth in the real world. Whatever source is fuelling the growth eventually runs out. One example sometimes referenced is that of global population growth, but there are various reasons to believe that the global population will slow down and peak around 11 billion near the end of this century.¹⁰

Readers familiar with the concept of exponential computer growth may object that the record of computing power itself is an example of unabated exponential growth. In reality, although Moore’s Law has proven reliable for the last several decades, most predict that it will break down in the next few years—even Gordon Moore himself.¹¹ This is because it will soon be impossible to make functional transistors on computer chips any smaller. When transistors become too small, they begin to experience *quantum tunnelling*, which disrupts the normal behaviour of the electrons they are conducting.¹² The absolute laws of physics triumph over Moore’s ‘Law’ of computing power. Some defend the myth of exponential computer growth by objecting (fairly) that computing power will still continue to grow via other means, including increased **software** efficiency, hardware specialisation (e.g. three-dimensional silicon circuits), cloud computing and **quantum computing**. Even so, the point still stands that such progress is not inevitable, nor is it likely to be exponential. With this said, we should not be surprised if computer development continues at a surprisingly quick pace. Rather, we should recognise the real, physical limitations of our world (including the growing energy consumption of powerful computers)¹³ and the fact that advancements are the result of admirable, persevering work from real people rather than inevitable laws of nature.

Technological advances are the result of work from real people, not inevitable laws of nature.

It may be that this myth retains vitality because of cultural notions about progress, which have gradually been revived in the unprecedented peace of the post-war period after they began unravelling in 1914. Advances in transportation, food security, life expectancy, literacy, leisure time and medicine represent considerable progress indeed.¹⁴ But those who tout these

advances regularly ignore their dark counterparts, including the transience of society, sky-rocketing obesity,¹⁵ high rates of elderly loneliness, fake news, an epidemic of apathy and boredom, and unprecedented levels of mental illness¹⁶—not to mention crippling levels of indebtedness and extensive loss of biodiversity. One could also argue that many of the assumptions made in AI draw on problematic, popular interpretations of Neo-Darwinism, which has itself come under serious scrutiny lately.¹⁷ Ultimately, unlimited exponential growth (and the fear of ‘runaway AI’ that it gives rise to) is exposed as a myth because it mixes scientific observation with unfounded assumptions and predictions.

Superintelligence: ‘computers will soon be far better at doing everything humans do’

Currently, AI can be classified as ‘narrow’ because it is only proficient in very specific tasks.¹⁸ The concept of **Artificial General Intelligence (AGI)** extends AI *proficiency* to the entire range of tasks performed by humans, whilst the concept of **Superintelligence**¹⁹ further denotes AI *superiority* in all human tasks. Nick Bostrom defines Superintelligence as ‘an intellect that is much smarter than the best human brains in practically every field, including scientific creativity, general wisdom and social skills,’ and this intellect may itself design and build even smarter machines than humans could.²⁰ Those concerned about Superintelligence insist that consciousness is not necessary for it to be detrimental to humanity, since simply misaligned goals could cause it to harm or eliminate humans in order to complete its objective(s).²¹

One flaw with the theory of Superintelligence is the way it reduces immensely complex human activity to mere ‘tasks’. This notion is derived in part from the increasingly outdated view of humans as ‘machines’ as well as from a marked privileging of human intellect over soul and body.²² The reality is that those things least like ‘tasks’ are what make us most human

Superintelligence is flawed because it reduces complex human activity to mere ‘tasks’.

(loving, hoping, inspiring, striving, etc.).²³ Furthermore, the idea that there is some type of ‘general’ human intelligence greatly underestimates the diversity of human personality and activity. Could we someday have a single AI system that could defeat humans in every existing board game? Certainly. Might we someday have a single AI-powered robot that could defeat humans

in every known sport? Probably not. Will we ever have a system that can do everything a human does as well as a human does it? Certainly not.

Perhaps the most important problem with the concept of Superintelligence, however, is how it underestimates and misunderstands *human* intelligence. There is often an implicit assumption that human knowledge is a unique tipping point that, once passed, will allow machines to become vastly more intelligent than humans. This assumption is not based in any actual evidence—it may be, in fact, that human intelligence is the absolute upper limit. Additionally, *even if* machines become as generally intelligent as humans, it is far from clear that this will enable them *also* to create new machines that are more—or even just equally—advanced.²⁴ One way to illustrate this is with reference to human knowledge. It may be possible for a brilliant professor to teach everything they know about a particular subject to a student, but this in no way guarantees that the student will *also* be able to teach that knowledge to someone else (which requires good communication skills, patience, a sustained relationship and more). As Benjamin Bloom and others have argued, teaching takes place at a higher cognitive level than merely replicating knowledge, and the process of *creativity* at an even higher level than teaching.²⁵

In spite of these deficiencies in the concept of Superintelligence, proponents continue to argue for it and they rely upon the idea of unlimited exponential growth to explain how computers will *inevitably* become vastly more intelligent than humans. Thus, the weaknesses in the concept of Superintelligence and the fact that it relies upon another flawed concept, leads to the conclusion that this theory is also more myth than science.

Computer consciousness:²⁶ ‘computer systems will eventually be self-aware’

Ever since John Searle proposed the ‘**Chinese Room**’ in 1980, the hypothesis of computer consciousness has been hotly debated.²⁷ To be clear, no AI is even close to being conscious and there is no evidence to suggest that this will ever be true. Most of our interviewees were extremely sceptical about the possibility of machine consciousness and many researchers view it as a distraction from real AI developments.²⁸ The idea of computer consciousness builds upon the myths of Superintelligence and Unlimited Exponential Growth because proponents believe that once machines become much smarter than humans it is only a matter of time until they will eventually

become conscious.

Perhaps the central problem with the concept of computer consciousness is uncertainty and even confusion about what consciousness actually is. For some, consciousness necessarily includes sentience, such as the emotions exhibited by Hal 9000 in *2001: A Space Odyssey*. Others believe computers could be conscious without any feelings. Already, casual language in fields such as Computer Vision sometimes speak of an AI system being ‘conscious’ or ‘aware’ of its surrounding environment, but this is decidedly different from

AI is getting better at mimicking consciousness, but this does not indicate a proximity to actual consciousness.

what we intuitively recognise as authentic human consciousness. AI is, of course, getting better and better at *mimicking* consciousness, but mimicking consciousness does not indicate a proximity to *actual* consciousness.²⁹

Much of the discussion about computer consciousness relies upon the presumption that the human brain is the seat of consciousness and it is a system that can be replicated—either via ‘wetware’ or an ‘upload’ (**Whole Brain Emulation**). Advocates of this endeavour draw comparisons between transistors in computers and neurons in the brain, but this analogy is becoming increasingly inadequate. Crucially, neural transmissions involve far more than the binary ‘on and off’ function of transistors, including several different types and degrees of signals as well as those that spread well beyond the synapse itself.³⁰ In fact, metaphorical and analogical language is probably the primary flaw in conceptions and narratives about computer consciousness. People have grown so accustomed to talking about ‘smart’ gadgets and ‘intelligent’ machines that they’ve forgotten that such language is fundamentally metaphorical. New AIs are getting very good at *measuring* blood flow in human faces and then matching that data with certain moods, but they do not actually *perceive* feelings or emotions.

Consciousness implies understanding, and understanding implies knowing how information relates to reality outside its own framework. As an example, we can consider one of the most impressive applications of AI: **Natural Language Processing**. Google recently amazed the world with a demonstration of its Duplex virtual chat assistant conversing in real time with unsuspecting humans via telephone.³¹ Although this impressive AI can *detect* the word ‘father’, it does not associate this word with a particular, experiential understanding of what a father is (as humans naturally do). Language is an important case study because of the unique and even

profound ways it influences human experience and thinking.³² The complexities of language as explored by those such as Ludwig Wittgenstein and Michael Polanyi reveal the significant gulf between experiential and non-experiential knowledge. One more example is instructive. When **AlphaGo** triumphed over Lee Sedol in the game of GO, the standard 19x19 board was used. If another round of games had immediately been played on a 20x20 board, AlphaGo would have failed because that's not the task it was programmed for. Its 'understanding' of the game is not just narrow—it's artificial. Some pundits have praised the fact that AlphaGo chose a 'new' move that had never been done in the history of the game. It would be more accurate, however, to recognise this as a *different* move that had not yet been discovered by human players.³³ If computers ever perfectly simulate certain capacities we equate with consciousness, they will be distinct from the actual phenomenon of human consciousness.

Singularity:³⁴ 'a point will come when humans are no longer dominant; we will be to computers what ants are to us now'

The Singularity is the most speculative concept of all because it compounds all the assumptions of the myths already discussed. It involves the idea of machines self-improving or 'bootstrapping' their own abilities to the point beyond which it becomes impossible for humans to comprehend. It is at this level that many of the runaway, apocalyptic, or snowball scenarios take root.³⁵

There are numerous problems with belief in the Singularity, but two of the most important deal with notions of *speed* and *self-improvement*.³⁶ Increases in computing speed or power can be irrelevant for at least two reasons: 1) *optimal solutions may be impossible to improve upon* (in Noughts & Crosses, it becomes impossible to beat an opponent who defends well because the available options are limited); 2) *chance may render perfect solutions impossible* (vast computing power cannot guarantee the winning lottery number). In the apt words of Steven Pinker, computing power is not some 'pixie dust that magically solves all your problems'.³⁷

The Singularity is the most speculative concept of all because it compounds all the assumptions of the myths already discussed.

Regarding self-improvement, advocates tend to assume that AI's ability to upgrade itself will increase either exponentially or at least linearly. However, there are two main reasons it is more accurate to understand the path of AI self-improvement as one of *diminishing returns* (or logarithmic growth)³⁸: 1) actual historical progress in AI development has mostly been logarithmic; 2) the difficulty of overcoming obstacles in the way of advancement tends to *increase* with the sophistication of the technology being developed.³⁹

Notwithstanding these major problems, many still believe strongly in the eventual onset of the Singularity. This is greatly affected by the way we *perceive* a potential cataclysmic event. Kevin Kelly has argued persuasively that this will never go away; the Singularity will always be near.⁴⁰ Others observe what has been called the 'AI Effect', encapsulated by the following quote: 'AI is whatever hasn't been done yet.'⁴¹ Some have employed the familiar remark from Roy Amara in their speculations about the Singularity: 'We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run.'⁴² But whilst this is certainly true to an extent, it is unhelpful to apply such thinking to the *distant* future (e.g. the year 3,000) because there are so many more pressing issues to address in the present and near future.

Now that we have shown how these concepts are more mythical than scientific, it is important to point out how such ideas associated with AI are motivated by agendas tangential or even contrary to pure technological

Ideas associated with AI may be motivated by agendas tangential or even contrary to pure technological development.

development. Notable figures in AI often have ulterior motives, such as Bostrom, who is a passionate transhumanist and co-founded the World Transhumanist Association before authoring one of the most influential books on AI and acting as an advisor for government policy.⁴³

2 What AI *is*: framing the conversation

The term 'AI' can imply a range of different things depending on who is using it. This is partly because its meaning has shifted and evolved since its inception.⁴⁴ It broadly refers to any system that can perform tasks in a way

that mimics humans, but has also been appropriated in recent years as a marketing tactic to sell everything from business management software to apps that help people follow a budget or sleep better. At its best, the term 'AI' is used as a digestible umbrella term by specialists when communicating with non-specialists; at its worst, 'AI' is simply a misnomer. This report views AI as a highly complex tool that helps humans perform repetitive tasks.⁴⁵ *This perspective was nearly unanimous among our interviewees.* Accordingly, we will use the term 'AI tools' to that effect.⁴⁶

The building blocks of AI

Traditionally, computer systems have been given 'rules' in order to accomplish various repetitive tasks. These rules—like recipes—contain discrete instructions that must be followed according to a logical order. This is an **algorithm**. Programmers commonly refer to an algorithm that has been implemented within a specific computing language as 'code'.⁴⁷ Such code is found in everything from phones to cars, often with millions upon millions of individual instructions. Whereas these instructions have mostly been manually prescribed by humans in the past, **Machine Learning (ML)** enables a system to determine many of the 'rules' on its own without being explicitly programmed. Like AI, ML is not new (both have been around since at least the 1960s).⁴⁸ The main reason ML has been employed to such great advantage in recent years is because of the rapidly growing accessibility of large data sets or **Big Data**. In order to determine the right instructions, a system needs to scan for patterns, and the bigger the data set the more likely it will be that any patterns detected will produce accurate and effective rules. By way of illustration, although chess computer games have been around almost as long as computers themselves, IBM's **Deep Blue** was superior to older computers because it used ML to process hundreds of thousands of examples from grandmasters in order to determine good moves rather than being given a rigid list of rules by which to function.⁴⁹ This means that even brilliant new algorithms from a start-up stand little chance against giants like Google if the data sets they have access to are much smaller. Whilst some types of ML such as **Deep Learning** and **Generative Adversarial Networks (GAN)** involve higher degrees of complexity and autonomy, all ML must still be given directives to guide the

All AI will inevitably contain biases from its human programmers—there is no such thing as a purely unbiased AI.

patterns and correlations they scan for.⁵⁰ AI expert Rodney Brooks has even described ML as ‘very brittle’.⁵¹ Due to the human influence and oversight required, all instantiations of AI inevitably contain biases from their human programmers—*there is no such thing as a purely unbiased AI*.

Although some will inevitably quibble with this portrayal, one can think of AI as something which *performs* human-like tasks, ML as the *training* involved in preparing for those tasks, and data as the *resource* that determines the success of the training. Given the popularity of the Economist’s suggestion that data is the ‘new oil’,⁵² we could extend the analogy so that ML corresponds to refineries and AI to the final petrol or gasoline that is produced. One possible point of misunderstanding is that some will want to classify ML *itself* as something that performs human-like tasks. Using Deep Blue as an example, there are two main problems with such an understanding: 1) the intensive process of ‘learning’ how to play chess is not synonymous with the discrete human-like feat of defeating a grandmaster; 2) the methods used by ML in the intensive process of ‘learning’ how to play chess are themselves quite different from how a human learns how to play chess. Furthermore, even though many AI tools continue to make use of ML after the main ‘training process’, this can be seen more as a mode of customisation or fine-tuning rather than part of the intensive process of enabling the machine to perform a human-like task in the first place.

The effects of AI

Google CEO Sundar Pichai believes that AI will have a more profound impact than electricity or fire.⁵³ Although this may be an overestimation, it is clear that AI tools have the potential to accomplish both great good and great harm. On the one hand, AI is already helping restore abilities to the disabled,⁵⁴ combat crime, save crops, manage invasive species,⁵⁵ protect biodiversity, detect cancer,⁵⁶ perform surgery,⁵⁷ dispose of bombs and biohazards, create more efficient energy schemes,⁵⁸ and more. On the other hand, there are serious risks involved with AI. Some include glitches in programs, outliers and anomalies in data sets and simply unexpected consequences.⁵⁹ One of the most notorious cases involved Google’s image-recognising AI identifying black

AI is already helping to combat crime, protect biodiversity, perform surgery, and more.

people as gorillas.⁶⁰ On their own, none of these risks would make the list of top ten problems in the world.⁶¹ But when paired with environmental concerns, threats to democracy, plummeting birth rates, or the growing epidemic of loneliness, the risks of AI could easily factor in to any number of the world's most pressing problems. Some of the most urgent concerns identified by our interviewees and others are: large scale loss of jobs, autonomous weapons and data monopolies.

In addition to these high-profile AI risks are others of a subtler nature. One such risk raised by several of our interviewees is the growing power of AI simulation. Google's somewhat deceptive Duplex technology will be followed by many more striking examples of a computer system simulating humans,

'Uncanny Valley' may soon become a thing of the past as AI becomes totally convincing.

and it may well be that the unsettling feeling known as the '**Uncanny Valley**' soon becomes a thing of the past, as AI becomes totally convincing. Additionally, the abilities of the **Deepfake** algorithms in fabricating realistic videos of actual human beings will likely mark a watershed regarding trust of online materials and interactions.⁶² Paradoxically, many examples of AI which look the smartest (e.g. **Sophia**) are in reality quite simple, whilst others that look unimpressive (e.g. the **Echo** and **Jibo**) are actually capable of performing surprising tasks. Powerful simulative AI will continue to advance for the purpose of entertainment and experimentation and will raise several difficult moral questions. But whenever simulative AI transgresses the boundaries of entertainment and experimentation, it will tend to be ultimately deceptive and dishonest, producing *pseudo-relationships* that lack real authenticity. The probability of AI increasingly functioning in direct interaction with humans suggests a significant need for what has been called 'functional morality',⁶³ which among other things would help maintain a certain level of transparency about what the AI is and isn't. Because humans tend to anthropomorphise things naturally, the AI tools which are the least transparent present the greatest risks.

Communicating about AI

Ultimately, in order to make objective contributions and help advance the conversation surrounding AI, accurate language is vital. This has not been well-practised up until now and although journalists are frequently (and rightly) criticised for their faults,⁶⁴ this is also a serious problem among

specialists and academics as they tend to conflate speculation with clear explanation.⁶⁵ To some degree, this is understandable because it is helpful to use familiar language⁶⁶ and metaphors to communicate new discoveries and developments. But it is not right to confuse non-specialists who must rely on authoritative testimonies. Additionally, small companies and start-ups have sometimes used exaggerated or inflated language either to impress potential buyers or intimidate competitors. The fact that software is often embarrassingly inefficient⁶⁷ and that programmers often aren't sure how exactly they get the results they do has rightly prompted calls for increased honesty and the elimination of **black boxes** in many vital areas of AI use.⁶⁸ Great progress can also be made simply by avoiding anthropomorphic language, which can gradually slide from metaphor into an actual description. This task is not easy, but it is important because of the way our language influences our perception and understanding.⁶⁹ We can accurately say that AI tools 'detect', 'scan', 'process' and 'function' without resorting to equivalent anthropomorphic terms such as 'recognise', 'consider', 'feel', or 'think'. AI has the potential to help tackle some of the biggest problems in the world, but this will require clear communication so that governments, regulatory institutions and other organisations can be confident about real potential without digging through beguiling descriptions.

This section has argued that AI is fundamentally a tool—even if it is used for distraction, entertainment, deception, or violence. Consequently, we must conclude that AI is inherently neither positive nor negative, but neither is it ever neutral because of the inevitable human biases contained within it.⁷⁰ AI can potentially be utilised for nearly any *task* imaginable (remembering that not all human activity can be reduced to tasks) and leveraged towards almost any end. But this does not mean that AI can take on any *role* in society. Here we must make a crucial distinction between *objects* and *subjects*. Martin Buber famously wrote about this distinction by claiming that we can only engage dynamically with a subject because in it we encounter a free, authentic being which we address as 'thou' rather than 'it'.⁷¹ We interact with AI as an object or an 'it', whilst AI often influences the way we interact with subjects or other objects. Although AI will increasingly *simulate* subjects, it is unlikely ever to be encountered as a truly free 'thou'. One way to understand this complicated set of interactions is by viewing AI as a type of intermediary or filter between human relationships with both other subjects and also various objects.⁷² Interactions with chatbots like **Sophia** and game-playing AIs like **Deep Blue** are exceptions precisely because they do not fulfil any larger purpose (unless, of course, we view them through

the lens of *entertainment*). The vast majority of AI acts as an *intermediary between subjects* by helping them work, communicate, or understand more efficiently.⁷³

If AI systems are essentially tools that extend or amplify the reach of humans, careful thought should be given to what it actually means to be human—and even to what society should look like as whole. Indeed, discussions about AI frequently end up as discussions about human beings, considering who or what we are and how technology can enhance or diminish human dignity.⁷⁴ Behind every example of AI are fundamental human dynamics that need to be addressed. A typical sentiment comes from MIT Professor Max Tegmark, who claims that ‘we need to capture the meaning of life’ in order to ensure safe AI for the future.⁷⁵ Although AI researchers acknowledge the importance of such human dynamics behind AI, there is currently little consensus about what exactly constitutes human flourishing—much less how it should be facilitated vis-à-vis AI. Some have talked about the dubious concept of **Coherent Extrapolated Volition (CEV)**, which takes moral progress for granted and considers what universally held morals might look like in the future when humanity is better than it is now.⁷⁶ Not much progress has been made so far, but it is becoming increasingly apparent that insight from fields outside of AI, computer science and neuroscience are required. It is for this reason that we now examine some of what the Bible says about humanity.

Discussions about AI frequently end up as discussions about human beings, considering who or what we are.

3 Biblical analysis: understanding humanity

The Bible provides invaluable insight regarding who we are as humans. Throughout history, human culture and knowledge have taken many forms and often progressed, but human nature itself has not changed. Technologies such as AI can help humans do many things, but unless we understand our weaknesses, purpose and trajectory, even the most advanced tools will simply make us more efficient in repeating the same mistakes we’ve always

made. Based upon the advice of our interviewees and other research, this section considers human nature by focusing on three biblical themes: the Imago Dei, the Fall and Eschatology. In particular, the Imago Dei helps identify which human qualities and characteristics AI should seek to facilitate or enhance. The doctrine of the Fall helps diagnose how human imperfections and malevolence influence the development and application of AI. Finally, biblical Eschatology helps us anticipate, imagine and yearn for our ultimate destination and think critically about different AI-powered futures.

Imago Dei

Exploring the best dimensions of humanity is essential to the task of using AI tools to amplify good and promote human flourishing. AI experts (including most of our interviewees) are eager to parse the distinction between humans and computers. In this effort, it is common to invoke illustrious human feats such as Michelangelo's paintings, Bach's symphonies, or Einstein's theory of relativity. This method of distinguishing between human and AI is unsatisfactory not least because it neglects most people who have ever lived. Most importantly, however, such cursory assessments of humanity's greatness fail because they measure accomplishments divorced from the role of purpose. The Imago Dei helps us better understand human purpose.

Given the perilous state of human identity in the postmodern world, it is hardly coincidental that humans are increasingly compared to computers.

The belief that humans are made in the image of God has rightly occupied a central position in Christian consideration of AI to date. Creativity, reason and morality have largely dominated as the primary dimensions of the Imago Dei in the last millennium.⁷⁷ Notwithstanding their importance, these

dimensions may have had more popular currency in the Modern period (when there was more social consistency and structure) than they do today in the fragmented and pluralistic world where AI is making its mark. Indeed, considering the perilous state of human identity in the postmodern world, it is hardly coincidental that humans are increasingly being compared to computers. Consequently, this section considers the Imago Dei through the lens of *relationships, responsibility and self-giving love*.

According to the Bible, humans are explicitly created in the image of a

relational God, the implication being that we are only fully human when in meaningful *relationship* with others.⁷⁸ The metaphor of the Christian community as a body teaches that every member plays an integral role.⁷⁹ Also, the fruit of the Spirit is always manifested in relational contexts.⁸⁰ This raises important questions for the development of AI tools and leads one to conclude that there can be no single version of the ‘ideal human’ because each possesses different qualities and gifts in varying degrees and arrangements. Consequently, some are suggesting that it is better to design a range of AI tools to do different tasks rather than attempting to develop a single tool that mimics humans completely.⁸¹ This also has important implications for current discussions about ‘digital personhood’ and ‘digital subjects’, since these terms suggest it is possible to know someone apart from a relational context.⁸² Finally, the fact that humans are created for relationships can help explain the tendency to anthropomorphise, and can also shed light on human vulnerability to computers that simulate humans.

Another implication of humans being created in the image of God is that they have *responsibility*. God is the supreme, faithful sustainer of all Creation but has also entrusted humans with the unique responsibility of caring for and ruling over his creation. Much more than a mere task or goal, this responsibility requires the entire human being to act like an ‘angled mirror’ which simultaneously reflects the lordship of God to creation and the praise of all Creation back to God.⁸³ The importance of responsibility in the realm of AI may have been the most common exhortation among the interviews we conducted. Some of our interviewees understand their work with AI as a clear example of subduing the earth;⁸⁴ others of them think about their work with AI more as an aspect of serving people and society in love. Regardless, there is a clear difference between designing AI tools to aid in the responsibility of wisely ruling Creation and designing them to rule so that humans can shirk the weight of responsibility. Already one can perceive small ways in which humans are abdicating their responsibility of ruling, whether by using autonomous weapons, foetus screening, employee profiling, or criminal image scanning. Increasingly, if the AI says a decision is right, the human users will execute it. This is not only the definition of *irresponsibility*, it also dampens life’s dynamism by assuming that difficult ethical decisions can be avoided or even eliminated.⁸⁵

There is a clear difference between AI that helps us to wisely rule Creation and AI designed so that humans can shirk the weight of responsibility.

The *self-giving love* of God—which has always existed in the dynamic relations of the Trinity—flowed outward in the act of Creation and was eternally enacted in the sacrifice of Jesus on the cross. Because humans are created in this God's image, one characteristic of humans is the capacity to love in a manner that considers the needs of others above self. Culture at large often only praises this type of love if it is valiantly portrayed in Hollywood—even the deeply shameful Crucifixion has been turned into a grand act of heroism and fortitude. Others dismiss the value of sacrifice in favour of more empirical, scientific accomplishments. One influential statement about AI claims, 'everything that civilisation has to offer is a product of human intelligence'.⁸⁶

Whatever the world says about love, Jesus claimed that there is no greater love than to lay down one's life for one's friends.⁸⁷ Within this logic, the widow who gave two mites was praised above the lavish tithers,⁸⁸ the quiet tax collector was the one made right with God,⁸⁹ and small children are singled out as possessors of God's Kingdom.⁹⁰ Human greatness is not found in mighty, memorialised achievements, but in seemingly 'small', self-giving acts of devotion, humility and sacrifice.

AI may help people feel happier or be more efficient, but if it does not improve human relationships it is ultimately misdirected.

As AI becomes increasingly common, it is important to remember that love always prioritises the other. AI may help people feel happier, be more efficient, obtain more knowledge and even feel more ethical,

but if it does not improve human relationships it is ultimately misdirected. Accordingly, people should be very cautious about seeking to outsource or automate the most common and apparently mundane manners in which they give themselves in love to others. The simple gift of listening is rapidly being replaced by AI. The command to weep with those weep⁹¹ is being threatened by AI tools that detect our mood and tell us how to fix it. The practice of hospitality in which one opens up one's home is being superseded by virtual interactions. If *agape* love were simply another task that required energy to perform, then it would make sense to continue designing AI tools that preserve energy. But *agape* love is not a separate task to be performed at the end of the day like other elements of leisure time. It is something that must be *practiced and developed*, and often the best way to do this is by washing the feet no one else wants to wash.⁹²

Doctrine of the Fall

Whereas the section about the *Imago Dei* explored the goodness of humanity in Creation, this section highlights its shortcomings. A major concern among our interviewees was that secular thinking is not equipped to account adequately for or anticipate the realities of imperfection and malevolence in human nature and the world. Of course, programmers and developers acknowledge that glitches can plague a computer system and that sometimes criminals hijack a piece of good technology for a bad purpose. But for the most part, AI development buzzes with an optimism that believes sustained effort and education can eventually help humanity overcome all problems and perversions.

Secular thinking cannot adequately account for the realities of imperfection and malevolence in human nature and the world.

The Bible sees things differently. God created a world that was ‘very good’, but it has fallen from that status because of sin—which is anything that obstructs relationship with God. Humankind can naturally recognise entropy, atrophy, disease, corruption and brokenness of all kinds as deviations from an ideal situation, but can also become tragically resigned to the idea that these things are simply woven into the fundamental fabric of the universe. Crucially, the doctrine of the Fall helps make sense of the tension between desired behaviour and actual behaviour, and helps Christians consider how this tension might influence the development and deployment of AI. In order to do this, it is necessary to examine both the *depth* and *breadth* of sin.

The *depth* of sin reaches to the very core of our being and cannot be encompassed within a binary system of ‘rights’ and ‘wrongs’. Jesus taught that even perfect ‘right’ actions can be sinful if done with the wrong posture of heart. It may be possible to distance oneself from particular external sins, but no one is ever far away from the allure of pride and self-assurance. Applied to AI, this truth has two major implications. First, it means that attempts to transcend human faults and discover ‘perfect morality’ through AI are misguided. Indeed, perfection should never be attributed to machines because they have been created by imperfect humans. Second, it means that even the very best AI developments can have negative consequences. Some of these consequences are caused by glitches or programmer bias. More insidious, however, are AI tools that seem supremely good or helpful but end up turning hearts away from God (e.g. a financial tool that ends

up increasing greed or a voice replication tool that ends up enabling deception).⁹³ Some fear enslavement to AI through *oppression*,⁹⁴ but we are already becoming enslaved through the subtler route of *obsession*.⁹⁵ It may well be that efficiency and knowledge will be the predominant idols of the AI Age.

In addition to the *depth* of sin, the *pervasiveness* of sin touches every corner of the world. In a hyper-individualistic age, it's easy to interpret passages like Romans 3:23 as an indictment against particular, personal failures. But Paul's message carries a sweeping universality from which nothing can hide. *All* of creation groans for redemption as the effects of sin are felt. This means that sin is encountered both internally and externally, individually and structurally. Therefore, just as an excellent policy or strategy can be thwarted by external factors, so also can AI fail due to user error, corrupt data, or false information. It is conceivable that one party, nation, or culture could develop a genuinely productive framework for engagement with AI, only to have it disrupted or destroyed by a broken, sinful mindset or system. The pervasiveness of sin must also be considered in a diachronic sense. One of the great falsehoods connected with modern myths of inexorable progress (whether capitalistic, Neo-Darwinian, or even 'exponential') is the idea that human morality itself can continually improve. Whilst it is obvious that most humans in the West no longer pillage, rape, burn, imprison, or torture other people, one need not look far to uncover modern versions in the form of

If the world was not even called 'perfect' before the Fall, we should hardly expect that we can make it perfect through AI now.

embezzlement, habitat destruction, child abuse, debt slavery and animal cruelty. Humanity doesn't get 'better' intrinsically, we simply get 'better' at devising ways to justify our crooked actions.⁹⁶

At its most basic level, the pervasiveness of sin confronts the field of AI development in which progress, success, benevolence and good behaviour are simply taken for granted. One must not only consider the impact of individual sin, but also of sin within every other person and institution with which they interact. One direct implication for AI development could be insisting upon designing systems in such a way that *expects them as a rule* to break down, be misused and impact unexpected stakeholders.⁹⁷ If the world was not even called 'perfect' before the Fall, we should hardly expect that we can make it perfect through AI now.⁹⁸

Eschatology

In addition to appreciating humanity's purpose and sinfulness, a holistic view requires comprehension about humanity's trajectory and ultimate destination. According to the Bible, this trajectory is anchored in the Redemption already inaugurated in the person of Jesus and headed towards a supremely good New Creation after the end of this age. One could even argue that the only type of true inexorable growth that is possible in the universe is growth in Christlikeness, which by the Spirit's power will continue for all eternity. Regardless of whether a linear or cyclical view of time is espoused, it is not uncommon for humans to yearn for an ultimate destination beyond time, and many generations have thought the world will end with them. It should be no surprise that much of AI dialogue also yearns for a different future and ultimate end for humanity. Several interviewees urged us to highlight the gravity of long-term effects and the need for goal-oriented trajectories of AI, and one of the best ways to do this is to consider what the Bible says about humanity's ultimate end.

First, Paul clearly teaches that resurrected humans will not be spirits without bodies.⁹⁹ This has important implications for various agendas which view the human body as a disposable inconvenience and hope that AI will help humans to eventually discard it. Second, eschatological pictures in the Bible envision the flourishing of the rest of non-human creation. This point has vital implications for the care of animals and the environment, for it seems that ultimate symbiosis with the New Creation is meant to be an outflowing of human interaction with Creation in this life.¹⁰⁰ Third, the Bible portrays a dynamic pan-ethnic relational community existing in the New Creation. This challenges aspirations which posit seamless technological uniformity, compatibility, or even complete 'monism'.¹⁰¹ Last, the Bible emphasises the importance of simplicity and purity¹⁰² in the Kingdom of God, which belongs to the little children¹⁰³ whose play energises and characterises the perfect peace we will know there.¹⁰⁴ This is quite distinct from some secular narratives which aspire to vast knowledge, efficiency and complexity.

Whilst Christians can be confident in Christ's return, humility and vigilance are the best postures for discussing *how* this will come about.¹⁰⁵ Will AI help us save the environment and usher in a superior age free from fossil

The Bible points towards a dynamic pan-ethnic community that challenges aspirations for seamless technological uniformity.

fuels, or will it be the only recourse available after we have destroyed the biosphere?¹⁰⁶ Will Jesus return before or after the planet is hit by a super asteroid? The parable about the wheat and the tares can help Christians navigate seemingly conflicting reports about the world's trajectory, as it insists that both evil and good will continue to increase in the world until Jesus' return.¹⁰⁷ This means that neither fear, nor naïve optimism, nor apathy are appropriate mindsets, because Christians are called to be alert, joining in the work of the Spirit wherever it may be found. One practical way to live within this tension is by nurturing a theology of surprise.¹⁰⁸ Rooted in God's often unexpected works of redemption, this way of viewing the world *actively anticipates* God doing surprising things as Christians act as salt and light in the world. A theology of surprise protects against excessive commitment to narrow programs or agendas, as both God's warnings and blessings come in ways that cannot be predicted. Concerning AI, this may mean that Christians encounter real hope in the places they are least comfortable with and fear in the places they least expected to.

Eschatological topics can present a good way to engage transhumanists and technologists in meaningful conversation.

Dialoguing about what one ultimately yearns and hopes for can be powerfully inviting, and some may find that these eschatological topics present a good way to engage transhumanists and technologists in meaningful conversation. Public dialogue is increasingly turning to questions about what

an ideal society *should* look like, and Christians should capitalise on this opportunity by looking forward towards what perfect eternity *will* look like. This practice is deeply demanding because it requires the active deployment of our imagination in tandem with the mysterious movements of the Spirit,¹⁰⁹ but for that very reason is also infinitely more valuable than anything Christians do without the help of God.¹¹⁰

4 Trajectories: the impacts of AI

Having considered some key features of human beings and also the advanced AI tools which help amplify those features, this section will argue that the human relationships which operate 'behind' the use of AI are the

most important factor to consider in this discussion. This section examines four broad areas where the effects of AI will influence relationships in significant ways. The four areas are *investment*, *employment*, *regulation* and *products/services*. As AI tools are increasingly implemented in societies, they will have *both* positive and negative impacts upon relationships. By default, many of the impacts are likely to be somewhat negative, further entrenching the current ideologies of capitalism, individualism and consumerism.¹¹¹ But it is also possible for AI tools to help bring reform, although this will require intentional and concerted efforts. This section aims to demonstrate how these opposing trajectories might play out in each area.

Investment: shareholders, start-ups and universities

The main element here—and a major concern amongst our interviewees—is increasing imbalance and disparity of wealth and risk in society. AI tools allow those with capital to leverage their resources to new degrees by increasing efficiency of production and eliminating many of the costs involved with labour. It may even be that AI tools could play a part in the collapse of the increasingly unfit-for-purpose capitalistic system as we know it.¹¹²

Negative trajectories of AI vis-à-vis investment (whether financial, intellectual, or other) are heavily connected with corporations. The stark reality is that most AI development in the West is being led by profit-driven companies.¹¹³ Whilst it is certainly true that many new developments in AI originate in the academy or in start-ups, very few of these remain separate from the corporate world for very long. A case in point is the way that **Big Tech** companies have bought out nearly every competitor in order to secure their own growth.¹¹⁴ Thus, Big Tech allows smaller companies to take most of the risks of innovation and then use their capital to acquire whatever innovations prove to be successful. In this scenario, shareholders and directors play a decisive role, both of whom are often primarily seeking short-term profits.¹¹⁵ Even though shareholders are commonly viewed as the ‘owners’ of a company due to their financial investment, they do not share a proportionate amount of risk and most have very little involvement in the decisions that are made.¹¹⁶

Alternative trajectories, however, could actually help to *decrease* inequality as AI becomes cheaper and more accessible. Small companies¹¹⁷ and organisations may be able more easily to customise AI tools for their

specific needs or even share resources with each other.¹¹⁸ The difference between these trajectories will involve many factors, but can be significantly influenced by shareholders, directors and other managers seeking to promote human flourishing. Viewing investment more as *involvement* and reward more as *quality relationships* could help ensure that investment in AI research and training moves in the best direction. Considering the Facebook–Cambridge Analytica data scandal, people and organisations alike would do well to recognise the role that trust, honour and reputation play in the success of a company rather than focusing narrowly upon profit. Christians can help lead the way in making investment for social benefit more feasible and effective. They should also work to expand a cultural vision of such investment practices by articulating a holistic and integrated paradigm of human flourishing, rather than fixating on individual issues which may or may not be connected to a core conviction or belief.

Employment/work: companies, churches and communities

There is considerable disagreement regarding whether AI will ultimately create or eliminate jobs after society passes through a rocky ‘transition’ period.¹¹⁹ Either way, there can be no question that the landscape of employment will be transformed by AI tools. It may even be that full-time work or employment becomes a thing of the past in more advanced economies, which has led to proposals for some type of universal basic income. Despite misleading headlines claiming that workers are being ‘fired by a machine’,¹²⁰ it is vital to remember that these changes are still the result of practical human actions and decisions.¹²¹ Churches and communities should recognise the future opportunities and begin brainstorming about what fulfilling and meaningful work could be created without requiring any formal salary. Even if a universal basic income never becomes a reality, there will be an increasing need for re-training and re-skilling in the growing ‘gig economy’ that simply cannot be fully met by the state.

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Negative trajectories see companies replacing human employees with AI tools in a race for the bottom line. Unsurprisingly, companies with the least relational capital and coherence will have the fewest qualms

about this. Although some employers may claim to implement AI without actually displacing any human employees, the effect will be virtually identical as they simply phase out existing posts as people move on or retire. This process is being led by big companies, and many of the small and middle-sized companies will feel forced to replace human employees with AI simply in order to compete. One irony that is not often recognised is that many middle-income jobs are actually more at risk because the pay-off for automating low-paying jobs (such as janitors and cleaners) is relatively low whereas the pay-off for automating middle-paying jobs is much higher. Another factor relates to the declining birth rates in most Western countries. The UK population doubled during the Industrial Revolution, which meant that many people struggled to find work due to automation in factories. Today, however, the UK birth rate is only about 1.76 children per woman, which is below what sociologists call the ‘replacement rate’ at 2.1.¹²² Consequently, some employers are struggling to find qualified employees, especially in health & social care and education. Ultimately, it may be that the biggest threat is not so much the elimination of work across the board, but an even greater disparity between demeaning work and fulfilling work, leading to a growing underclass in society. If the thesis of Pickett and Wilkinson is correct, this disparity would actually be worse than if society at large found themselves universally ‘unemployed’ and in receipt of a basic income.¹²³

Ultimately the biggest threat may be the disparity between demeaning work and fulfilling work, which leads to a growing underclass in society.

Alternative trajectories could involve AI replacing precisely the most onerous and demeaning work so that humans can do more fulfilling jobs. Some refer to this as **intelligence augmentation (IA)**, arguing that *enhancement* rather than replacement should be the ultimate goal of AI with regard to work.¹²⁴ However, the expenses involved will require employers to value more than the mere replacement of labour with capital. Just as the Cadburys and Rowntrees of the 19th century provided employment as a means of social integration and social good, society would do well to recover a holistic and enlightened view of business in the age of AI. To be most sustainable, this will require intentional involvement from *both* companies and consumers. Enlightened consumers are already placing higher priorities upon brand transparency and authenticity, and can continue to exert their influence by insisting that companies provide high-quality employment in addition

to high-quality goods. Enlightened companies can view employment as a blessing to society and imagine new, mutually beneficial forms of work. Similar to the factory jobs provided by Cadbury which did not require any special skills, directors and managers can help develop new, meaningful jobs by identifying and articulating nascent needs. It is possible that many of these will be in the 'emotional sector' since both manual and intellectual labour are being overtaken by machines and computers.¹²⁵ Due to the growth of remote work, longer commutes, zero-hour contracts and self-employment, work today suffers from fragmentation and loss of relational coherence. It is not difficult to understand why mental illness is becoming such a serious problem among workers. This reality does not provide a good context for the implementation of AI, but a keen focus on relationships can help encourage AI to restore meaningful and satisfying work. Rather than permitting implementation to increase the fragmentation of work, employers can focus on using it to help facilitate more human relationships and decrease levels of mental illness.¹²⁶ Perhaps just as physical illnesses

There is tremendous opportunity for philanthropic Christian leadership within business of the AI Age.

and health risks in the workplace led to the introduction of HR roles, the epidemic of mental illness could lead to new professions which focus on emotional wellness in a proactive and dynamic manner (rather than primarily reacting to mental illness). Owing to the profound legacy surrounding work and vocation throughout Christian history,¹²⁷

there is tremendous opportunity for philanthropic Christian leadership within business of the unprecedented AI Age.

Regulation: Big Data, Big Tech, states and the environment

When the AT&T telecoms monopoly was finally broken up in 1982, the decision was made not because the US government feared their power or political influence, but because the monopoly was not good for competition in the economy in general. Today, some states do in fact have reason to fear the tremendous power of Big Tech, but also lack the means to exercise legal discipline because globalisation has put many aspects of the corporate world outside the effective control of current governance structures.

If AI development continues on its current trajectory, societies might increasingly be controlled by tech companies rather than political governments.¹²⁸ The most important aspect here is the use, control, protection and privacy of data. For all the good intentions behind desires to make data ‘open’ and available to all, there is

Following the current trajectory, societies might increasingly be controlled by tech companies rather than political governments.

a basic misunderstanding about the nature of data. Data is not useful to everyone, and much of the data collected by Big Tech would be meaningless to most people. The reason most individuals are happy to give away their data without qualms is because it is not inherently valuable to them. In the 19th century, native peoples had no use for the crude oil under their feet because they didn’t possess any combustion engines, much less the refineries to process the oil. Put simply, not all data is equal. Thus, there is a crucial imbalance of motivations in the effort to make data public. The recent implementation of the **General Data Protection Regulation (GDPR)** may be a good step in managing the collection of personal data, but it disproportionately affected small companies, who didn’t have the resources or staff to make all the necessary changes and acted more like a mere slap on the wrist to the companies that really matter.¹²⁹ As long as corporate profit and national GDP are the primary aims, AI regulation will be characterised by strained relationships between companies and authorities.

Despite the extreme difficulty of regulating Big Tech currently, it is possible to envisage an outlook in which sophisticated data analysis significantly streamlines the relationship between companies and states by providing superior and timely information for policy planning. Two potential beneficiaries in this scenario are the natural environment and future generations. Because most electricity today is distributed via outdated grids, AI can vastly improve the efficiency of energy consumption.¹³⁰ Nonetheless, there must be a clear strategy in place in order for these gains to be translated to the environment rather than simply funnelled into the coffers of the state, energy companies, or even consumers themselves. Several encouraging efforts are being made specifically to harness AI for the good of the planet,¹³¹ but success will be most likely if the public decides to support these endeavours. In order for future generations to reap the benefits AI is capable of producing, the tech industry will need to confront various inefficiencies and self-serving tendencies—especially with regard to quality and reliability.¹³²

One way regulative bodies might help is to develop a system of ‘employability permits’ similar to those being implemented to control carbon emissions.¹³³ Such permits provide an economically efficient method to regulate the market by allowing jobs to be replaced by companies possessing a permit to do so. This would mean that companies making significant profits from AI tools that fulfil or replace human jobs would be required to pay money to facilitate human work elsewhere—thereby offsetting the overall loss of human jobs. In this scheme, large companies who can afford to purchase ‘employability permits’ (which exist in finite supply) will do so based upon how many people they could be employing relative to their profits and gross computing power/capacity.¹³⁴ Those who can’t afford to purchase the permits will opt to provide more jobs for employees directly (who could work to make their AI more efficient in order to use less computing power) or indirectly through charitable causes and trusts. This scheme is a variation on proposals for a ‘robot tax’, but offers the advantages of providing some way to measure less-tangible AI productivity and allowing bargaining between companies to adjust the price of permits (rather than a governing agency simply imposing an arbitrary and fixed tax amount).¹³⁵ Although any form of ‘robot tax’ will be difficult to implement, it is worth pursuing whilst in the early stages of human labour displacement so that glitches can be corrected with minimal collateral damage.

Products/services: efficiency, entertainment and escape

Although AI tools are not limited to products or services provided to customers, these are the most frequent interfaces with AI for many people in society. Even if the primary form of interaction with AI for most people appears to be relatively low-level, such as through smart devices in the home or predictive algorithms on social media, these can still have a significant effect on how we view and understand ourselves. With specific regard to AI, there is an urgent need for the public to become aware of that fact that they are *simultaneously customers*

The public must become aware of that fact that they are simultaneously customers and products.

and products. Most common applications of AI are provided for ‘free’, but in fact a company is making money from people’s use of that tool. Just as aboriginal people groups failed to perceive that they were standing on ‘black

gold', many users of AI fail to perceive the 'gold' in their daily technological consumption.

The current trajectory of AI involves many tools that operate with a type of inbuilt dependency upon the company—whether it is trusting Apple to store photos in iCloud or reliance upon current financial institutions for making payments. This, of course, can change the relationship between customers and companies to one of resigned dependency rather than one of freely-chosen loyalty. More importantly, however, this changes the way that many individuals perceive their use of AI tools. Rather than feeling fundamentally empowered by a tool that can help them achieve the tasks they want to achieve, people are increasingly expressing that they feel trapped in a cycle of pursuing tasks they never intended to do in the first place. As AI continues to boost efficiency, entertainment and escape will both become popular responses to the increased non-work time people experience, and it will not always be easy to distinguish

between the two. One serious concern is the growing popularity of sex robots, which may be the most pertinent example of the power of simulation discussed above.¹³⁶ Without moral guidance, many people will use AI tools which eventually diminish their own humanity rather than increase it.

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Accordingly, the best AI-powered products and services will be those that foster human flourishing by strengthening individuals' self-control and relationships with other people. In order for this to be done, people will need to re-evaluate the language of 'rights' and 'wants' in an individualistic, consumeristic society, which has not been able to deliver the type of society it has promised. Several groups have made important steps in this area,¹³⁷ and a core realisation is that AI tools work best in helping people achieve previously established goals as opposed to helping determine what those goals are. This is the difference between entering a website with the goal of purchasing a specific product and letting the shopping algorithms help find the best one, versus entering a website with an itch to buy anything that will satisfy and letting the algorithms determine what exactly that is. Customisation of advertisements and entertainment can be extremely useful, but unless they align with positive human traits like responsibility and self-giving love, people may ultimately find them distracting or even detrimental.

5 What AI *can be*: application

Much sound advice has already been offered by various groups regarding the development and deployment of AI.¹³⁸ This section both summarises and expands current thinking by offering several practical, general guidelines for engagement with AI in light of the biblical reflection earlier, which are applicable at both the expert and non-expert level.

Guidelines

a) Mastery

This implies using a tool in a way that is most effective, safe and beneficial. Hitting one's fingers is a painful and non-beneficial result of using a hammer without mastery. The more complex a tool, the more practice is required to master it. Although people tend to assume that they can quickly master their 'intelligent' tools such as smartphones, more often it is they who are 'mastered' by the tools.¹³⁹ A basic indicator is to consider how use of AI tools may or may not impinge upon the most important relationships in our lives. True mastery of AI tools will help channel and leverage people's brightest ideas rather than simply giving them more money, leisure time, or information.

b) Accountability

For developers, accountability can help mitigate errors in programs and eliminate wasted time from preventable mistakes—which is especially important when working with the massive amounts of data characteristic of AI. For the end-users of AI, accountability means that their engagement with AI tools should be in the context of relationships with others who have access to and familiarity with the same AI, and where honest conversations are held about the impact of the technology. In this context, accountability can act as a counterweight to isolating effects on individuals seeking things such as companionship, entertainment or escape via AI. Since AI is data-driven, it can easily generate reports on usage (e.g. reporting on the amount of 'screen time' spent with a chatbot).¹⁴⁰ However, it is especially important that accountability is more robust than mere surveillance; accountability requires two-way communication embedded in relationships. This is best

achieved when an individual wilfully and actively participates in a group which expressly strives for the common good of all its members. Practically, this type of accountability could shape positively the development of 'smart' public facilities, security systems and nursing homes; shared self-driving cars, open source software, ML platforms,¹⁴¹ entertainment & recreation parks,¹⁴² and allotments equipped with AI tools/sensors. Additionally, local churches might offer workshops, training, or common resources about AI tools which could be used by everyone in the congregation.

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c) Diversity

Biases are a major concern in AI, and it is no secret that many of the top AI developers are young, white males, often connected with a coterie of elite institutions.¹⁴³ Trained algorithms may never have mistaken black people for gorillas if there had been more reasonable ethnic diversity at Google.¹⁴⁴ Furthermore, the current atmosphere of AI development tends to foster a type of 'homogeneous thinking', which can be uncreative and stagnated even if it is not biased.¹⁴⁵ Intentional diversity can challenge this atmosphere by drawing from various perspectives and ideas to identify, articulate and solve problems in wise and creative ways.¹⁴⁶ Indeed, because wisdom entails more than technical knowledge or quantity of information, people without expertise of a given AI system may still be able to contribute invaluable insight to an overall project. Despite current obstacles to diversity in society, Christians in particular should be energised by the pan-ethnic vision of eternity in the New Creation and work to shape creative and wise applications of AI.

d) Transparency

Both the internal operations and ultimate purposes of AI tools are often somewhat opaque.¹⁴⁷ This can make such tools less effective in general and also allow some questionable functions to be smuggled in. A hammer has the clear purpose of hammering nails. But algorithms used by Amazon which purportedly help customers find products also have the goal of getting them to spend money. Largely due to the **Uncanny Valley**,

manufacturers have found success in producing AI-equipped robots in the likeness of animals instead of humans,¹⁴⁸ but have not always been clear about their intended purpose. Do they

Except for experimentation or entertainment, there is no need for AI-equipped robots to sound or look like humans or animals.

primarily monitor vital signs or entertain? Do they primarily *provide* information or *collect* information? Although perhaps less problematic than realistic humanoid robots, increasingly realistic animal robots still represent a serious breach of authenticity, not least because they are often intended for elderly people or those with learning

difficulties who may be less able to discern what they are interacting with.¹⁴⁹ Beyond the purpose of experimentation or entertainment, there is no reason that AI-equipped robots need to sound or look like humans *or* animals.¹⁵⁰

e) Precision

Programming and developing AI often involves more trial and error than precise or direct routes towards an end goal—especially when working on large projects with many team members.¹⁵¹ Consequently, there is an urgent need for clarity and simplicity¹⁵² in the design process of AI tools, which will often necessitate agile, built-for-purpose programs constructed from the ground up (rather than recycling inefficient code from other projects or applications). Furthermore, there is need for precision in relation to the ways that AI tools are packaged for and used by consumers. Taking a wider example from smartphone development, today's models serve as alarms, cameras, barometers, music players, calendars and sometimes even telephones! Such conflation, if mirrored in AI development and use, could make it difficult to assess how effectively a tool is actually accomplishing tasks or serving its users (does **Alexa** help someone be more productive or simply more busy?). Additionally, the impressiveness of much AI can attract superfluous features which capitalise on novelty (e.g. **Siri** being programmed to tell jokes). Therefore, increasing precision with regard to purposes of AI tools will be crucial, and will also help developers better anticipate unforeseen consequences since they will be focusing on how one single function might err rather than how multiple functions might err.

f) Empowerment

AI tools should most often enable the *enhancement* of particular human tasks rather than their replacement.¹⁵³ As already mentioned above, there is exciting potential for how daily work can be made more meaningful with AI. Another major way AI tools can be empowering is by assisting people with disabilities.¹⁵⁴ This will likely require close communication between developers and disabled users to ensure AI tools are genuinely empowering rather than marginally helpful and/or frustrating. Some have highlighted the benefit of developing a range of very narrow AI-tools that each empower humans in distinct ways rather than expending resources on the goal of **AGI** that aims to mimic everything about humans.¹⁵⁵ Due to the time-intensive customisation involved, truly empowering AI will probably be less profitable for developers and will therefore require considerable lobbying and encouragement. Enlightened consumers can increasingly demand that the AI-powered tools they benefit from are also fully accessible for less able members of society.

g) Efficiency

Society will continue to benefit from increases in efficiency brought about by AI tools, but most of the processes by which these tools function can actually be much more efficient than they usually are.¹⁵⁶ This is largely because the mindset in tech has been focused more on achieving functionality than on making sure it operates as efficiently as possible. Fortunately, this mindset is beginning to change (in part due to the imminent decay of **Moore's Law**) and although it will be labour intensive, the process of making algorithms and programs more efficient is relatively straightforward since it aims at the clear goal of increasing performance (maximum output with minimal input) and speed. Nevertheless, as society increasingly engages with AI tools that assist with human-like tasks, it is vital to recognise that a rigid technological understanding of efficiency is rarely the best way to think about improving the worth or value of more personal human activities, which often require great amounts of time or have no real measurable outcome at all.¹⁵⁷

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Conclusion

This report has sought to acquaint readers with the basics of AI and help them engage wisely as these new tools continue to impact our world. It has been argued that much of the popular dialogue about AI is based more upon assumptions and aspirations than upon actual facts. A sober view of AI recognises that it has the power for great good and great harm; this report has highlighted the importance of communicating clearly and realistically about both possibilities. Leaders of all types have the obligation to ensure that AI does not simply amplify the current trajectory of present realities such as individualistic capitalism, and it has been argued that a keen understanding of humanity is crucial for this endeavour. In particular, leaders

Ultimately, AI tools should help people regain healthier notions about the purpose of life in general.

must take seriously humankind's propensity towards malevolence whilst being rooted in its ultimate calling (Imago Dei) and directed towards its final end (New Creation). We have sketched out divergent trajectories of increasing AI in four different social and economic areas whilst suggesting the actions necessary to ensure that AI leads to the

greatest good for society as a whole. Finally, seven general guidelines were offered for application in daily settings by both experts and non-experts alike.

There can be no doubt that AI will transform the world as we know it. As ambassadors and servants of Christ, Christians especially should strive to direct the impacts of AI in ways that help people live life to the fullest and bless the communities, cities and countries where they live. Just as various benefits of globalisation have also accelerated the loss of indigenous languages and cultures, it is conceivable that mass, indiscriminate implementation of AI systems could make humans very good at doing things which are not in their best interest. Ultimately, AI tools should help people regain healthier notions about the purpose of life in general. Recapturing both the art of discipline and a sense of human purpose, people can learn to eschew effects of AI which produce burnout or laziness in favour of those that help them mature and thrive as stewards of Creation and citizens of heaven.

Appendix

The following are among the experts interviewed in the course of the research, and each of them responded in a personal capacity. None of them is mentioned by name or quoted directly, and the opinions expressed in this report do not necessarily reflect the position of any of the institutions represented.

Dr Andrew Basden, Professor of Human Factors and Philosophy of Information Systems, Salford Business School, University of Salford

Dr Andrew Briggs, Professor of Nanomaterials, University of Oxford

Rt Revd Dr Steven Croft, Bishop of Oxford

Professor Nigel Crook, Associate Dean, Faculty of Technology, Design and Environment, Oxford Brookes University

Dr Derek Roberts, Co-Founder, Solarflare

Dr Paul Roberts, Operations Director, Cambridge Medical Robotics

Dr Peter Robinson, Professor of Computer Technology, University of Cambridge

Dr Robert Song, Professor of Theological Ethics, Durham University

Dr John Wyatt, Professor Emeritus of Ethics & Perinatology, University College London

Glossary

Alexa: The name of Amazon's AI assistant, which makes use of NLP. It is the flagship feature of the Echo.

Algorithm: A set of steps or instructions to solve a problem.

AlphaGo: A computer system created by DeepMind that in 2016 defeated the reigning world champion in Go (a traditional Japanese board game).

Artificial General Intelligence (AGI): A computer system that can do virtually everything a human brain does, to the same standard that a human brain does it.

Artificial Intelligence (AI): A general term used to describe a range of computer systems which can accomplish certain repetitive tasks in ways that mimic humans.

Artificial Narrow Intelligence (ANI): A computer system which can perform a specific task with proficiency.

Artificial Superintelligence (ASI): A hypothetical computer system which far surpasses human intelligence in every area.

Big Data: Quantities or types of data that are unable to be stored and/or processed with traditional, analogue methods by humans.

Big Tech: Some of the largest companies in the world which make their money in tech and often AI. These include especially Amazon, Apple, Facebook, Google and Microsoft.

Black Box: In technology, this refers to any system which obscures the activity between input and output.

Chinese Room: A hypothetical scenario proposed by John Searle in which a person is locked in a room, unseen, with a comprehensive supply of Chinese language tools. Someone on the outside passes a note to them in Chinese and waits for a response. With the resources at their disposal, the person inside the room is able to interpret the message and give a response.

The person on the outside is unable to determine if the person on the inside actually knows Chinese or can only merely interpret it. Thus, computers merely simulate and do not actually understand.

Coherent Extrapolated Volition (CEV): The hypothetical ambitions or aims of a more mature and evolved humanity which eventually overcomes most divisions and disagreements.

Deep Learning: A type of ML that makes use of many layers of neural networks. 'Deep' refers to the number of layers, not a qualitatively different type of computation.

Deep Blue: A chess-playing computer first created by IBM in 1995. It defeated world champion Garry Kasparov 3 ½ matches to 2 ½ in 1997.

Deepfake: A type of super-realistic, AI-generated, fake video. It uses deep learning to superimpose existing video onto source video, notably for a realistic face-swapping effect.

Echo: A type of 'smart speaker' device first sold by Amazon in 2014 which employs NLP to act as a voice-controlled personal assistant.

General Data Protection Regulation (GDPR): Legislation enacted by the EU in 2018 which is designed to upgrade protection of personal data. It replaced the Data Protection Directive of 1995.

Generative Adversarial Network (GAN): A type of unsupervised deep learning pitting two neural networks against each other. One network acts as a generator whilst the other acts as a discriminator.

Hardware: Tangible, physical components of a computer system.

Intelligence Augmentation (IA): A concept that focuses more on computers enhancing rather than replacing human intelligence.

Internet of Things: The interconnection of various 'smart' devices via the internet. This could include home appliances, vehicles and agricultural sensors.

Jibo: An AI-equipped personal robot assistant. Developed by researchers at the MIT Media Lab, it stands 12 inches tall and features a large camera on what vaguely resembles a head.

Machine Learning (ML): A subset of AI that employs various techniques to help computers ‘learn’ without being explicitly programmed.

Moore’s Law: A prediction based upon observations that the number of transistors in computer circuits doubles approximately every two years.

Moravec’s Paradox: The recognition that many high-level human activities require little computational power whilst many basic human activities require vast computational power.

Natural Language Processing (NLP): An area of AI involving phonetics, grammar, syntax and semantics.

Neural Networks: Inspired by the function of neurons in the brain, these allow computers to sort and filter information in sophisticated, multi-step manners. These are a basic building block in ML.

Paro: A small, fuzzy, baby seal robot first developed by Takanori Shibata in 2001. Described as a ‘therapeutic robot’, academic research has shown it to have positive effects on elderly people and especially those with late-life cognition disorders.

Polanyi’s Paradox: Similar to Moravec’s Paradox, it claims that much of human knowledge and behaviours are developed and held at subconscious levels of cognition. Thus, humans cannot explain many of the simplest things they do.

Quantum Computing: A new type of computing featuring quantum bits (qubits). Rather than traditional binary bits, these can store information in superpositions allowing far more complex computations to be carried out.

Singularity: A hypothetical point in the future at which humans are unable both to control and comprehend computer activity.

Siri: The name of Apple’s AI assistant, which makes us of NLP. It is now

standard with most Apple devices.

Software: Intangible programs and applications that run or function on a physical computer.

Sophia: A life-like robot developed by Hanson Robotics in 2015 which can display more than 50 facial expressions. It is described as a 'social robot' since its primary purpose is to converse with humans.

Strong AI: A way of describing computer systems which either exceed human intelligence or possess some form of consciousness.

Turing Test: First proposed by Alan Turing in 1950, it traditionally employed conversational language to test whether humans could distinguish a computer from another human.

Transhumanism: A general term for movements which seek to help humanity move beyond its current biological and intellectual limitations.

Uncanny Valley: The perturbing response resulting from interaction with something that seems human but is not.

Weak AI: Any computer system that performs a specific human-like task. Essentially synonymous with Artificial Narrow Intelligence.

Wetware: Neither hardware nor software, but an artificial material that is compatible with biological tissue.

Whole Brain Emulation (WBE): A hypothetical feat involving the complete copying of a biological brain into a digital form.

Endnotes

- 1 Nigel Cameron, *The Robots Are Coming: Us, Them and God* (CARE, 2017); Nigel Cameron, *Will Robots Take Your Job?: A Plea for Consensus* (Malden, MA: Polity Press, 2017).
- 2 Select Committee on Artificial Intelligence, *AI in the UK: Ready, willing and able?*, HL Paper 100 (House of Lords: April 16, 2018).
- 3 *Ibid.*, p.5.
- 4 These include Elon Musk, Sam Harris and Nick Bostrom, to name a few.
- 5 Some posit, for instance, that a Superintelligence will simply have misaligned goals (differing from human priorities) which cause it to eliminate humans as stepping on a bug. For a helpful article and graphic of this and similar misunderstandings, see <https://futureoflife.org/background/aimyths/>.
- 6 As argued by the leading transhumanist association, Humanity+ (formerly the World Transhumanist Association).
- 7 Whilst there may be *multiple* paths that can be taken to arrive at superintelligence, the same assumptions are still involved in whichever route is taken. See Nick Bostrom, *Superintelligence: Paths, Dangers, Strategies* (Oxford: OUP, 2014).
- 8 It is worth noting that most often the term 'exponential growth' is used to refer to *hyperbolic* growth (where the slope of a function becomes infinite) rather than actual exponential growth (where the slope of a function only *appears* to become infinite, but actually always remains finite). See Toby Walsh, *Android Dreams: The Past, Present and Future of Artificial Intelligence* (London: C Hurst & Co Publishers Ltd, 2017), p.120.
- 9 Gordon Moore's original article suggested that the density of transistors on a computer chip would double every year. Some prefer to adjust the time increment to 18 months.
- 10 See <https://www.un.org/development/desa/en/news/population/world-population-prospects-2017.html>.
- 11 Gordon Moore estimated that it would break down around 2025 and IBM more recently put the mark at 2021.
- 12 The smallest transistors in commercial production are 7 nanometres and problems begin to arise with traditional silicon transistors that are smaller than this. A silicon atom itself is approximately 0.2 nanometres in diameter.
- 13 Energy is another serious factor, which has been raised in relation to BitCoin mining. Even with impressive advances in solar and wind energy, it is likely that some computer developments may be impeded by lack of power they could require. See <https://www.theguardian.com/technology/2017/nov/27/bitcoin-mining-consumes-electricity-ireland>. Ultimately, it seems that some kind of breakthrough in nuclear fusion will be necessary to sustain the immense power required by the computers of the future.
- 14 See https://www.ted.com/talks/steven_pinker_is_the_world_getting_better_or_worse_a_look_at_the_numbers#t-475968.
- 15 See <https://www.theguardian.com/global-development/2017/nov/04/danger-to-future-generations-640m-pledged-third-of-world-malnourished-obesity-hunger-kofi-annan>.
- 16 See <https://www.telegraph.co.uk/news/2017/08/31/one-three-sick-notes-mental-health-problems-alarming-report/>.
- 17 In November, 2016 the Royal Society met in London to discuss the validity of Neo-Darwinism.
- 18 Like the acronym ASI, some use ANI to designate **Artificial Narrow Intelligence**. Some also refer to this as **'weak AI'**.
- 19 Some use the acronym ASI to designate **Artificial Superintelligence**.

- 20 See <https://nickbostrom.com/superintelligence.html>.
- 21 Nick Bostrom outlines the oft-repeated scenario of how a Superintelligence whose goal is to make paperclips could potentially end all biological life in the process. See Nick Bostrom, *Superintelligence*, 123ff.
- 22 See the striking line in the influential open letter: 'everything that civilization has to offer is a product of human intelligence', available at <https://futureoflife.org/ai-open-letter/>.
- 23 This is similar to the concepts expressed by both **Moravec's Paradox** and **Polanyi's Paradox**. See Marvin Minsky, *The Society of the Mind* (New York: Simon & Schuster, 1986); Also Hans Moravec, *Mind Children* (Cambridge, MA: Harvard University Press, 1990).
- 24 Toby Walsh calls this the 'Meta-intelligence' Argument and explains it brilliantly. See Walsh, *Android Dreams*, pp.124–26.
- 25 This is best conveyed in Bloom's taxonomy.
- 26 Some might also use the term **Strong AI** when talking about computer consciousness, but this can sometimes be confused with the idea of Superintelligence *without* consciousness so it is avoided here for the sake of clarity.
- 27 John Searle, 'Minds, Brains and Programs', *Behavioral and Brain Sciences*, 3 (1980), 417–24.
- 28 Walsh, *Android Dreams*, p.91.
- 29 The 'Turing Test' is often referenced in this area. The test has various manifestations and continues to evolve, so is actually not a very helpful term any more. However, some discuss the idea of a Meta-Turing Test. See Walsh, *Android Dreams*, p.47.
- 30 Andrew Briggs and Dawid Potgieter, 'Machine Learning and the Questions It Raises', in *From Matter to Life: Information and Causality*, ed. Sara Imari Walker, Paul C. W. Davies, and George F. R. Ellis (Cambridge: Cambridge University Press, 2017), pp.470–76.
- 31 See <https://www.theverge.com/2018/5/8/17332070/google-assistant-makes-phone-call-demo-duplex-io-2018>.
- 32 This is known as linguistic relativity, or the Sapir–Whorf hypothesis.
- 33 This same argument applies to the 'new' poetry, music, etc. that AI systems have 'created'. Such productions are simply rearrangements of previous material and ideas, never a paradigm shifting or mould-breaking development.
- 34 Originally, the Singularity was a cosmological concept describing reality beyond a black hole. What we are discussing here could more properly be called the 'technological singularity'.
- 35 Some would associate the Singularity more with computers passing the Turing test, but being fooled by computers' activity is not the same as being completely unable to comprehend it.
- 36 Toby Walsh brilliantly considers these along with others. See Walsh, *Android Dreams*, pp.121–31.
- 37 See Pinker, S., 'Tech luminaries address singularity', *IEEE Spectrum*, June 2008.
- 38 The author owes this perspective almost entirely to the insight of Toby Walsh. See Walsh, *Android Dreams*, pp.126–27.
- 39 Paul Allen (co-founder of Microsoft) has called this the 'complexity brake'. See Allen, P. and Greaves, M., 'The Singularity isn't near', *MIT Technology Review*, October 2011, pp.7–65.
- 40 See <http://kk.org/thetechnium/the-singularity/>.
- 41 Douglas Hofstadter (mis)quoting Tesler's Theorem. See Hofstadter, *Gödel, Escher, Bach: an Eternal Golden Braid* (New York: Basic Books, 1979).
- 42 Susan Ratcliffe, 'Roy Amara 1925–2007: American futurologist', *Oxford Essential Quotations*, 4th edition (Oxford: OUP, 2016).
- 43 See <https://www.fhi.ox.ac.uk/fhi-researchers-advise-uk-government-artificial-intelligence/>.

- 44 See the helpful article by Rodney Brooks, <https://rodneybrooks.com/forai-the-origins-of-artificial-intelligence/>.
- 45 Although it can seem like AI operates on an integrative level, this is best explained by the tremendous speed at which it is able to sort through data and detect similarities, patterns and anomalies. This insistence on AI as a tool is shared by many working directly in the areas of AI and robotics; see, for example, the *RAS 2020* report (Special Interest Group - Robotics and Autonomous Systems: July 2014) which characterises Robotics and Autonomous Systems as tools that 'perform useful tasks for us in the real world, extending our capabilities, increasing our productivity and reducing our risks,' p.6.
- 46 Because robots are often mentioned in the same breath as AI, it is important to emphasise the basic difference between **hardware** and **software**. Roughly speaking, AI is in the same family as software, whereas robots are in the family of hardware.
- 47 In general, one can say that algorithms relate more to the design process of AI while code relates more to the development process.
- 48 Both of these were used in Apollo spaceships to optimise thrust, for instance.
- 49 It should be noted that the type of machine learning used in Deep Blue would now be considered quite primitive, but at the time was perceived as a legitimate type of AI; see <https://www.aaai.org/Papers/Workshops/1997/WS-97-04/WS97-04-001.pdf>.
- 50 Broadly speaking, types of ML include reinforcement, supervised and unsupervised learning, but even 'unsupervised' learning requires careful parameters to be given by humans.
- 51 See <https://www.technologyreview.com/s/609048/the-seven-deadly-sins-of-ai-predictions/>.
- 52 See <https://www.economist.com/leaders/2017/05/06/the-worlds-most-valuable-resource-is-no-longer-oil-but-data>.
- 53 Alexandra Suich Bass, 'GrAlt expectations', *The Economist*, Special Report: AI in Business, 31 March 2018, p.4.
- 54 See <https://www.projectrevoice.org>.
- 55 See <https://research.qut.edu.au/ras/research/rangerbot/> and <https://medium.com/thelabs/robots-saving-the-reef-d0573cac1c21>.
- 56 See <https://software.intel.com/en-us/articles/using-artificial-intelligence-ai-to-detect-lung-cancer-nodules>.
- 57 See <https://www.roboticsbusinessreview.com/health-medical/ai-assisted-surgery-improves-patient-outcomes/>.
- 58 See <http://sitn.hms.harvard.edu/flash/2017/artificial-intelligence-will-revolutionize-energy-industry/>.
- 59 For example, the increased use of AI in automated financial trading has the potential to exacerbate market volatility.
- 60 See <https://eu.usatoday.com/story/tech/2015/07/01/google-apologizes-after-photos-identify-black-people-as-gorillas/29567465/>. At the time of writing, this problem had still not been resolved.
- 61 Walsh, *Android Dreams*, p.141.
- 62 See <https://www.theverge.com/tldr/2018/4/17/17247334/ai-fake-news-video-barack-obama-jordan-peepe-buzzfeed>.
- 63 Wendell Wallach and Colin Allen, *Moral Machines: Teaching Robots Right from Wrong* (Oxford: OUP, 2009).
- 64 See <https://futureoflife.org/2016/04/26/ai-journalism-goes-bad/>.
- 65 This superb recent paper strongly critiques these trends and others in ML research: Zachary C. Lipton and Jacob Steinhardt, 'Troubling Trends in Machine Learning Scholarship', July 11, 2018, available at <https://arxiv.org/abs/1807.03341>.
- 66 Marvin Minsky called these 'suitcase words'.

- 67 This article offers an incisive view of the software world from the 'inside': <http://tonsky.me/blog/disenchantment/>.
- 68 See <https://www.wired.com/story/ai-experts-want-to-end-black-box-algorithms-in-government/>.
- 69 See endnote #32 above.
- 70 This is a variation of Melvin Kranzberg's well-known first law of technology.
- 71 Martin Buber, *I and Thou* (Edinburgh: T & T Clark, 1937). Importantly, this can resolve some of the difficulties and confusions of Cartesian dualism that others such as Herman Dooyeweerd attempted to resolve.
- 72 One of the most common examples is probably the internet itself.
- 73 This is complicated by the fact that AI becomes one of several layers of intermediaries. The internet, for instance, is already a complex intermediary between subjects (who are often anonymised).
- 74 Much of this debate is happening through science fiction; see recent popular television series such as *Black Mirror* and *Westworld*.
- 75 Max Tegmark, *Life 3.0: Being Human in the Age of Artificial Intelligence* (London: Allen Lane, 2017), 279.
- 76 Eliezer Yudkowsky, *Coherent Extrapolated Volition* (Berkeley, CA: Machine Intelligence Research Institute, 2004). This concept features prominently in Bostrom, *Superintelligence*.
- 77 Roughly speaking, one can recognise that creativity was explored in the Renaissance, reason in the Scientific Revolution and morality in the Enlightenment.
- 78 Genesis 1:26.
- 79 1 Corinthians 12:12–31.
- 80 Galatians 5:22–23.
- 81 Briggs and Potgieter, 'Machine Learning and the Questions It Raises,' p.478.
- 82 Olga Goriunova, 'The Digital Subject: People as Data as Persons' in *Theory, Culture and Society*, Special Issue: Transversal Posthumanities (forthcoming 2018).
- 83 Tom Wright, *The Day the Revolution Began* (London: SPCK, 2016), p.100.
- 84 See Genesis 1:28.
- 85 Whilst advocating for a robust understanding of (and emphasis on) *human* responsibility, this paper does not address the particulars of *how* ethical decision-making algorithms should be constructed because this will vary across cultures, contexts and companies. There is already a large body of interdisciplinary work being done in this area, particularly around guidelines for autonomous weapons and self-driving cars.
- 86 See <https://futureoflife.org/ai-open-letter/>.
- 87 John 15:13.
- 88 Luke 21:1–4.
- 89 Luke 18:9–14.
- 90 Matthew 19:13–14.
- 91 Romans 12:15.
- 92 John 13:1–17.
- 93 Crucially, idolatry or obsessions facilitated by AI tools can grow much faster than other types since they increase efficiency by definition.
- 94 There are valid concerns around AI's potential use for oppression, especially in authoritarian states. The AI-assisted Social Credit Register introduced by the Chinese government is perhaps the best

- example of an effective surveillance and social control mechanism, see <https://www.wired.co.uk/article/china-social-credit>.
- 95 The plots of George Orwell's *Nineteen Eighty-Four* and Aldous Huxley's *Brave New World*, respectively, chart these trajectories vividly.
- 96 C.S. Lewis expressed a similar sentiment in *The Abolition of Man*: 'Education without values, as useful as it is, seems rather to make man a more clever devil.'
- 97 See <https://publications.parliament.uk/pa/cm201719/cmselect/cmcomeds/363/36302.htm>.
- 98 Orthodox Christians have long understood Adam and Eve more as innocent children than perfect humans. Additionally, some would point out that the Garden could not have been perfect if it contained a deceptive serpent and a tree containing the knowledge of evil.
- 99 1 Corinthians 15.
- 100 The traditional reading of 2 Peter 3:10 has tended to emphasise the destructive nature of the fire, but several scholars are trying to recover the true reading as a 'refining fire'. See Richard Middleton, *New Heaven and New Earth: Reclaiming Biblical Eschatology* (Grand Rapids: Baker Academic, 2014), pp.160–63.
- 101 See Jan H. Naude, 'Technological Singularity and Transcendental Monism: Co-producers of Sustainable Alternative Futures', *Journal of Futures Studies*, 13.3 (2009), 49–58.
- 102 Ephesians 5:26–27.
- 103 Matthew 19:13–14.
- 104 Zechariah 8:3–5.
- 105 Similar to the way that transhumanists and technologists have overestimated the pace at which 'exponential' AI development will usher in the New Age, so also have Christians over anticipated the full arrival of the Kingdom God. It is interesting that a (minority) stream of fatalism regarding environmental destruction also runs through both groups. Some groups of fundamental Christians in the USA see destruction of the environment as a step in ushering in Christ's return and some futurists believe that biological life will be superseded since machines can run on solar-generated electricity. The ultimate demise of carbon-based life forms is what drives the urgent search for life beyond the need of biological resources.
- 106 See endnote #100 above.
- 107 Matthew 13:24–30.
- 108 This is associated especially with Lesslie Newbigin.
- 109 Tom Wright's modern classic, *Surprised by Hope*, offers several inspiring ideas about how this may unfold practically in the lives of believers.
- 110 See Psalm 127:1.
- 111 See Calum Samuelson, *The Steering Wheel: Confronting the ideologies driving western culture and society* (Cambridge: The Jubilee Centre, 2018).
- 112 One interesting alternative suggested by some is a major switch to platform cooperatives. See <https://www.yesmagazine.org/peace-justice/when-robots-take-our-jobs-platform-cooperatives-are-a-solution-20180420>. One major problem, however, is who provides the initial capital to get things running.
- 113 The reality is obviously different in places like China, Russia, North Korea and other authoritarian regimes. See <https://www.technologyreview.com/s/608324/china-plans-to-use-artificial-intelligence-to-gain-global-economic-dominance-by-2030/>.
- 114 See <https://techcrunch.com/2018/06/10/the-largest-buys-of-techs-big-five-a-look-at-ma-deals/?guccounter=1>.
- 115 It is a common misunderstanding that directors are legally required to produce a *financial return* for shareholders. Rather, they are required to act in the *best interest* of the shareholders, which ultimately boils down to doing what is best for the company. See <https://www.nytimes.com/>

- roomfordebate/2015/04/16/what-are-corporations-obligations-to-shareholders/corporations-dont-have-to-maximize-profits.
- 116 See <https://www.hbs.edu/faculty/Pages/item.aspx?num=52623>.
- 117 Most companies in the UK are either small or medium sized (<250).
- 118 One difficulty with this possibility is the quality and size of datasets available to these smaller companies.
- 119 The well-known report from the Oxford Martin School contends that 47% of US jobs are at risk. See Carl Benedikt Frey and Michael Osborne, "The Future of Employment: How susceptible are jobs to computerisation?" (Oxford: Oxford Martin School, 2013). Far more optimistic, however, is the recent report from Capgemini, which claims that a majority of companies have already created new jobs because of AI; see <https://www.capgemini.com/gb-en/service/artificial-intelligence-where-and-how-to-invest/>.
- 120 See <https://www.bbc.co.uk/news/technology-44561838>.
- 121 In the case of the BBC story above, it is apparent that the computer system only fired the employee because his manager had recently been laid off and had failed to renew the employee's contract.
- 122 See <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/livebirths/bulletins/birthsummarytablesenglandandwales/2017>. South Korea is worst with a rate of 1.05, see <https://www.economist.com/asia/2018/06/30/south-koreas-fertility-rate-is-the-lowest-in-the-world>.
- 123 Kate Pickett and Richard Wilkinson, *The Spirit Level: Why Equality Is Better for Everyone* (London: Penguin, 2010).
- 124 See <https://medium.com/@mijordan3/artificial-intelligence-the-revolution-hasnt-happened-yet-5e1d5812e1e7>.
- 125 See <https://sloanreview.mit.edu/article/planning-for-the-future-of-work/>.
- 126 See <https://www.psychologytoday.com/gb/blog/feeling-it/201208/connect-thrive>.
- 127 See Darrell Cosden, *A Theology of Work: Work and the New Creation* (Eugene, OR: Wipf & Stock, 2006); see also Calum Samuelson, *The Enduring Power of Vocation* (Cambridge: Jubilee Centre, 2017).
- 128 There are, however, some optimistic predictions that Big Tech monopolies will come under scrutiny from various regulatory bodies and eventually be broken up by government antitrust legislation; see <https://www.economist.com/business/2018/04/26/americas-antitrust-apparatus-prepares-to-act-against-big-tech>.
- 129 See <http://www.business-money.com/announcements/forum-fears-new-data-protection-bill-could-damage-small-businesses>.
- 130 See <http://sitn.hms.harvard.edu/flash/2017/artificial-intelligence-will-revolutionize-energy-industry/>.
- 131 One example is the recent establishment of Microsoft's AI for Earth; see <https://www.microsoft.com/en-us/aiforearth>.
- 132 See endnote #67 above.
- 133 See <https://academic.oup.com/reep/article-abstract/1/1/66/1548600>.
- 134 It is worth noting that a company's data centres are often located in different jurisdictions from their headquarters or places of human employment. This will need to be taken into account by regulatory bodies, especially if international borders are crossed.
- 135 Economists view these types of permit systems as desirable alternatives to taxes because they allow the market to function more efficiently. Permits determine supply and allow the market to adjust the price. Another possibility involves some type of marginal cost pricing.
- 136 See <https://www.forbes.com/sites/susannahbreslin/2018/01/30/paris-sex-doll-brothel-france/#6a82b64d3946>.
- 137 See <http://humanetech.com/>.

- 138 For just one example, see the report from AI Now, https://assets.ctfassets.net/8wprhvnpc0/1A9c3ZTCZa2KEYM64Wsc2a/8636557c5b14f2b74b2be64c3ce0c78/_AI_Now_Institute_2017_Report_.pdf.
- 139 See Guy Brandon, *Digitally Remastered: A Biblical Guide to Reclaiming Your Virtual Self* (Edinburgh: Muddy Pearl, 2016).
- 140 One new chatbot is extremely popular with teenagers: <https://replika.ai>.
- 141 See <https://www.tensorflow.org/>.
- 142 See <https://www.technologyreview.com/s/611580/forget-about-vr-in-the-living-room-this-summer-its-on-waterslides-and-in-arcades/>.
- 143 This was brought into the limelight recently when Google fired James Damore for 'perpetuating gender stereotypes'. See <https://www.vox.com/identities/2017/8/8/16106728/google-fired-engineer-anti-diversity-memo>. See also <https://www.nytimes.com/2016/06/26/opinion/sunday/artificial-intelligences-white-guy-problem.html>.
- 144 At the time of the incident, 60% of Google's employees were white, 31% were Asian and only 2% were black. See endnote #60 above.
- 145 Some of the most influential institutions in AI are MIT, Stanford and Cambridge; see <https://www.forbes.com/sites/mariyayao/2017/05/01/dangers-algorithmic-bias-homogenous-thinking-ai/#68ddc46f70b3>.
- 146 Although they can greatly aid a group in this process, machines are currently very poor at articulating *why* something is actually a problem. AI is increasingly being used in some fields of academia with PhD students, but heavily relies on the context of what has already been studied and determined to be valid. In other words, an AI system wouldn't challenge well-established theories like Einstein and others have done.
- 147 See **black box** in the glossary.
- 148 Whether to classify animals more as subjects or objects is a difficult and contested dilemma, but the Bible seems to overcome this dichotomy by viewing animals as a type of subordinate and non-responsible subject; even donkeys are given a Sabbath rest and the ox must not be muzzled while threshing the grain (Deuteronomy 5:14 and 25:4, respectively). This makes good sense if we understand our relationship with animals as more similar than dissimilar. After all, both animals and humans have 'living souls'. See Genesis 2:7 and 2:19 where 'nephesh' is used to describe both animals and man.
- 149 The fact that robots like **Paro** yield positive improvements in 'comfort levels' in old people's homes is somewhat misleading because it is not being compared with human or animal companionship; it is literally better than nothing. See <https://www.thelancet.com/journals/laneur/article/PIIS1474-4422%2813%2970206-0/fulltext>.
- 150 Accordingly, AI-powered robots such as **Jibo** (which resembles neither a human nor an animal) seem like the least problematic option.
- 151 See <https://www.theatlantic.com/technology/archive/2017/09/saving-the-world-from-code/540393/>.
- 152 Programmers refer to this type of code as 'elegant' since it fully accomplishes its purpose in a minimal fashion.
- 153 Once again, this raises the idea of **Intelligence Augmentation**, which emphasises the need for various tasks to retain a measure of human oversight rather than being completely outsourced to AI.
- 154 See <https://www.abilitynet.org.uk/news-blogs/how-ai-could-transform-lives-disabled-people> and <https://blogs.microsoft.com/on-the-issues/2018/05/07/using-ai-to-empower-people-with-disabilities/>.
- 155 Briggs and Potgieter, 'Machine Learning and the Questions It Raises', p. 478.
- 156 See <http://tonsky.me/blog/disenchantment/>.
- 157 As Jacques Ellul argued several decades ago, there is a great risk that the drive for efficiency can begin to shape the way people do things in general. See Jacques Ellul, *The Technological Society* (Toronto: Vintage Books, 1964). Cf. Calum Samuelson, *Redeeming sport?*, Cambridge Papers vol. 27, 3 (Cambridge: Jubilee Centre, 2018).

Just Pay

a biblical perspective on the ethics of
remuneration

by Calum Samuelson

Acknowledgements

We are grateful to Tim Young for suggesting the idea for this research project in the first place, helping shape the concept and then advising regularly during the process. Shirley Jenner helped in the initial design stage, and the following all gave valuable feedback on draft versions of this paper: Jonathan Rushworth, Richard Higginson, Paul Mills and Michael Schluter.

Sallux contributed generously towards the research and printing costs of the report, and we are grateful to their director, Johannes de Jong, for writing the Foreword also.

Foreword to original

The ethics of remuneration are a European challenge

On 17 November 2018, the Yellow Vests took to the streets in France for the first time. The movement exposed a bitter reality that many Europeans simply don't earn enough to keep up with the increasing costs of living. The Yellow Vests aspired to be an informal, pan-European movement that brought people onto the streets through a shared feeling of dissatisfaction and powerlessness.

What makes these feelings even more poignant is the wide disparity between lower and higher incomes in Europe. All over Europe people see their disposable income becoming less and less, but a happy few see their income rising every year. This is a reality *within countries* and *within companies*. People experience higher costs of living as big companies try to squeeze ever more profit from the economy—profit that is not coming back into people's pockets, but instead returns to the ever-growing bubble of financial markets and shareholders.

The sentiments that are created by imbalances in remuneration also have political consequences for the European Union as a whole. The protest votes that emerge from these feelings move, in many cases, to the extreme left or right. This creates a political situation in the Member States that is clearly felt at the EU level. At the same time, it is important to stress that some of the new parties that emerge from this protest are genuine reformist parties that demand a more democratic, transparent and better-focused EU.

Member States are responsible for levels of remuneration in their economies, but the EU and its institutions feel the consequences if there are serious imbalances. Sallux and the European Christian Political Movement are committed to ensuring that EU policies that affect the single market are more communal (people and planet oriented), and less focused on economic efficiency and unfiltered competition. The neoliberal drive in the EU competition policy needs to be replaced with policies that will ensure that stakeholders are seen as equal to, or more important than, shareholders.

EU institutions such as the European Economic and Social Committee (EESC) bring together many of these stakeholders. The EESC, other institutions, NGOs and MEPs can all play a role in changing the orientation of EU policies so that power over remuneration decisions is spread out, instead of

accumulating at the top—thereby correcting the current trajectory.

Europe and the EU recognize that human dignity is inviolable and inherent to every human being. Remuneration has a profound impact on whether people *experience* that their human dignity is respected. It is more than time that the EU understood that the economy is not an issue of efficiency, but a means to support human dignity. It is our hope that this publication will contribute to that end.

We thank Calum Samuelson for his work on this publication. We thank the Jubilee Centre for their excellent cooperation that led to this result.

Johannes de Jong

Director, Sallux

April 2019

Introduction

The topic of remuneration can be sensitive and difficult to discuss, whether it's from the perspective of employees, shareholders or companies. Sensitive because it relates to ideas of fairness and self-worth and difficult because it is intertwined with complex factors, including productivity, inflation, international regulation, taxation and corporate governance. In the decade since the Global Financial Crisis (**GFC**), high executive compensation and pay ratios have frequently been the subjects of public protest, not just because they show an increase in executive pay, but because they also reflect a stagnation in real-wage earnings for many workers.¹ For 2018 in the UK, the ratio between the average **FTSE-100 CEO** pay (£3.9 million) and average UK pay (£28,200) was about 140:1.² In the US, that number was well above 300:1.³ Although the exact ratios differ, the public indignation is clear and is expressed today in movements like the *Gilets Jaunes* (Yellow Vests) in France.⁴

In the decade since the Global Financial Crisis, high executive compensation and pay ratios have frequently been the subjects of public protest.

How have many Western economies ended up in this position? Employees argue that there is corruption or avarice in management. Taxpayers respond that it's an injustice stemming from government bailout of businesses that were deemed 'too big to fail'. Some believe that regulations are simply not detailed or tight enough. Still others pin the blame on globalisation or loss of the 'real purpose' of business—whether that is innovation, maximising shareholder value (**MSV**) or wealth creation (more broadly conceived). Perhaps, after all, it's simply basic human greed? Each of these perspectives touches on an element of the current dilemma, but they fail to explain the present situation in its entirety. It seems that deeper, more holistic answers are needed.

This need for answers offers a significant opportunity for Christians to draw upon the wisdom contained in Scripture. Although many Christians have considered (and continue to wrestle with) these issues there is little published literature about remuneration from a Christian perspective. The current Christian literature on this subject can be divided into three categories. The first—which is the most plentiful—begins with contemporary principles of remuneration and works backward towards the biblical text. At best, this methodology observes correlations between modern practices and biblical wisdom; at worst, it imposes ideas upon the text that it was never

meant to convey.⁵ The second category involves more rigorous scholarship, but yields results that are primarily of use for the church. Examples include the admirable report published by the Presbyterian Church (USA) with the help of Old Testament scholar, Walter Brueggemann. However, the report fails to offer significant, tangible insights for Christians in corporate management. It also proves relatively unhelpful for churches with models of organisation that are not Presbyterian.⁶ The third category presents the most serious effort to bridge the gap between biblical wisdom and current realities. The best examples are from Richard Higginson and David Clough, who are able to offer important insights on executive remuneration—especially for investors.⁷ These efforts should be applauded, but also built upon if Christians are to keep abreast of the increasingly complex and technical thinking behind modern remuneration.

The hope is that this report can help reframe current thinking about remuneration by providing a fresh ethical framework based upon biblical wisdom. This process of interpreting and applying biblical wisdom requires distinct phases. Real-world *policies* are not easily deduced from general biblical *principles*, and although relational dynamics can be derived from the latter they can be difficult to measure in professional environments.⁸ The first section of this report explains the basic mechanics of remuneration today. The second section surveys some of the major views on the problems with remuneration and how these can be addressed. The third section examines three biblical themes with the aim of establishing a general framework that can guide critical thinking about remuneration. Finally, the report draws on these themes in order to suggest some implications for our contemporary situation. All terms appearing in **bold** are defined in the glossary.

Several caveats must be made. First, although not all forms of remuneration relate to the narrow company structure of employers and employees, this shapes much of the current dialogue and is where this paper will focus.⁹ Second, although there will be some mention of the differences between public and private companies, teasing out the subtle distinctions between the two is beyond the remit of this paper. Third, although some prefer to approach the ethics of remuneration through the lens of human rights and global outsourced labour, this is also beyond the scope of this paper.¹⁰ Fourth, despite the important focus on gender pay gaps of late, this paper will not address that issue directly. Finally, this report centres on remuneration in the UK. Legislation and governance codes in other countries vary in important ways, but it would take too long to enumerate these differences.¹¹ It is hoped that the general concepts explored below will

nonetheless provide relevant insight for all these particular areas and help ignite further research to confront the complex problems of remuneration in our globalised world.

1 The basics of remuneration

Much of the work people do around the world is not formally remunerated, including domestic chores, volunteer programs, care for the elderly and raising children. Additionally, much work people do for formal compensation is motivated by things not listed in their job descriptions, such as personal satisfaction, sense of belonging or reputation. These realities can complicate a precise understanding of remuneration, but they will be crucial to remember when reading this paper because they help construct the larger picture of why human beings work. In short, paid work is a subset of work more broadly conceived.¹²

A simple definition of remuneration is ‘intentional compensation for services rendered.’ The term ‘remuneration’ is not used often in colloquial English, but it emphasises the *formality* involved.

Employers outline the tasks expected of employees and specify what will be given in return. They might list monetary compensation, training and even intellectual stimulation as forms of remuneration, but are unlikely to include geographic attractions

(e.g. living near the Alps) or potential relationships (e.g. deep friendships with colleagues) as *formal* benefits an employee can expect to receive for their services.¹³ Remuneration is fundamentally about agreed compensation provided by one party to another party for agreed services.

Remuneration is fundamentally about *agreed* compensation for *agreed* services.

Components of remuneration

Remuneration packages can have up to five elements: **wages and salary**, **incentives**, **fringe benefits**, **perquisites and allowances** and **non-monetary compensation**. Wages and salary comprise the bulk of remuneration for most employees, but in many executive pay packages they are considered as the ‘base salary’ because they contribute a minority of the total value.

Second, although incentives for general employees most often take the form of bonuses and commission, they are largely given as **share grants** and **share options** for executives—meaning that ‘incentives’ can form the majority of executive pay.¹⁴ This explains why some executives can relinquish a ‘base salary’,¹⁵ although there are explicit laws in the EU guarding against excessive share-based pay.¹⁶ Third, even though pensions are standard fringe benefits, the difference in size and duration for defined benefit schemes can vary significantly between executives and other employees.¹⁷ Finally, although non-monetary components of remuneration have always been acknowledged to some degree, there has been increased focus on them in the past decade—not least because of the overtly monetary drivers of the GFC.¹⁸

Process and structure

The levels of pay for many employees are determined either by the legal minimum wage or by industry wide pay scales, especially in the public sector, taking into account factors like inflation and cost of living. Although some remuneration committees determine pay levels for all employees, most of them focus on the remuneration of management and executives.

Executive remuneration policies within a large public company are meant to pass through several levels of decision-making before they become official. The line between legal enforcement and policy recommendations can be difficult to pinpoint, but the UK has a strong corporate tradition of heeding advice presented by regulatory bodies and councils, especially the **FRC** Corporate Governance Code.¹⁹

The line between legal enforcement and policy recommendations can be difficult to pinpoint.

Depending on the maturity and experience of a company, the initial stage in determining executive remuneration may involve an external consultant. Otherwise, an independent remuneration committee (‘remco’) of at least three people²⁰ typically uses the methods of **benchmarking**, **job**

evaluation or both to arrive at the structure and amounts of remuneration for executives. Benchmarking establishes an amount based on what other equivalent employees are paid in comparable organisations. Job evaluation considers the various components of a role to decide how much pay the employee deserves. The conclusions of the remco are presented to the

board of directors for review. The final stage involves the shareholders, who are required to vote on the pay proposal. In theory, this stage should invite criticisms and modifications, but it is often seen as a formality. Shareholders approve the proposals 95% of the time—perhaps due to ignorance, or inadequate examination of the proposed remuneration policy.²¹ The voting process is complicated by the fact that most shareholders today are large institutions. This likely contributes to the formality of the vote, since it reduces the diversity of viewpoints and opinions that might occur if *individual* shareholders were voting themselves.²²

Some executive pay packages contain mechanisms for halting or retracting pay if certain measures are breached by an employee. This has become an increasing focus since the GFC, even if their effectiveness is dubious.

Malus mechanisms cancel remuneration before it is paid out in response to misconduct. **Clawback** mechanisms reclaim remuneration after it has already been paid out. Unfortunately, even when clawback mechanisms are clearly outlined they can be difficult to enact.

The inclusion of share grants and share options in remuneration packages is often used as a mechanism to avoid the need for malus or clawback, since it arranges for payment to be made at a later point in time for the work performed in the present. Share options became popular in the 1980s as a reaction to excessive pay, since they align management interests with shareholders' interests—known as putting 'skin in the game'.²³ Unfortunately, lagging regulations and the growing shift to MSV²⁴ increased share options in remuneration packages *in addition* to base salaries, rather than replacing them. Ultimately, it's not always clear if delay in payment is seen as a guard against poor performance or as the legitimate way to gauge performance which takes a long time to yield measurable results.²⁵

Reasons for Remuneration

When it comes to evaluating remuneration, there is often a gap between what happens in theory and in practice. It is important to consider both.

In theory, there are three models used to conceptualise remuneration. The first, **Expectancy Theory**, argues that behaviour is motivated by the desire to maximise pleasure and avoid pain.²⁶ Application of Expectancy Theory varies between staff, managers, shareholders, suppliers and customers. Sometimes this theory is used to justify consistency and predictability of results and rewards, whilst for other groups it is used to justify reward for uncertainty

and effort. Sometimes a distinction is made between remuneration that removes distractions for the employee (hygiene factors) and remuneration that positively incentivises additional effort.

The second, **Equity Theory**, argues that productivity is highest when employees feel their pay is fair in comparison to other workers, whether internally, externally, in the same position or otherwise.²⁷ Based on this theory, remuneration should be determined more by the job's responsibilities and requirements than by performance. Since it is not clear what principles can be applied to compare the relative value of very different activities (such as decision-making, manual labour and social care), this theory carries the implicit assumption that fairness is best determined by conforming to currently established norms.

The third, **Agency Theory**, states that remuneration is about aligning the divergent desires of employers (who seek to minimise costs) and employees (who seek to maximise their compensation). A common expression of Agency Theory is the free-market model, which assumes that employers and employees barter within an open market, and assumes that remuneration is a bilateral transaction between two parties rather than, say, a multilateral arrangement involving other stakeholders such as suppliers, customers and shareholders.

All three theories grapple at some level with the factors instinctively associated with remuneration such as motivation, risk and merit. At the risk of oversimplification, a primary question to be posed in relation to such rationales for remuneration is the extent to which they operate on an individual basis versus a social or holistic basis. Is an employee motivated purely by self-interest or also by the interests of their family and company? Do the risks taken by a manager put their subordinates at risk or do they actually function to shield them from risk? These types of questions are explored further below.

Is an employee motivated purely by self-interest or also by the interests of their family and company?

In practice, the reasons behind remuneration can be less precise and less noble than in theory. Sometimes employees are rewarded for luck or inordinate risk taking, rather than for skill or effort.²⁸ Despite ostensibly matching the experience of an employee, sometimes remuneration packages pander to a *reputation* more than measurable qualities. Rather than helping establish legitimate pay, job evaluation often leads to **job scope inflation**,

which shifts workers to a lower pay-band despite them performing the same work. Sometimes managers are even remunerated for what amounts to failure rather than success.²⁹

One of the largest (but most subtle) gaps between theory and practice is found in benchmarking. Instead of establishing consistent and fair pay across a sector, benchmarking often inflates pay over time in what is known as the **ratchet effect**.³⁰ This phenomenon occurs when well-meaning companies pay their employees 'slightly more than average' in order to attract them, which in turn raises the average benchmark of the sector, by which other companies then remunerate their own employees. This is sometimes considered an example of market failure, since value is being artificially boosted.³¹ The ratchet effect can be further accentuated by expansion or contraction of what constitutes 'comparable' employers or employees.

The disparity between the theory and practice of remuneration can and should raise probing questions. How and which skills should be most valued? Is previous success a reliable predictor of future success? What kinds of risks are necessary and which are extraneous? How should merit take into consideration qualities such as attitude and determination? Indeed, how adequate are the theories themselves? These questions will be addressed below.

Summary: Not all work is remunerated, but all remuneration is given in exchange for services rendered.

Although remuneration can take several forms, it is fundamentally an interpersonal transaction that requires some form of agreement between the parties giving and receiving it. Despite the ways that modern economies complicate this transaction, remuneration is still ultimately determined by real people considering a range of factors regarding real work. Nowhere are these factors more complicated than in executive pay.

The three main theories of remuneration all recognise the dynamics of human relationships involved in remuneration, but in reality many common remuneration practices operate without thoughtful consideration of how they may fully affect the people involved, including third parties.

2 Overview of current thinking

It is widely acknowledged that today's remuneration levels and systems should be improved, but opinions on how this should be done vary widely.³² Current perspectives on remuneration reform can be sorted into three categories: amount, type and method.

Amount

Perhaps the most basic argument in this area is that remuneration needs to be more transparent—especially where executives receive significant and complex remuneration besides base salary. Technical remuneration policies can be hard to understand even for experts, and detailed information is usually inaccessible to normal shareholders. It's one thing to demonstrate how much a senior manager *could* make, but quite another to detail how much they *actually* profited after all the components of their pay package have been totalled. Proponents of pay transparency often cite examples like Norway, where the pay of every citizen is publicly visible.³³ However, cultural differences and population size complicate the viability of replication.³⁴ Additionally, it is unclear if transparency is the best way to achieve fairness, since it could increase the potential for 'ratchet effects' to take place across more sectors and job types. In short, pay transparency may be effective if people genuinely care what other citizens think about them; it may not work as well in large countries or those characterised by less social capital and solidarity.³⁵

Other ideas connected to the amount of remuneration suggest implementing total pay caps for CEOs and other senior management. Some companies have already enacted such measures, but it is unclear whether the cuts have had any benefit besides improving public image. Large cuts can be beneficial if the money is reinvested in an area like R&D but are unlikely to have a measurable effect on average employees.³⁶ Consequently, opponents of pay caps point out that it is highly problematic to view remuneration within a company as a 'zero-sum game' (which betrays a mindset of 'value extraction'); it's better to encourage a mindset of 'growing the pie for all' instead (which signals the idea of genuine 'value creation').³⁷

The most popular idea in current dialogue is to control the *ratio* of pay between the highest-paid and the lower-paid within a company.³⁸ Although

this is often perceived as a straight-forward solution, it is riddled with complications. First, there are problems with measuring the ratios. Should companies select the lowest-paid, the mean or the median employee?³⁹ If the lowest, how should employees in subsidiaries, part-time work, contracted work, outsourced work and zero-hour contracts be accounted for (if at all)? What about employees of multinational companies whose cost of living is significantly lower in other nations? Questions like these make the compliance and enforcement of pay ratios difficult and costly.

Inevitably, regulators and companies must determine if enforcing ratios is the best use of resources. Opponents argue that it is not, partly because even accurate ratios are not the most helpful, but mostly because of the *unintended consequences* involved (often in companies with compliance cultures).

Ultimately, regulators and companies must determine if enforcing ratios is the best use of resources.

For instance, companies could maintain specific pay ratios by outsourcing cheap labour, reducing employee benefits, increasing automation or even *reducing* employee wages where they are too high in comparison with peer companies. Other opponents contend that the public should accept higher pay ratios since it has also accepted the much larger size of transnational corporations. In fact, they point out that the growth in CEO pay mirrors the growth in the size of the companies they lead, meaning that CEOs now have far more responsibility⁴⁰ whereas the job of, say, a cashier has changed very little in terms of scope and responsibility (which is why their pay has not grown). It is argued that CEO pay should be measured as a ratio to company size rather than the average worker. A counter-argument is that such logic has already encouraged inappropriate and inefficient consolidation and agglomeration of organisations.

Type

Modifying the type of compensation employees receive is another category of remuneration reform. Many are in favour of compensating with perks such as health insurance and student loan pay-offs. Others advocate helping employees with their cost of living by providing affordable housing.⁴¹ Even though **share grants** and **share options** have been a significant element in *executive* remuneration for the past few decades, increasing efforts are being made to provide this type of remuneration to other employees to acknowledge their effort in company growth and motivate them. Employee

share ownership looks different in a **PLC** than in a **partnership** or restricted-ownership companies, where every employee owns a part of the company by default, and those in favour of employee shares often favour the 'John Lewis Model'. Ironically, studies have shown that even senior executives 'over-value' share options.⁴² This may be—as the researchers suggest—because options are complex and hard to intuitively value, but it may also speak to a desire to be recognised as a fellow owner and contributor to the company. There may be a non-monetary value in share ownership.

Companies will continue experimenting with remunerating employees in ways besides basic salary and wage, but non-monetary types will be especially important. The shock of the GFC prompted the FSA to observe

Increasingly employers are recognising that money is not necessarily the primary motivator of their workers.

the lack of non-monetary remuneration in their 2009 report on how to set things straight again: 'Non-financial performance metrics should form a significant part of the performance assessment process.'⁴³

Increasingly employers are recognising that money is not necessarily the primary motivator of their workers. Some proponents

of motivation theory go so far as to say that for complex tasks money is merely a hygiene factor (a distraction if it is absent) rather than a positive motivator.⁴⁴

Method

This category applies mostly to the remuneration of CEOs and senior management, but it is also beginning to influence thinking on how incentives and bonuses might become normalised for other employees as well. Due to concern that CEOs are 'gaming' targets to receive increased pay, many have pointed out the need for *multiple targets*. This would involve at least four targets that are as unrelated as possible (e.g. revenue growth, customer satisfaction, R&D investment, environmental sustainability).⁴⁵ The underlying recognition is that work should be conceived in a holistic manner and it seems likely that this will garner considerable attention in this age of increasing social responsibility.⁴⁶

A related idea concerns the ways that target thresholds for higher remuneration are structured. When large bonuses are connected to a certain threshold, employees (and especially managers) are motivated to cross that

threshold at the expense of other legitimate pursuits. Tesla's most recent proposal for Elon Musk's pay scheme is an excellent example of what many see as a basic problem with target-based pay.⁴⁷ The dangers of creating targets with substantial thresholds have led to calls for remuneration to be paid out at *constant rates*, so that employees are not motivated to cut corners in order to reap rewards.⁴⁸

A third idea is to make incentives 'long-term' to avoid rewarding employees for short-term or superficial performance. This idea has been around for a long time; it formed part of the reasoning for shifting CEOs remuneration to share options and vested share grants. Unfortunately, the length of time for most 'long-term' incentives is only about three years, which is problematic when the median CEO tenure is approximately five years.⁴⁹ In 2016, the UK Corporate Governance Code recommended that long-term incentives should be three to five years, but in 2018 it increased the recommendation to 'five years or more.'⁵⁰ The ideal length would exceed the tenure of a CEO and would involve 'post-employment vesting', where the pay of the CEO is tied to the performance of the company for several years after they leave.

Elon Musk's recent pay scheme is an excellent example of what many see as the basic problem with target-based pay.

Finally, there is considerable criticism of the biases of remcos and board members who determine pay. Although members should be 'independent non-executive directors'⁵¹ without ulterior motives, many accuse them of partiality since they usually hold senior positions in similar-sized companies. Suggestions have been made to include committee members from some of the lowest-paid sectors of a company; opponents object that they would not have the knowledge or experience to judge CEO pay. Even if such committee members were competent, there is the risk that they will 'go native' and change their perspective as they spend more time with senior leaders. Ultimately, some conclude that structural 'impartiality' may not be an ideal mechanism. If compliance is at the core of company culture then the rules may be followed but genuine *fairness* is unlikely to be achieved. The issue of impartiality in determining appropriate pay raises questions about how employees can seek the good of their own organisation without seeking primarily to benefit themselves. This is an organisational-culture question more than a structural one and has led to calls for smaller company sizes to facilitate fairness.⁵²

Many of the ideas in this section are useful and some have led to real improvements in corporations. However, they don't fit together in a coherent way and they cannot solve the bigger problems on their own. Remuneration solutions to date are not wrong in seeking certain *outcomes* such as fairness, equality and consistency, but are perhaps wrong where they are directed at *symptoms* rather than causes. The next section of this report will explore the more fundamental questions of why workers should be remunerated at all.

Summary: Most agree that modern remuneration can be improved. Ideas for improvement address the amount, type and method of remuneration.

It is clear that large pay differentials within companies and communities have adverse effects, but it's less clear how these should be reduced and to what extent. Given the various types of remuneration, and a growing awareness of what satisfying work looks like, more institutions are placing higher value on non-monetary forms of remuneration than ever before.

Perhaps the most difficult area is reforming the *methods* of remuneration – in part due to the complexity involved with long-term success of workers and companies in an increasingly globalised economy. It is difficult to determine fair remuneration methods without forcing them to be simply identical.

3 Biblical themes

The Bible has a great deal to say about paying workers for their work. Some of the best-known verses include: 'the worker deserves his wages',⁵³ 'do not hold back the wages of a hired worker overnight',⁵⁴ 'treat your servants justly and fairly'⁵⁵ and 'do not muzzle an ox while it treads out the grain.'⁵⁶ Nevertheless, individual verses and even collections of verses usually fail to address the complexities of remuneration today, largely due to cultural and economic differences. For instance, food is no longer an acceptable form of payment,⁵⁷ most workers are not paid from day to day,⁵⁸ and most people in high-income countries no longer work in agricultural settings. Instead, employment often means working for large corporations operating in several

countries, pay is automatically deposited into bank accounts and purchasing power is constantly impacted by market forces and currency fluctuations.⁵⁹

Before proceeding, it is necessary to outline the methodology this study uses to approach the biblical texts for application. Old Testament teachings were immediately relevant for God's people, the Israelites, but have ultimate relevance for everyone, insofar as Israel was meant to model God's intentions as an intermediary ('light') to the nations.⁶⁰ New Testament teachings, on the other hand, simultaneously do two things: they expand the relevance to all people with humble hearts and they also displace the Jews' 'automatic' membership in the Kingdom by requiring them to approach God with the same posture of heart.⁶¹ The parables in particular (and the NT more generally) exemplify this dual shift, as they both reveal and conceal the will of God;⁶² 'the wisdom of God is foolishness to those who are perishing.' The biblical insights discussed in this paper are potentially relevant for any person, but their potency is not realised fully without a commitment to put them into action.⁶³

Understanding the place of workers in society is key for this study. Workers in the Bible can be divided into three groups: 1) professionals, the self-employed and those who owned property; 2) permanent workers (mainly relatives and servants)⁶⁴; 3) temporary workers (such as the disenfranchised and foreigners).⁶⁵ This hierarchy of workers fundamentally created relationships of unequal power. Masters who owned land had more power and discretion than the permanent servants in their households,⁶⁶ and both of these had more power than the temporary workers who often lacked both material resources and social capital (perhaps because of misfortune or disaster).⁶⁷ However, just because power was unequal this did not mean that the lower workers had no power at all. Though influenced by the fallen nature of humanity, the biblical corpus implicitly recognises that some asymmetry is inevitable in relationships between human beings. On that basis, it provides guidance for acceptable behaviour in whatever socio-economic position people found themselves. This can be understood as *positional power*. Nowhere in Scripture are such obligations made clearer than in the domestic codes given by the apostle Paul in the New Testament.⁶⁸ Paul's exhortation to both masters and servants to treat each other 'in the same way'⁶⁹ due to their shared status as 'servants of Christ'⁷⁰ was revolutionary in the time of the early Church.

The biblical corpus implicitly recognises that some asymmetry is inevitable in relationships between human beings.

Positional power is closely related to the idea of agency. Judges 6:15 illustrates a five-fold hierarchy of agency: 'But sir, how can *I* deliver *Israel*? My *clan* is the weakest in *Manasseh*, and *I* am the least in my *family*.⁷¹' This single verse conveys agency at the national level (Israel), tribal level (Manasseh), clan level, family level and the individual level (Gideon himself). Each level was respected and responsible for actions and behaviour within that level. This means that Israel was responsible for things as a nation that Gideon was not necessarily responsible for; Gideon could not be a 'light to the nations' by himself. In short, the divisions of positional power exist within and across the hierarchies of agency (the role of chief always entails high positional power, but the individual who relinquishes that position does not).

Israel was responsible for things as a nation that Gideon as an individual was not. Gideon could not be a 'light to the nations' by himself.

The biblical hierarchy of agency is shifted in the New Testament but still articulates a stratified vision involving the Church, geographic assemblies of the Church (*ekklesia*),⁷² ethnic groups,⁷³ families⁷⁴ and households,⁷⁵ and individuals. Jesus teaches about bearing fruit at the individual level, but there is also the fuller and mysterious sense in which groups of people can bear fruit collectively; the Spirit of God who produces the fruit does not dwell in isolated individuals, but rather in assemblies of God's people.⁷⁶ This means that separate agents can become a single agent *together* in Christ even though their positional powers are different; the master and the slave are *both* essential members of the Body of Christ!

This section examines three broad biblical themes which underpin most of the challenges of remuneration today: *justice*, *dignity* and *reward*. These themes are not the only ones relevant to remuneration in the Bible,⁷⁷ nor do they comprehensively address all of the difficulties with remuneration today. Furthermore, there is considerable overlap among these themes, but their separation helps maintain an organised approach and roughly aligns with the theories of remuneration outlined above: justice relates to Equity Theory, dignity to Agency Theory and reward to Expectancy Theory. When taken together, these three themes constitute a cohesive vision of remuneration focusing on the right *amount* of pay (justice), for the right *kind* of work (dignity) that is executed in the right *manner* (reward).

Justice: Protecting families from destitution for their own well-being

Justice is an undeniable theme in the Bible and the English word does not fully convey the sense of the original words.⁷⁸ Biblical justice can be both retributive *and* restorative.⁷⁹ The word ‘justice’ often appears alongside the word ‘righteousness’; in Guy Brandon’s words, ‘broadly speaking... justice is the action, righteousness is the result.’⁸⁰ Biblical justice usually entails deliberate behaviour of an agent (especially God) rather than a passive or static quality of some situation or institution. Although justice is relevant for all members of society, special attention repeatedly turns to the poor and disenfranchised. Like a billiards table with one short leg that causes all the balls to roll towards the corner pocket, some theologians talk about God’s favour towards the poor.⁸¹ When applied to remuneration, two facets of justice are relevant: *distributive* and *procedural*.

Distributive justice is concerned with fairness in terms of how much pay employees receive. Distributive justice in the Bible is not about imposing limits so that everyone in society is materially equal.⁸² Rather, biblical laws nurture ‘a delicate balance between economic freedom and social equality.’⁸³

Because modern forms of individualism were virtually absent from ancient near eastern society, the right amount of pay implied reasonable provision for the family dependent on the worker. This is indicated in the parable about the workers in the vineyard, since the ‘fair’ pay promised by the master was the Roman denarius—generally acknowledged as the amount required to feed a family for one day. Families were permitted and encouraged to improve their lot through diligence, dedication and hard work. But it was recognised that some would not significantly improve their material status and may even be adversely affected by famine, ill health or misfortune. Consequently, rather than seeking to constrain the upper rung of the economic ladder, the Bible is much more concerned with supporting the bottom. Dangers are associated with both extremes,⁸⁴ but they are not symmetrical: the comfort and resources of the rich enable them to serve God if they choose; the destitution of the poor prevents them from being able fully to serve God. This idea is enshrined in the Torah through the paradigmatic story of the Exodus from Egypt and covenant at Sinai; God did not simply rescue the Israelites for their own

Although justice is relevant for all members of society, special attention repeatedly turns to the poor and disenfranchised.

happiness but so that they would be able to worship him.⁸⁵ The distinction between slavery and freedom marks a crucial juncture for any understanding of economic justice. Today many would call this the 'poverty line'; the biblical concept might more appropriately be called the 'covenant line', since only by living within the covenant of God are his people able to experience freedom *from* oppressiveness and freedom *for* flourishing.

Although the Bible advocates the care of those who fall below this line,⁸⁶ a sharp distinction is drawn based upon the *ability to work*. Orphans, widows, foreigners and the physically disabled were to be cared for because they could not own land and therefore provide for themselves.⁸⁷ This falls into the realm of 'charity' and cannot be considered remuneration since compensation is not given for work done but simply for the sake of provision. The Jubilee laws outlined in the Torah, on the other hand, functioned to ensure that everyone who was *capable* of work had recourse to some type of work by which their family could flourish.⁸⁸ Unfortunately, this ideal was frequently lacking in practice. Various passages articulate

Distributive justice was about paying the fair amount so that families did not slip into a position where they needed charity.

the tension felt by workers with the desire to work who are also at the mercy of a master: 'Woe to him who builds his palace by unrighteousness, his upper rooms by injustice, making his own people work for nothing, not paying them for their labour.'⁸⁹ Again, 'Now listen, you rich people, weep and wail because of the misery that is coming on you... Look! The wages you

failed to pay the workers who mowed your fields are crying out against you. The cries of the harvesters have reached the ears of the Lord Almighty.'⁹⁰ Distributive justice was about paying the fair amount for work so that workers and their families did not slip into a position where they needed charity.⁹¹

Procedural justice is concerned with fairness regarding how, when and why workers receive their pay. Injustice in this area involves behaviour such as coercion, delay and refusal to heed carefully workers' concerns. Many examples of procedural coercion are found in the relationships between property owners ('masters') and those working for them (whether permanent or temporary). For instance, workers may have been paid the agreed price but pressured to perform more than originally agreed because of their low positional power. Exploitation of this inevitable power imbalance was condemned with reference to the Israelites' time of servitude in Egypt.

All Israel had become servants of God and were never to treat their own servants like the Egyptians did.⁹²

Timing is also a serious factor in procedural justice. Servants might be paid the ‘just’ amount at a delayed or inconvenient point in time. Due to the positional power of hired workers described above, they were especially vulnerable to *delays* in the process of remuneration, since it threatened the well-being of families who typically needed daily payment for daily provision. In this context the following warning is given to masters: ‘Do not take advantage of a hired worker who is poor and needy, whether that worker is a fellow Israelite or a foreigner residing in one of your towns. Pay them their wages each day before sunset, because they are poor and are counting on it. Otherwise they may cry to the Lord against you, and you will be guilty of sin.’⁹³

The story of Jacob working for Laban portrays these dynamics in typical fashion. Jacob works for seven years in order to earn Rachel as his bride, but is tricked and given

Leah instead.⁹⁴ This narrative provides a glimpse into procedural injustice because although Jacob originally enters into an agreement without coercion and a week later receives Rachel as his wife, the actual agreement is not honoured. Because Jacob’s positional power is subsidiary to Laban’s, he is forced to work an additional seven years to receive what he should have received originally and has little say in renegotiating the agreement.⁹⁵

Finally, the ability to discuss pay and participate in decisions about how it is determined is integral to procedural justice. Procedural justice cannot be deaf or static, but must be dynamic as it discerns the present situation and needs of workers, as well as the changes in markets and social conditions. While the culture of the ancient Near East (and much of the Middle East today) often involved lively and extended periods of negotiation,⁹⁶ this did not excuse deception. Good bargains were condoned, but any bargain that impinged upon the well-being of the worker was condemned. The total picture of just procedural remuneration frames a strict obligation to deal fairly not only within a household (to whom masters would feel most naturally obliged), but even those from the ‘outside’ who may have ‘dug themselves in their own hole’ through laziness or foolish behaviour.⁹⁷

It is precisely because of humanity’s propensity to *injustice* that the Bible is so adamant that justice is carried out. Moreover, there is recognition that even the best human efforts can leave a trail of injustice in their wake.

Timing is a serious factor in procedural justice. Servants might be paid the ‘just’ amount at a delayed or inconvenient point in time.

Wise leaders should expect their best intentions to drift in that direction and ask, ‘Who might be hurt by these decisions in ways we have not yet comprehended?’ In the end, the biblical texts are keenly aware of the manifold ways that masters are able to skirt around true justice in remunerating workers.⁹⁸ It was possible to compensate workers in a way that kept them alive but prevented them from flourishing (as servitude did to the Israelites in Egypt), just as it was possible to delay pay in a manner that locked workers in a cycle of unhealthy dependence rather than promoting their freedom. Both are condemned as forms of injustice.

Dignity⁹⁹: Affirming the agency of all workers for strong relationships

If justice involves the fair *amount* and *methods* of pay, dignity is concerned with the right *kind* of work. The concepts of dignity and shame¹⁰⁰ were central to cultures in the ancient Near East and the Bible recognised that it was possible for both masters and workers to satisfy external ‘legal’ requirements while behaving in ways that erode the dignity of themselves and others.

It was all too possible for masters to pay their workers correctly but treat them poorly. This is one of the main reasons why the Torah has injunctions protecting servants from being beaten¹⁰¹ and raped.¹⁰² The Sabbath laws

The Bible recognised that masters and workers could satisfy ‘legal’ requirements while acting in a way that eroded the dignity of others.

safeguarded the dignity of *all* members of society so that even the most vulnerable workers were allowed to rest and participate in flourishing relationships.¹⁰³ Various Sabbath implications that often elude Western readers would have met the original hearers with more force. For instance, the fact that the rich man portrayed in Luke 16 ‘feasted sumptuously *every day*’ strongly implies that his servants were never given a

break; the fact that the crippled man in John 5 was healed on the Sabbath meant that he was never able to move beyond the oppressive dependency of begging. The burden to preserve dignity by promoting rest falls upon those with the resources available to allow their workers to enjoy rest. In times of famine, plague or other difficulty, the wealthy and the landowners were the few who had the resources to *absorb* calamities and shield those in

their care from disaster. The story of Joseph selling grain during the famine in Egypt reflects this expectation.¹⁰⁴ In short, the wealthy were not only expected to meet material needs, but also to strive for the holistic flourishing of those within their ranks. This is one of the main reasons why the manager in Luke 12 is condemned as wicked; beating was not just generally wrong but was a direct contravention of what a manager is meant to do in the first place (giving 'food at the proper time')!¹⁰⁵

Just as *justice* was meant to overflow from permanent workers towards those who could not work, so also *dignity* was designed to overflow to those who found themselves in less-dignifying positions of work. One beautiful picture of this is given in Leviticus 23:22, where not 'reaping to the very edges' permitted those who were unable to find hired work to maintain a sense of dignity by working to collect their own food.¹⁰⁶ Like a multi-tiered fountain, dignity flowed from the landowner to the full-time workers (since not 'reaping to the very edges' was both a provision for weariness and an opportunity to engage in behaviour that dignified others) and from the full-time workers to the gleaners (the work of both parties in the field would have overlapped).¹⁰⁷ Even more instructive is the story of the workers in the vineyard.¹⁰⁸ Rather than simply giving the last workers a small amount of money to appease his own obligation, the owner (who was clearly 'respected in the community'¹⁰⁹) dignifies them by providing respectable work in his own vineyard. This parable is not 'economic advice' from Jesus, for the story clearly describes the shocking and *unusual* nature of paying all the workers the same amount. The story is not so much about *money and work* as about *grace and work*. Dignifying workers necessitates having the grace to relate to them as people with agency who are made in the image of God, rather than just units of labour.

Like a fountain, dignity flowed from the landowner to the full-time workers, and from the full-time workers to the gleaners.

If masters failed to act with dignity towards their servants and workers, they also risked their own well-being and status in society. In the societies of the ancient near east, a 'good name' was invaluable for trading and business,¹¹⁰ and being 'well-known at the city gates' could greatly increase the ability of a master to provide for his household.¹¹¹ One honourable man was Boaz, who clearly had clout in his community not just because of his resources, but because of the way he conducted business and treated his workers. Readers are shown the way that he interacted and rubbed shoulders with

his most junior workers.¹¹² Again, this is strikingly portrayed in the parable of the workers in the vineyard. The master makes several trips ‘in the heat of the day’ back and forth to the marketplace in order to look workers in the eyes and hire them himself—even though he has a manager who could do it for him (v. 8)!¹¹³ Above all, the humble, servant-hearted nature of the Incarnation—epitomised in Jesus washing his disciples’ feet—communicates the importance of managers and masters interacting with their very lowest workers.

Regarding workers themselves, there were many ways they could act with or without dignity in their work. The New Testament domestic codes set out a radical program for dignified work in which all workers are to operate with ‘sincerity of heart’ and behave ‘as working for the Lord.’¹¹⁴ Of course, not everyone worked for other people, and the apostle Paul is quite clear that whenever possible people should ‘work with their own hands.’¹¹⁵ The author of Ecclesiastes praises the goodness of ‘enjoying the fruit of one’s

Although Zacchaeus’ work was seen as disloyal, this was primarily because it poisoned his relationships with his community.

own labour.’¹¹⁶ These insights suggest that highly-skilled work (as long as it is fairly paid) is encouraged more because of the inherent satisfaction and dignity it brings to the worker than because it can fetch a high monetary reward.¹¹⁷ Workers who behaved dishonourably risked various forms and degrees of social exclusion. Zacchaeus

and prostitutes like the woman who anointed Jesus’ feet are two different examples of how social shaming could operate. Although Zacchaeus’ work was seen as disloyal (and the way he carried it out as dishonest), this was primarily because of the way it poisoned his relationships with his community. Prostitutes were similarly shamed because of the way they corrupted right social relationships,¹¹⁸ even though many of them apparently had recourse to no other source of livelihood.¹¹⁹ At its core, dignified work had strong moral boundaries in order to ensure solidarity with wider society (not just the economically active).¹²⁰

Once again, due to the social norms of biblical cultures, expectations of work typically revolved around entire families, not independent individuals. Workers could be shamed if they failed to care for their own family: ‘Anyone who does not provide for their relatives, and especially for their own household, has denied the faith and is worse than an unbeliever.’¹²¹ This would have applied both to those who were *deprived* of dignity (the dishonoured) as well as those who *eschewed* dignity (the dishonourable).¹²²

When most members of a community were involved in dignified work, trust and respect were built up and relationships were strengthened. Honourable work was not to be based on one's opinion about the position or type of work (e.g. fisherman, tentmaker, even tax collector) but on whether the person worked with integrity that honoured masters, supported their family and facilitated healthy social relationships. Esteemed roles could harbour dishonourable workers just as honourable workers could occupy ignoble positions, but God's people were instructed to dignify the agent by helping them work in honourable ways. The Gospels exemplify this vision by entrusting lowly shepherds,¹²³ fisherman,¹²⁴ and even homemaking women¹²⁵ with the greatest news of all time and integrating them into a body where their participation genuinely matters.

Overall, the Bible recognises that the default behaviour is to drift towards shameful rather than dignified practices of remuneration. Ironically, some of the most insidious shameful behaviours are those that attempt to appear dignified in order to conceal the real nature beneath the surface.¹²⁶ No group in the Bible is accused of this tactic more often than religious leaders (whether priests like the sons of Eli in the OT or Pharisees in the NT). They were being paid fair amounts themselves and were able to maintain the appearance of righteousness, but their work and service did not merit any praise because they were deceiving the very people they were meant to be serving. This connects neatly with the baseline of justice in caring for the most vulnerable. It seems that priests and other wealthy leaders were able to fabricate a sense or appearance of dignity by making charitable donations and offering 'extra' sacrifices.¹²⁷ But although generosity is certainly expected from the rich, it never excuses wealth that has been accrued through undignified means. The biblical theme of dignity entails that masters and workers of all kinds honour each other not because of status but because of inherent agency, and thereby enable each other to fulfil best their respective relational responsibilities no matter what their positional power.

Reward: Developing agents for the common good

Reward is an important concept in the Bible. If justice is about the right *amount* of pay and dignity about the right *kind* of work, biblical reward is about working for the *right reasons*. The reasons for and nature of the reward itself are so intrinsically linked that separating them creates a false dichotomy. Nevertheless, it may be said that the right reasons for work are always *eternally* and *corporately* directed, and that the reward for working in

these ways primarily entails increase in responsibility (positional power) and relational closeness or proximity.

Like the concepts of justice and dignity, the biblical concept of reward is not completely conveyed by the English term. For instance, 'reward' often indicates what someone deserves—whether positive or negative.¹²⁸ Although the semantic boundaries can be difficult to parse, another meaning of 'reward' carries the idea of a prize¹²⁹ of exceeding value,¹³⁰ which is occasionally denoted by the more helpful word 'treasure' (*thesauros*).¹³¹ It is mainly this second meaning that informs the following examination of reward in relation to remuneration.

The concept of reward as treasure is also augmented by the concept of *inheritance*.¹³² The layers of meaning contributed by the concept of inheritance preserve several paradoxes, especially in relation to how an inheritance is received: it is simultaneously earned and given; decisively received at a specific moment but also gradually accrued over time; both promised and revocable. Rightly understood, the concept of inheritance harmonises motivation and reward since the reception of a reward both indicates and consists of the Father's pleasure.¹³³ Nonetheless, a vital tension remains, not between motivation and reward but between promise and grace. Inheritance is a grace that is promised, but if adopted family members forget the component of grace, the promise can morph into a stifling expectation.¹³⁴ The language of inheritance injects the biblical concept of temporal reward with an unshakeable promise of ultimate reward. Put another way, earthly rewards function as symbols and facilitators of the eternal treasures Christians will one day inherit. Put together, this report conceptualises biblical reward along the lines of *inherited treasure*.

Treasure: Because it is of lasting value, treasure relates to work that is *eternally directed*. In the Old Testament, this eternal focus is primarily related to children and the legacy of Israel in the Promised Land.¹³⁵ In the New Testament it is shifted to a focus on the mission of the Church and the everlasting Kingdom of Heaven. The permanence of heaven is portrayed in several ways, not least with the exhortation to store up treasures there against the temporal limitations of earth.¹³⁶

Workers with an eternal frame of mind work with sustained resolve and

commitment. This is demonstrated in several of Jesus' parables, which show people in long periods of reliable service, and who persevere through adversity; masters are absent for a 'long time'¹³⁷ and servants must remain faithful even when they are part of a household that is 'hated' by society.¹³⁸

The intention of work was important because a fixation on mere production could end up rewarding excessive risk or luck rather than genuinely exceptional behaviour. King David refused to drink the water his 'mighty men' had fetched because of the excessive risk that was involved in their exploit.¹³⁹ Luck was permitted, but not rewarded.¹⁴⁰

Consider the story of the landowner who had an excellent crop yield.¹⁴¹ He is called a fool, not so much for ignorance but more for his short-sightedness. His actions did not facilitate further growth in the long-term (such as buying more land or hiring more workers) nor was there anyone in his life whose future he cared enough about to bless with his windfall—he only has himself to talk to.¹⁴² The goal of rewarding eternally-directed behaviour was to perpetuate and develop it so as to overcome stagnation and even regression. True treasure always takes a long time to discover, create or manifest.

Inheritance: Because it necessitates relationship, inheritance relates to work that is *corporately directed*.¹⁴³ In the Old Testament, this involved being a faithful member of the house of Israel¹⁴⁴ in order to fulfil the vocation of being a 'light to the nations'.¹⁴⁵ In the New Testament, the context was being a devoted member of the household of God¹⁴⁶ in order to be salt and light to the world.

The relationships of inheritance are multilateral, including Israel as God's first-born son, Gentiles as adopted children and Christians as servants all working together in God's service.¹⁴⁷ It is made clear that workers with a corporate frame of mind should work selflessly to benefit and

strengthen the greater household or group¹⁴⁸ (which had the purpose of benefitting and strengthening wider society).

Such behaviour was strongly contrasted with selfish behaviour which was isolating and led to social fragmentation. The Wisdom literature exclaims: 'The one who lives alone is self-indulgent, showing contempt for all who have sound judgement.'¹⁴⁹ The story of the rich man and Lazarus is a more detailed account of this phenomenon.¹⁵⁰

Of course, not everyone worked within a household and it was not wrong for individuals to be successful in their trade or business. But without an intentional outward, corporate focus people gradually drift into entitled, 'tight-fisted' behaviour in their work.¹⁵¹ The aim of rewarding corporately-directed behaviour was to facilitate the worker's generosity.¹⁵² The nature of inheritance served to foster relationships.¹⁵³

As already indicated, the *method* of rewarding both eternally- and corporately-directed behaviour was basically the same: it involved increased responsibility and positional power by means of promotion or closer proximity to the source of power. This type of reward is modelled in several places ('I shall put you in charge of many things'¹⁵⁴ and 'you shall have authority over ten cities'¹⁵⁵), but the ongoing process is best outlined in Luke 12. The prudent manager (who is already in charge of the other servants), is rewarded with the increased responsibility of managing *all* of the master's possessions.¹⁵⁶ This manager was not gritting his teeth in order to earn a reward that would enable him to become independent *from* his master, but was serving faithfully with the knowledge that the best reward was the capacity to grow in his ability to bless others with his skills and expertise, which also involved increased proximity to his master. Many Christians are familiar with Jesus' words, 'From everyone to whom much has been given, much will be required.'¹⁵⁷ Fewer recognise that this shows the ongoing process of true human growth¹⁵⁸ and is modelled in the story; the manager had already been rewarded with increased responsibility at least once, and was fulfilling this reward by once again demonstrating his long-term desire to serve his master with greater excellence. His reward involved being promoted into the inner circle of the family household,¹⁵⁹ which is a picture of Christians' ultimate reward of inheritance as intimate members of

God's family in heaven (where the treasured inheritance has been kept waiting).¹⁶⁰

This method of rewarding has a collective benefit. Masters benefit when their servants grow in their capacity for responsibility. Servants benefit when their masters honour them and give them opportunities to develop their skills. Workers benefit when their co-workers work diligently.¹⁶¹ 'Whoever ploughs

should plough in hope and whoever threshes should thresh in hope of a share of the crop.'¹⁶² Sometimes rewards were promised¹⁶³ and other times they were unexpected, up to the discretion of the one giving the reward (whether master, manager, servant or other).¹⁶⁴ Although not identical with a promotion in positional status, it was possible for masters to reward their servants in ways that increased their positional power.¹⁶⁵ The priorities of reward lean towards increased responsibilities rather than money or material possessions. There is no shortage of wealthy figures in the Bible and wealth is often described in terms of reward for righteous living.¹⁶⁶ But what is less often observed is that these figures are primarily rewarded with increased responsibility, which is then accompanied by wealth, rather than *vice versa*.¹⁶⁷ To put this another way, God did not give material wealth as a reward with the free license to abdicate responsibility, but rather as a sign that the reward for righteous living was the ability to *genuinely* grow in righteousness by loving and caring for others.¹⁶⁸

God did not reward with wealth to give free license to abdicate responsibility, but as an opportunity to grow in responsibility.

Moreover, the biblical texts are keenly aware of the dangers associated with wealth, and these dangers are primarily assessed for the way they obstruct and thwart relationships.¹⁶⁹ We read about those who 'add house to house and join field to field till no space is left and you live alone in the land.'¹⁷⁰ Readers can conclude from familiar verses about serving Mammon¹⁷¹ or not putting trust in 'horses and chariots'¹⁷² that although it is not wrong to be wealthy, it is wrong to desire wealth *for its own sake*. Again, this assessment hinges on relationships: 'use worldly wealth to gain *friends* for yourselves, so that when it is gone, you will be welcomed into eternal dwellings.'¹⁷³ Rather than helping a person grow, serving Mammon as master diminishes a person because the lover of money can never be satisfied without strong relationships.¹⁷⁴

Finally, just as justice and dignity are mirrored by injustice and shame, biblical reward is counterbalanced by penalty.¹⁷⁵ Penalties were clear and decisive, but also carefully *limited* because they—like rewards—had the

goal of promoting growth rather than decay.¹⁷⁶ Most often, behaviour that was neither exceptional nor deplorable was simply met with just pay,¹⁷⁷ which meant considerable involvement was required in order to discern exceptional performance from luck or fleeting behaviour.¹⁷⁸

Summary: The Bible is deeply concerned with remuneration, especially where it concerns relationships between and among the people giving and receiving it.

The biblical principle of justice mandates that workers should be paid enough to keep them from destitution, which involved both fair amount (*distributive justice*) and fair timing (*procedural justice*).

The principle of dignity is also central in the Bible and speaks to the treatment of people in all areas of work. No matter if someone finds themselves in the position of master, servant or independent labourer, the Bible protects their agency to fulfil their role with honour and to enable the agency of the other parties involved.

Finally, the principle of reward cultivates a sense of purpose within workers by charting a long-term trajectory (*eternally directed*) and also strengthens relationships by encouraging behaviour that benefits the entire group (*corporately directed*).

4 Implications

In order to remain as faithful as possible to the themes conveyed in the Bible, the previous section dealt with concepts on their own terms rather than in the context of current remuneration and employment issues. This section will seek to make an explicit connection between those themes and the contemporary world, though there are many difficulties with this. One is that the understanding of many current issues is in flux, including the dynamics of new modes of employment such as zero-hours contracts and gigging.¹⁷⁹ More foundationally, many consider the moral and ethical insights from sources like the Bible irrelevant because they view the economic

system as *amoral*. Higginson and Clough challenge three assumptions in this view: ‘that people are motivated by self-interest; that self-interest is not a matter of morality; and self-interest consists essentially in a calculation of financial benefits.’ They go on to argue that ‘human beings are too varied, too interesting and too imbued with concern for other people for this view of “homo economicus” to be convincing as a universal description.’¹⁸⁰ Therefore, a robust anthropology encourages application of ‘morality’ to the economic system, which has been losing credibility largely due to the licence it seems to give to greed.

Reward today

The biblical theme of reward is relevant to Expectancy Theory, but shifts the focus away from accumulating ‘stuff’ and towards increasing the capacity to *behave generously*. Biblically, having material wealth enables a good worker to invest more in relationships rather than merely to address their own needs. Receiving rewards should not be individualistic, but should foster a responsible, generous spirit in employees. However if the company directors fail to demonstrate a responsible, generous spirit, it is unlikely that employees will develop one. Individuals, organisations and governments should consider carefully *what* should be rewarded, and *how*, while ensuring the rewards aren’t actually providing perverse incentives.

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Whereas much of society thinks in terms of atomistic performance regarding *what* should be rewarded, the biblical material assumes a more expansive focus. In modern corporations, individual performance inevitably influences other stakeholders both in the present and the future.¹⁸¹ A single employee may create a brilliant advert that increases profits by £10m, but determining a ‘fair’ reward for them (as an individual) is far from straightforward. How much of the profit resulted from the employee’s direct individual effort? If the employee ‘only’ takes £1m, it appears that the shareholders received a £9m windfall simply for having the employee on their payroll. This difficulty in determining what is ‘fair’ derives from an atomistic view of agency and reward. As an individual agent, the employee should probably just receive their normal salary for doing a good job.¹⁸² As a part of the company, however, the employee should share in the reward just as all

other stakeholders do. This raises the question of ‘cascaded rewards’, the distribution of rewards across all levels rather than concentration of rewards at the position of ‘highest common manager’. Positions are relational responsibilities, so the reward for a position is not meant to be retained by the holder of that position, but rather it should be *distributed* from that position. The growing reality of zero-hours contracts and gigging greatly complicates this understanding of positional rewards, but some insight can be gleaned from observing the natural evolution of companies that begin as small operations but grow in order to increase the influence and effectiveness of certain workers.¹⁸³

This way of thinking has serious implications for CEOs and senior management. Although some ‘successful’ CEOs are promoted from within a company (e.g. François-Henri Pinault of Kering and Johan Thijs of KBC¹⁸⁴), others are brought in from outside, which begs the question: will their behaviour be more positional or personal? It is one thing to take risks that potentially jeopardise the position and quite another thing to take risks that jeopardise the person who holds that position.¹⁸⁵ The ‘**golden parachute**’ type of compensation attracts leaders who are personally risk-averse, but it may encourage excessive risk in regards to the position itself. There may, therefore, be a need for policy decisions addressing the balance between role performance and personal performance, and distributing different amounts and types of remuneration on that basis.¹⁸⁶ This could create a false dichotomy between personal and positional, but this can be avoided with a clear emphasis on dignity (covered next). Furthermore, the average CEO tenure of five years does not change the need for a leader who is able to grow *with* the company and eventually hand over smoothly to their successor. The simplistic view that a company should hire an expert leader to ‘bring them up to their level’ is obsolete because it does not give enough credit to the entire company and concentrates rewards for the ‘highest common manager’.

Some CEOs are promoted from within a company, but others from outside, so will their behaviour be more positional or personal?

If discretion is required when distributing rewards according to position in a company, it follows that *how* these rewards are given should also be determined with care. The current system often rewards atomistic persons in atomistic ways so that a cycle is perpetuated. However, the ideas of reward explored in the previous sections suggest that when rewards are given for positions, those rewards should reflect the place of that position within the larger company.

Just as corporate and long-term behaviour should be rewarded, the rewards themselves should be given in ways that benefit the entire company and equip it to continue to grow in the future. Giving rewards in this way will require both creativity and a keen understanding of the company itself.¹⁸⁷ It will likely involve rewarding entire teams for the concerted excellence of every member.¹⁸⁸ Other methods might include some form of reduction in labour rather than an increase in compensation.¹⁸⁹ Regardless, adequate rest is always vital and should be able to be enjoyed with family and friends on a common day.¹⁹⁰ If monetary rewards are the best type of reward (since they are often used to procure non-financial rewards), they should be given to groups rather than individuals, together with an explanation: ‘We hope this bonus helps you unwind so you can continue to help our customers with your patience and concern.’ However, perhaps the best method of reward is an increase in responsibility, either within the same position or as a promotion to a new position. This is already the intention behind many rewards but it is not made explicit. High salaries are associated with positions of high responsibility, so paying someone more signals to other (future) employers that the employee has shown excellence in their responsibilities.

Rewards should be given in ways that benefit the entire company and equip it to continue to grow in the future.

Finally, givers of rewards should evaluate whether their rewards are unintentionally providing perverse incentives. Here, it is crucial to safeguard discretionary powers. If an overloaded manager is given still more responsibilities, she may feel a sense of importance and accomplishment, but may also lose the discretionary ability to be generous in her role, which could eventually hurt the company rather than helping it. Incentivizing long-term, corporate behaviour for a position is only effective as long as the employee is still able to choose those behaviours of their own volition. It is all too common for company commitments to qualities like generosity and excellence to become rigid expectations; they no longer feel like actions willingly chosen, but rather like rules imposed from above. Striking the balance between freely-chosen excellence and enforced high standards will look unique from company to company and requires a recognition of nuance, together with a commitment to continual re-calibration. Even within a single company, there must be space for multiple ‘equilibria’ in terms of how different managers negotiate the balance between reward and expectation.¹⁹¹

In order for these ideas about reward to be correctly weighted, there must also be decisive penalties that are consistently enforced. This has not been well practised to date, especially for senior management. (Ironically, there are currently non-monetary penalties in the form of social disgrace and vilification, perhaps precisely *because* no monetary penalties have been issued.)¹⁹² Many current ‘penalties’ are simply the withholding of a potential reward. This is particularly evident for CEOs and upper

Many current ‘penalties’ for CEOs and upper management are simply the withholding of a potential reward.

management. Some advocate that long-term share grants tied to **EPS** are an adequate penalty since they fluctuate with the profits of a company. However, this does not sufficiently address the difference in positional power within the company—yes, the CEO should be penalised along with the rest of the company for company-wide failures, but she should also be penalised more specifically for any failings of her high positional power within the company.¹⁹³ This will vary across different companies, but one idea is that companies could have call options on the CEO share grants so that there is more parity. Another method sometimes viewed as a ‘penalty’ is the **clawback** method, but this merely takes back certain funds that were rewards; it still pays the manager what is adequate, rather than something less than adequate as a penalty.

Dignity today

A culture of dignity (or lack thereof) has serious organisational consequences for business today, but most stakeholders ‘do not have a working knowledge of dignity.’¹⁹⁴ The biblical theme of dignity affirms aspects of Agency Theory in that it encourages dynamic engagement between people in various levels of positional power, but it also insists on the deeper task of enabling genuine agency at all levels of power.¹⁹⁵ The biblical view of stratified agency has many implications for analysing remuneration in this age of complex corporations and growing globalisation. It means that companies can be held responsible as agents themselves rather than the directors and managers simply being ‘fiduciary’ agents of the shareholders.¹⁹⁶ This holds true for various groups within the hierarchy of large companies, so that (in effect) there are companies within companies within companies that all have their own agency. The dignity involving recognition of all stakeholders’ agency (both individuals *and* groups) is fundamental to arriving at a dignified

solution for each company. This requires a keen awareness of the distinction between position and person as discussed above.

Perhaps the most significant way to promote dignity in work today is to enable the agency of the other, whether by increasing discretionary options, limiting obstacles to creativity or acknowledging the unique needs of particular groups and individuals. Although it is simplistic to say that enabling agency is primarily concerned with non-monetary metrics and methods, it is essential to analyse the way agency is tied to positional power. Advancement in positional power is often accompanied by increased monetary compensation, but the opposite is rarely true; simply increasing wages or salary does not increase the dignity of a position. A company's culture of enabling agency can be assessed along three interrelated vantage points: *intended reality*, *experienced reality* and *perceived reality*.

Intended reality concerns the worth and agency that should be given by a company as outlined in written policy. The companies that best enable agency explicitly encourage cohesion and conversation between employees and other stakeholders. Giving stakeholders the means and abilities to organise themselves shows that companies genuinely seek their employees' voices, rather than having a superficial or begrudging commitment to listen. How to treat employees with dignity is complicated by the various opinions about what that constitutes. Monetary remuneration has the advantage of providing relatively straightforward ways of reconciling different opinions, but this is incomplete on its own. In order to foster a culture of dignity, companies should clearly state the intentions behind employee policies and expectations. Perhaps a policy could read as follows: 'Because we care about the dignity and agency of all employees, we sincerely and actively seek feedback and criticism from any position. In order not to impinge on personal time, we allot one hour every first Friday of the month for teams to discuss this together and additional time to allow managers to pass these comments on to senior management.' Furthermore, 'perks' should be primarily used to show appreciation for an employee who accepts burdensome work demands, rather than a way to keep senior staff happy: 'The company appreciates you flying on our behalf and knows that it is tiring, so everyone flies business class and receives complimentary transport to/from the airport.'

Giving stakeholders the means to organise themselves shows that companies genuinely seek their employees' voices.

Unfortunately, the official intentions of a company are frequently obstructed or diluted by complexity and bureaucracy. *Experienced reality* deals with what worth and dignity is actually extended to employees. Many employees never have time to read about company ‘vision’, ‘atmosphere’ or ‘ethos’ because they are under pressure to meet targets or deadlines. A critical factor here is the discretionary choices afforded to employees. For example, criticising management will not be a reasonable choice for many employees unless they can do so with solidarity and anonymity. Similarly, promotions or job restructuring for employees are intended as dignifying moves but sometimes end up reducing the discretion that an employee has to perform their work. Tragically, some employees don’t even have the discretion to choose when to use the toilet or when to eat. When senior employees are

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given more discretion in terms of positional responsibilities (flexible hours, flexible bonus schemes, etc.), it implies that junior employees are not trustworthy enough to make decisions about their own tasks. Some companies offer perks that appear flexible on paper—such as a company fitness centre—but prove impractical for many employees due to personal commitments, impractical

opening hours or unaccommodating management. Days off from work will be far less fulfilling if they cannot be shared with family and friends, which probably means that companies should try to guarantee that all staff can rest on at least one weekend day per week.¹⁹⁷ Employee share grants can also undercut dignity in their experienced reality. They are an excellent way to make workers feel like a part of the bigger picture, but may confuse and frustrate employees unless accompanied by clear explanations about how these can best benefit them.

Finally, there is the *perceived reality*, which relates to the sense of worth and dignity that is *received* by employees. If company directors believe they are extending respect and dignity but employees are not receiving it, they have missed the essence of respect and dignity, which necessitates sufficient interaction to understand how best to dignify someone in their particular role. In common parlance, this is the language of ‘employee satisfaction’. Employees want to be proud of both the work they do in their position and also of the company in general. Although these cannot be separated entirely, they more or less relate to *internal factors* and *external factors* respectively.

Internally, employee satisfaction is a complex phenomenon; Fortune magazine measures over 50 unique factors in their assessment.¹⁹⁸ And although it is shown that improving employee satisfaction can increase stock price by 2–3% per year in the long term (about four years),¹⁹⁹ efforts aimed at dignifying employees will be unsuccessful if they function only as means to the end of generating more profit. Expected and actual pay has always been lower in the charity sector, but people feel an inherent dignity in their work and are sometimes given additional dignity by society's view of the role. This lower expectation is often exploited by both donors and charity directors, and even perpetuated by the employees themselves. This comes from the presumption that non-financial reward is enough, without adequately close relationships to see the consequences of low pay.

Externally, employee satisfaction is linked to the perception of the company within society at large. Evidence from the Journal of Marketing Research in 2014 showed that CEOs were willing to take an average of a 12% reduction in pay in order to join a company with a strong and attractive brand or reputation (especially true for younger CEOs).²⁰⁰ In a globalised world increasingly concerned with sustainability and social responsibility, employees who perceive their work as unhelpful or detrimental to society may feel undignified in their roles, even if they are being enabled as legitimate agencies within their company. The biblical dynamics of honour and shame are not as foreign today as some may think,²⁰¹ and the philanthropic activity of many wealthy people may be (in part) an attempt to satisfy a desire for social respect and dignity that their wealth and work have not granted them.²⁰² Perhaps cultural vilification of wealthy CEOs has even, ironically, had the unintended consequence of boosting executive pay to fill the desire for respect which is one form of non-monetary compensation. Remuneration committees should think more about *why* CEOs do the work they do and how they perceive their pay packages. Narrowly prioritizing monetary compensation may attract CEOs who are ultimately only interested in narrow—perhaps even superficial—monetary gains for themselves.²⁰³ Furthermore, there will be some need for external institutions to act on behalf of workers in dishonourable situations of liquidation of corporations such as Enron, where large numbers of employees were left unpaid for the last three months of their employment.²⁰⁴ At other times, an important step can be

Remuneration committees should think more about *why* CEOs do the work they do and how they perceive their pay packages.

made by executives, for example, by declining bonuses in recognition of misguided or dishonourable behaviour—as was the case in the aftermath of the ING Bank scandal in the Netherlands.²⁰⁵

In line with the biblical ideas surveyed above, companies are at some level responsible for facilitating agency of society in general, and some of the most serious threats confronting the Western world can only be tackled by large companies. This type of behaviour dignifies those in positions of positional power, but even most other workers can absorb risk in a way that dignifies their occupation (e.g. firefighters, soldiers, etc.). When work is dignified within companies it can eventually help safeguard the agency of society in general.

Justice today

At the most basic level, the biblical theme of justice reflects aspects of Equity Theory in that it seeks to work for fairness in pay across companies and society. However, it radically confronts the upward ratchet effect by exhorting equality with others through a focus on those in disadvantaged positions.

One implication for justice in remuneration today is to realise that many people are no longer employed by companies that can be held accountable to 'support the bottom'. Instead, the landscape of employment in the growing 'gig-economy' features workers on zero-hour contracts and freelancers who often set their own agendas. This is an important and unavoidable reality that prompts us to consider what justice means in this context. In biblical times, the idea of the 'consumer' having power

Many people are no longer employed by companies that can be held accountable to 'support the bottom'.

was not nearly as strong, but today more responsibility should fall to consumers to ensure fair pay of workers. Due to the highly fragmented nature of western societies,²⁰⁶ the relationships among and between various consumers and workers are convoluted and complex. However, advances in communications and information technologies also provide unprecedented

means for dispersed interest groups to act together and build solidarity. Despite social media's role in disseminating fake news and creating echo chambers, it played a key role in the recent and impressive hike of Amazon's

minimum wage²⁰⁷ by levying popular pressure from consumers who were unhappy with the way employees were being treated. Although this example is atypical, it is not unreasonable to envisage how similar changes could be achieved in other areas. Perhaps just as unions once formed to protect the basic rights of workers within organisations, real justice in the 'gig economy'²⁰⁸ will require new unions of freelance workers who band together to prevent exploitation. There will always be some level of disparity in a market economy (just as there was in ancient Israel), but this reality should not be used to shield the disparity from criticisms of injustice. What applies to consumers in this regard also applies to the way companies treat their suppliers and all other stakeholders.

For companies themselves, the biblical theme of justice indirectly supports increased cohesion between various stakeholders, especially between upper management (including CEOs), employees and shareholders. Within the concept of Relational Proximity,²⁰⁹ social cohesion can be seen in the way that parties enable influence between themselves ('Parity'), recognise and encourage broad shared interest ('Commonality' and 'Multiplexity'), communicate directly ('Directness') and embrace the long-term view ('Continuity'). Increased cohesion not only enables better listening which makes procedural justice easier, but also generates legitimate shame when distributive justice is failing. Although it is natural to compare oneself with those in an immediate group, this tendency is all too easily skewed by narrow comparison with only fellow poor or fellow rich, making people unaware of distributive injustice.²¹⁰ Attempts to increase cohesion have had some support in the corporate world (e.g. 'aligning interests' of shareholders and CEOs), but generally have not been very 'successful' because the interests of the lowest-paid workers are still neglected. Therefore, the most pertinent area for increased cohesion is between shareholders and employees themselves, which is often a dysfunctional relationship because shareholders tend to be structured organisations whereas employees are atomised individuals.

Some argue that the practice of placing employees on boards (as in Germany) is the ideal solution. Others prefer the John Lewis approach, which makes every employee a shareholder.²¹¹ Both ideas have merit, but neither will be a perfect solution for the increasingly large international companies of our world. (It is already hard enough to get individual

There will always be some disparity in a market economy, but the disparity should not be shielded from criticisms of injustice.

shareholders to attend AGMs because most shares are held by proxies, and even harder to coax employees to come along and have a constructive dialogue). The issue is accentuated by multi-layered corporate structures, multi-national companies and transient share ownership. It is quite possible that even if shareholders became aware of the *real employee conditions* in the companies whose shares they hold, some would still ignore the situation through selfishness and greed.²¹² Thus, public mediators of shareholders and employees (i.e. governments) must be engaged in a modern attempt to ensure just and fair remuneration. Although the UK government has a national living wage, this still trails behind the amount needed for basic living expenses. These are calculated by various organisations, including the Living Wage Foundation, which updates their Real Living Wage every year in order to mark how much workers need to be paid in order to do more than scrape by.²¹³ The Bible does not differentiate between families

The Bible mostly assumes that workers will have family they need to support, including elderly parents and children.

and individuals, but mostly assumes that workers will have family members they need to support (whether elderly parents, children, siblings or otherwise). Although legislating this concept would be difficult, it seems relevant to review not just the *age* of an employee but also their family situation and how many people are financially dependent upon them.²¹⁴ Perhaps some sort of universal

basic income could help address this issue, which would provide all adults enough money to live on as individuals while incentivising those with dependents to seek paid work for additional income to support them. However, UBI may end up creating more problems than it solves.

Regarding CEOs, there is a dire need to assert that the 'market' for determining their pay is frequently dysfunctional and unjust. Therefore remuneration committees should be challenged to *build transparent pay packages from the ground up* (rather than just copying what others do).²¹⁵ This will involve asking difficult questions. For instance, if benchmarking is used for upper management, why is it not used for other positions? If job evaluation is used, why have certain elements been weighted more heavily than others and why is failure so often rewarded? These questions drive to the heart of why companies remunerate all their employees the way they do. In the aim of justice, all remuneration committees should include a clause indicating the responsibilities the company has to all stakeholders, including the lowest-paid employees, pensioners, contractors and suppliers who work

for or in the company (remembering that the Bible insists on justice for those who were not permanent servants in the household). This would require an outline of the process for determining fairness and a description of the effect of that process. Due to the temporal issues relating to justice, remcos should also report on how previous decisions have played into the current state of distributive justice (thereby including previous stakeholders).

These small steps and others like them are unlikely to solve the complicated problems of modern remuneration on their own, but they can work towards making a difference. If a focus on the lowest-paid stakeholders becomes a specific obligation for the remco and company at large, it would be much easier to establish some measure of employee pay versus a living wage amount as a target for pay. For example, all remuneration figures in a company report could be presented as the number of people it could support on a living wage: ‘The CEO’s wage could support 215 people on Living Wage.’ The ethical intensity of such statements would likely have better effect than simple ratios or absolute numbers.

Summary: Drawing from the biblical principle of reward, modern policies should compensate work behaviours that seek the longest-term benefits and the best for the entire company or group whilst penalising behaviours that work against these goals. These policies should implement both non-monetary and group rewards.

The principle of dignity is best implemented by intentionally enabling the agency of all workers and maintaining an efficient feedback loop with staff, so that their experiences and perspectives can be honoured and continually improved upon.

Finally, because the Bible is more concerned with supporting low-income workers than with constraining high-income workers, a concerted and multi-pronged effort is needed from governments, companies, NGOs and shareholders to ensure justice for employees—especially since most decisions are currently made by the elite in positions of power. This effort will involve giving staff increased say in remuneration decisions, informing workers in detail about the current injustices of remuneration, and struggling on behalf of those who do not have the means or time to become adequately informed themselves.

Conclusions

Based on the material covered in this report, it seems that the main problems of remuneration are not derived from an inadequate thinking but from taking too narrow an approach. Although it may be true that societies in biblical times were more cohesive than today's western societies, the intrinsic human need for and dependence on social cohesion has not changed. Consequently, companies should take into account the various human relationships that are impacted by every type of remuneration.

However, the weight of responsibility cannot fall solely upon companies, because all stakeholders are involved in shaping cultural attitudes towards remuneration. As long as culture approves of 'winning' in the economic lottery and glamorises individualistic, wealthy lifestyles that are insulated from the daily worries of normal citizens, it will seem contradictory to limit rewards that are permitted by 'market forces'—especially when claims of 'hard work' and perseverance are involved. Many may feel revulsion about a CEO who takes home a £75 million bonus,²¹⁶ but what do they think about a lottery winner or celebrity who makes a similar amount by posting pictures on social media or appearing in a TV advert?²¹⁷ If culture glamorises wealth in general, how can it criticise people who achieve that dream as individuals?

Even more insidious than its obsession with wealth, our culture tends to diminish the worth of proficient, ordinary work that is characteristic of most people in society. Everyone has a role to play in recovering a healthy understanding of work and the way it should be compensated. Practically, this means that our *standard of justice should involve comparison to the weakest members of our group* (no matter where we fall in that group's hierarchy); that we *acknowledge and encourage the agency of every worker* (no matter what kind of job we or they may have); and that we *reward truly exceptional individuals and groups by respecting them and aiding their development*.

The solutions to the problems of modern remuneration are not found so much in limitations or 'reigning in' the snowballing numbers. Rather, they will involve the *enhancement* of performance and even higher expectations

for the most successful companies in society. Whether viewed through the lens of justice, dignity or reward, the words of C.S. Lewis point towards the posture needed for establishing the best remuneration possible: 'Come further up, come further in!'²¹⁸

Glossary

Agency Theory: The belief that reconciling the desires of disparate decision-making actors is the best way to secure ethical remuneration.

AGM: Annual General Meeting.

Benchmarking: The method of examining similar companies' policies for comparison in order to make decisions.

CEO: Chief Executive Officer.

Clawback: A mechanism usually outlined in a contractual clause by which money can be retracted after having already been paid in response to certain conditions. It is often grouped with Malus in company policies.

Employee Share Ownership Structure (ESOS): Shares of a company are held in a trust or similar company, on behalf of the current employees. The employees usually only have the benefit of any dividends paid on those shares and do not have other ownership rights and do not have a mechanism to benefit from any capital gains. Employees usually receive shares in the trust through a share grant.

EPS: Earnings per share

Equity Theory: The belief that enforcing equal pay with regard to the tasks performed is the best way to secure ethical remuneration.

ESG: Environmental, social and corporate governance.

Expectancy Theory: The belief that providing predictable and anticipated payment is the best way to secure ethical remuneration.

FRC: Financial Reporting Council (UK).

Fringe Benefits: Includes a range of features, such as insurance and holiday, but as the name implies usually comprise a relatively small portion of the overall remuneration. Nonetheless, fringe benefits can have a serious impact on employee satisfaction even if their overall monetary value is small.

FSA: Financial Services Authority. Dissolved in 2013. Became Financial Conduct Authority and the Prudential Regulation Authority.

FTSE: Financial Times Stock Exchange. An index which lists the top companies on the London Stock Exchange by capitalization.

GAAP (UK): Generally Accepted Accounting Practice.

GFC: Global Financial Crisis.

Golden Parachute: A large payment guaranteed to a senior executive if they should be dismissed as a result of a merger or takeover.

Incentives: Compensation contingent upon specific achievements. They can take a number of forms, the most common examples of which are commission and bonuses.

IPO: Initial Public Offering.

Job evaluation: The process of evaluating the various aspects and tasks of a position that an employee is supposed to perform and uphold.

Job scope inflation: A term describing a process in which employees end up with more tasks to perform without an increase in remuneration. Often involved with the process of 're-banding' jobs to ensure they are aligned with pay and experience.

Malus: A mechanism for preventing payment due to misconduct as per contractually outlined. Latin for 'bad'. It is often grouped with Clawback in company policies.

Market capitalisation: The worth of all the shares of a company.

Non-monetary compensation: Benefits which the employer deliberately intends for the employees to receive, but which cannot be measured with financial metrics. These include challenge, intellectual stimulus, comfort, individual satisfaction, personal growth, relationships, reputation, etc.

MSV: Maximising Shareholder Value

Partnership: A company that is owned jointly by partners who can be legally held liable without limit for any debts the company may incur.

Perquisites and allowances: Better known as 'perks', these can include everything from a company car to club memberships as well as allowances nominally to cover out-of-pocket expenses. Some organisations, such as partnerships like John Lewis, position share holdings or call options as a perk for all staff rather than an incentive.

PLC: Public Limited Company. Shareholders are only liable for shares they own.

R&D: Research and Development.

Ratchet Effect: The phenomenon of increasing pay that is influenced by other pay levels and has 'no corresponding improvement in corporate or individual performance'.²¹⁹

SEC: Securities and Exchange Commission (US).

Share Grant: The transfer of shares to an employee or executive without payment for those shares. Such grants may be vested, held in an ESOS or transfer for the full discretionary ownership of the employee or executive.

Share Option: This term can include both 'puts' and 'calls', but usually refers to call options granted to employees or executives (rather than call options purchased by them). A call option is the right at some time in the future (either specified or unspecified) to buy shares at a particular price. The employee or executives can choose whether or not to exercise the option to buy. They usually only do so, if the current share price is higher than the option's price.

SME: Small and Medium-sized Enterprises.

TSR: Total Shareholder Return.

Vesting: The allocation of share grant, money or other remuneration to an individual or group with a restriction that they do not have ownership rights over the remuneration for a period of time or until a specific event. If any and all of the restrictive conditions are not met, then the allocation is withdrawn. If all the conditions are met, then the beneficiary receives full ownership over the remuneration.

Wages and salary: These types of remuneration may be given out in a number of ways and linked to different units of time, but wages are most often associated with work measured by the hour while salary is linked with a much longer period of time—usually one year.

Endnotes

- 1 For a sweeping and authoritative assessment see Thomas Piketty, *Capital in the Twenty-First Century*, trans. Arthur Goldhammer (Cambridge, MA: The Belknap Press of Harvard University Press, 2014).
- 2 CIPD and High Pay Centre. The ratio is about 120:1 if the median FTSE-100 CEO is used. This ratio has been dropping steadily in the past few years. See <http://highpaycentre.org/blog/reality-bites-average-fise100-ceo-pay-package-down-17-on-previous-year>.
- 3 312:1 for the average CEO to their average workers (Economic Policy Institute); 361 for the average American CEO and worker in general (AFL-CIO).
- 4 These figures can vary significantly depending on whether one calculates median or mean pay, and whether pay is considered within a specific company or across a broader spectrum. Some ratios have been calculated at over 1000:1, see: <https://www.theguardian.com/business/2018/mar/18/america-ceo-worker-pay-gap-new-data-what-can-we-do>, whilst others are less than 50:1. Such figures rarely account for pre- and post-taxation. In the UK, inequality has fallen within after-tax household real incomes, but this report does not specifically consider the ways in which taxation influences remuneration.
- 5 Nicholas V. Leone III, 'Timeless Economic and Investment Principles', *Institute for Faith, Work & Economics*, 29 June 2018, <https://tifwe.org/resource/the-parable-of-the-talents/>; see also Kurt Jaros, 'CEOs & Fair Wage to Workers', *Values & Capitalism*, 26 May 2015, <http://www.valuesandcapitalism.com/ceos-fair-wage-to-workers-a-christian-perspective-part-ii/>.
- 6 Walter Brueggemann, *A Study of the Theology of Compensation* (Presbyterian Church USA, 1983); *Neither Poverty nor Riches* (Presbyterian Church USA, 2010).
- 7 Richard Higginson and David Clough, *The Ethics of Executive Pay: A Christian Viewpoint* (Cambridge: Grove Books, 2010); Richard Higginson and David Clough, *The Ethics of Executive Remuneration: A Guide for Christian Investors* (Church Investors Group, 2010).
- 8 Effective metrics for assessing human relationships have been developed over the past several decades under the name of Relational Analytics, and some mention of these is made towards the end of this report. See <https://www.relational-analytics.com/> and <http://www.jubilee-centre.org/introducing-the-relational-proximity-framework/>.
- 9 Remuneration issues also impinge on shareholder rewards (capital gains and dividends), inter-corporate structures and how prices are set between companies (i.e. with suppliers and financiers). This is particularly relevant where companies are outsourcing work, charging for IP or lending within a group. This paper will not concentrate on the consequences of such strategies but when possible, references will be made to the role of financiers and suppliers, especially as it relates to the *reputation* of companies with which they work.
- 10 *Global* pay inequality has fallen in the past 30 years as China and India have opened up, but risen within higher-income countries.
- 11 Alex Edmans, Xavier Gabaix, Dirk Jenter, *Executive Compensation: A Survey of Theory and Evidence* (European Corporate Governance Institute, 2017). Especially p. 128 ff.
- 12 For further reading on human work see Darrell Cosden, *A Theology of Work: Work and the New Creation* (Eugene, Or.: Wipf & Stock Publishers, 2006); Miroslav Volf, *Work in the Spirit: Toward a Theology of Work* (Oxford: Oxford University Press, 1991); Calum Samuelson, 'The Enduring Power of Vocation: From the Reformation to 2017' (Cambridge: Jubilee Centre, 2017).
- 13 These are known as 'soft benefits'. Soft benefits are often promoted in in-house magazines to *retain* employees and sometimes even highlighted in order to *attract* new employees. This raises important questions about the relationship between formal remuneration and other less formal benefits, which is explored further below.
- 14 Interestingly, although share options typically function as incentives for senior executives, they are

regarded as a *perk* for junior staff. This distinction points to some questionable motivations for senior executives and the asymmetrical efforts to try to include employees.

15 People like Jeff Bezos of Amazon receive a salary of just \$1 for this very reason.

16 See Alex Edmans, Xavier Gabaix, Dirk Jenter, *Executive Compensation: A Survey of Theory and Evidence* (2017), p. 144.

17 Additionally, there is a distributional issue between current and past workers regarding how quickly pension shortfalls should be made up.

18 Incentive structures (especially within financial institutions) played a significant role in the Global Financial Crisis. Cf. *Reforming Remuneration Practices in Financial Services* (2009), Principle 6, p. 33.

19 See FRC, *UK Corporate Governance Code* (2018) <https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.PDF>.

20 See FRC, *UK Corporate Governance Code* (2016) § D.2.1.

21 See Pozen and Kothari, 'Decoding CEO Pay', *Harvard Business Review* (2017).

22 There are some signs that this is beginning to change. See <https://www.bloomberg.com/news/articles/2018-09-24/world-s-largest-wealth-fund-says-companies-pay-ceos-all-wrong>.

23 A recurring problem with share options is that the terms have been poorly written. By not adequately distinguishing specific company performance from the sector or wider market, CEOs have been incentivised to boost share price through share buybacks and accounting ruses to raise **EPS**.

24 William Lazonick, 'Profits without Prosperity', *HBR* (2014).

25 The difference between these two perspectives, though subtle, is crucial. One fundamental characterises distrust while the other characterises confidence.

26 Credit is usually given to Victor Vroom of the Yale School of Management. See Victor H. Vroom, *Work and Motivation* (New York: Wiley, 1964).

27 Credit is usually given to J. Stacy Adams. See J. S. Adams, 'Toward an understanding of inequity', *Journal of Abnormal Psychology*, 67 (1963), 422-436.

28 A perfect example is the recent case of Persimmon CEO Jeffrey Fairbairn, who originally received a £100 million bonus because of changes in the housing market that were largely funded by UK taxpayers.

29 The rationale is that experienced management need to be retained after quarters of low performance in order to provide stability and help get the company back on an even keel.

30 The UK Corporate Governance Code specifically warns against this affect. See FRC, *UK Corporate Governance Code* (2016) § D.1.

31 See Mark Reiff (Safra Center for Ethics at Harvard), <https://aeon.co/ideas/setting-a-maximum-wage-for-ceos-would-be-good-for-everyone>.

32 After the GFC, a large portion of opinions were specifically connected to the role that executive remuneration played in that process. Most major groups, such as the FSA and FRC (and others such as the Walker Review of Corporate Governance) released detailed reports about these events and offered guidance for how executive remuneration policies should be adjusted. But despite various adjustments and provisions made after the GFC, actual pay of executives has continued to increase across the board. Thus, whereas eight years ago it was crucial to tie views on remuneration to the GFC, approaches today seldom take this route.

33 It is noteworthy, however, that there are recognised downsides to this practice (e.g. envy) and that stricter regulations have been in effect since 2014. For more details see <https://www.bbc.com/news/magazine-40669239>.

34 For example, the Dodd-Frank Act implemented many measures to increase transparency in the US in 2010, but has been very slow to take much real effect. In 2015, the SEC began requiring listed companies to report pay ratios in the US (this will begin in the UK in 2019), but there has yet to be any indication

that it has actually addressed the underlying problems.

35 The key study in this regard is Kate Pickett and Richard Wilkinson, *The Spirit Level: Why Equality Is Better for Everyone* (London: Penguin, 2010).

36 If a company were to redistribute £4.5 million (the *entire* salary of the average FTSE-100 CEO) to 50,000 employees (a rough average for FTSE-100 companies) it would yield only £90 per employee for the *whole year*.

37 The goal is overall 'pie enlargement'; Alex Edmans of London Business School.

38 The Labour Party has spoken about implementing a ratio of 20:1.

39 Higginson and Clough suggest that the ratio should be set to the bottom 10% of employees within a company. See Richard Higginson and David Clough, *The Elbics of Executive Remuneration* (2010).

40 Gabaix and Landier, 'Why has CEO Pay Increased so Much?' (2007). Updated in 2015.

41 <https://www.theguardian.com/money/2017/may/07/employeee-benefits-cheap-housing-accommodation>. Unfortunately, unlike the efforts of Cadbury and Rowntree, most current programs involve renting rather than ownership.

42 For examples, see <http://knowledge.wharton.upenn.edu/article/how-employees-value-often-incorrectly-their-stock-options/>; <https://foster.uw.edu/research-brief/managers-tend-to-overvalue-stock-options-vs-restricted-stock/>.

43 *Reforming Remuneration Practices in Financial Services* (2009), Principle 6, p. 33.

44 One of the most notable proponents is Dan Pink. See Daniel H. Pink, *Drive: The Surprising Truth About What Motivates Us* (New York: Riverhead Books, 2009).

45 Cf. Radhakrishnan Gopalan, John Horn, and Todd Milbourn, 'Comp Targets That Work', *HBR* (2017).

46 Cf. <https://www.youtube.com/watch?v=Z5KZhm19EO0>.

47 See https://www.washingtonpost.com/news/on-leadership/wp/2018/01/23/elon-musk-new-pay-package-could-theoretically-be-worth-55-8-billion-but-none-of-its-guaranteed/?noredirect=on&utm_term=.1297923cd13a.

48 See Radhakrishnan Gopalan, John Horn, and Todd Milbourn, 'Comp Targets That Work', *HBR* (2017).

49 See <https://corp.gov.law.harvard.edu/2018/02/12/ceo-tenure-rates/>.

50 FRC, *UK Corporate Governance Code* (2018), § 5.36.

51 See FRC, *UK Corporate Governance Code* (2016) § D.2.1.

52 This could be done through tougher competition policy and/or adjusting regulations so that mergers are only permitted when positive benefit to society can be demonstrated.

53 Luke 10:7; 1 Tim 5:18.

54 Lev 19:13; Deut 24:14.

55 Col 4:1.

56 Deut 25:4.

57 See Luke 12:42; Luke 10:7.

58 It is important to note, however, the surprising number of workers in high-income countries who cannot wait even one month for their first salary payment. Indeed, almost 10 million households in the UK have no savings whatsoever: <https://themoneycharity.org.uk/money-stats-almost-10m-with-no-savings/>.

59 For an insightful examination of these issues see Philip Goodchild, *Theology of Money*, (London: SCM Press, 2007).

60 Isaiah 42:6, 49:6.

61 The parable of the prodigal son and parable of the Pharisee and tax collector are just two illustrations of this message. Another way to view the shift in the NT is Jesus' discussion of salt and light. The Israelites were already called to act as a light to the nations, apparently as a 'separated' community (cf. Lev. 20:26; Deut. 7:6) from a distance. Regardless of how one wishes to understand the role of salt in the ancient world, it had to make contact in order to be effective. Thus, we could say that a shift takes place from a kind of 'modeled ethics' in the OT to 'ethics in action' in the NT.

62 All three synoptic Gospels quote Isaiah 6:9–10 in order to explain the purpose of parables—although with different emphases. Mark seems to suggest that parables are designed to *inhibit* forgiveness, whereas Matthew and Luke see parables more as a *filter* through which the sincere must pass in order to access understanding of forgiveness.

63 Matt. 7:24–27. It is worth noting that the loving behaviours commanded by God cannot fully be put into action independent from the help of God. The manner by which these *principles* are implemented as *policies* is dealt with below.

64 The same words (*eved* in the OT and *doulos* in the New Testament) are often translated as both slave and servant. The worst examples of translation involve translating these words differently in the same verse of scripture such as Lev 25:42, which significantly undermines the intended parallelism. Because of this—and the fact that ancient servanthood/slavery was quite different from more modern forms of slavery—this report only uses the term 'servant'.

65 There are, of course, significant differences between Old Testament and New Testament social realities, and there are also differences within the Old Testament itself. Although clearly much more agrarian than today and other periods of history, the Old Testament involved much more than a simple subsistence economy; hierarchies of classes indicated that some people had moved far beyond mere subsistence.

66 An insightful example is the way that King Solomon interacts with King Hiram in 1 Kings 5:6. 'I will give you whatever wages you set for your servants...'

67 Lev. 25:25, 35–42.

68 The most notable passages are Eph 5:22–6:9 and Col 3:18–4:1. Others can be found in 1 Timothy, Titus and 1 Peter. These are also known as the '*haustafel*', coming from the German words for 'house' and 'table'.

69 Eph. 6:9.

70 Eph. 6:6.

71 Literally, 'house of my father'.

72 E.g. 1 Cor 1:2; 2 Cor 1:1; 1 Thess 1:1; etc.

73 Acts 6:1–7.

74 1 Tim 3:12.

75 Gal 6:10; Eph 2:19, 1 Tim 5:8.

76 John 20:22; 1 Cor. 3:16; Gal 4:6; Eph 3:17. Although it is not always communicated in English translations, all of these verses use plural pronouns to describe the Spirit's indwelling ('you all').

77 Themes such as power, generosity, discretion, privacy and honesty are also worth consideration.

78 *Mishpat* and *tsedaqab* in Hebrew; *dikaosune* and *krisis* in Greek.

79 For a slightly different perspective focusing on *relational* justice see Jonathan Burnside, Nicola Baker eds., *Relational Justice: Repairing the Breach* (Winchester: Waterside Press, 1994).

80 Guy Brandon, *Immigration and Justice: How local churches can change the debate on immigration in Britain*, Long Distance Christian (Cambridge: Jubilee Centre, 2015), p. 14. See also the preceding discussion beginning on page 13. <http://www.jubilee-centre.org/wp-content/uploads/2015/03/Immigration-and->

Justice-Online.pdf.

- 81 This is especially true for Latin American Liberation Theologians.
- 82 Even in Mt 20 where all workers are paid equally, the point of the parable is that employers can be generous not that they should pay equally. Cf. See Christopher Wright, *Old Testament Ethics for the People of God* (Nottingham: IVP, 2010), p. 157.
- 83 Higginson, p. 16. This is especially true in the Jubilee material.
- 84 Proverbs 30:9 expresses this dual danger famously: 'Keep falsehood and lies far from me; give me neither poverty nor riches, but give me only my daily bread. Otherwise, I may have too much and disown you and say, 'Who is the Lord?' Or I may become poor and steal, and so dishonour the name of my God.'
- 85 See Deut 6:10–13.
- 86 Ex. 23:11.
- 87 Deut. 24:19–21.
- 88 Lev. 25:8–55. See section on Biblical goals for a welfare system, pp. 178–181 in Michael Schluter and John Ashcroft (eds.), *Jubilee Manifesto* (Leicester: Inter-Varsity Press, 2005).
- 89 Jer. 22:13.
- 90 James 5:1,4.
- 91 Lev. 25:25, 35–42.
- 92 Deut. 25:55.
- 93 Deut. 24:14–15.
- 94 Genesis 29:14–30.
- 95 Rachel is actually given to Jacob after a week of marriage to Leah (Gen. 29:28), but the point remains that the cost of this 'transaction' was still seven years of labour.
- 96 This is highlighted in places such as Luke 16:1–15, where the 'shrewd manager' is seen negotiating with the debtors of his master. Kenneth E. Bailey, *Jesus Through Middle Eastern Eyes: Cultural Studies in the Gospels* (London: SPCK, 2008), p. 332ff.
- 97 Poverty as the result of laziness or foolishness is decried throughout the book of Proverbs. Cf. Wright, *Old Testament Ethics*, p. 169.
- 98 Especially the NT domestic codes.
- 99 The word 'honour' is more biblical, but does not carry quite the same emphasis.
- 100 These concepts are closely related to those of hospitality and exclusion also.
- 101 Ex. 22:26–27; Lev 25:53.
- 102 Deut. 22:28–29 would have applied to all virgins, even if they were servants. Cf. Ex. 22:16–17.
- 103 Ex. 23:12; Deut 5:14–15.
- 104 Gen 41:53–57.
- 105 Luke 12:42. Note that in this story the manager (*oikonomos*) himself is not wealthy. He is working on behalf of his wealthy master in order to ensure that his servants are cared for. In this parable, the care of people is the main criterion of the manager's 'faithfulness'—by eating, drinking and getting drunk himself the manager would be neglecting the servants' ability to eat and drink when they are hungry and thirsty.
- 106 See Ruth 2:2–7. Cf. Deut 24:19–21.
- 107 The narrative of the book of Ruth wonderfully portrays this multi-tiered dignity.

- 108 Matt. 20:1–16.
- 109 Bailey, *Jesus Through Middle Eastern Eyes*, p. 358.
- 110 Prov. 22:1.
- 111 Job 29:7; Prov. 31:23; Cf. Ruth 4:1 and Lam 5:14.
- 112 See Ruth 2:14–16; 3:2. This was not just a positive affirmation of workers' dignity, but also a negative measure insofar as it served to protect female workers from molestation.
- 113 Bailey describes the introduction of the manager as one of three 'big surprises' in the parable. See Bailey, *Jesus Through Middle Eastern Eyes*, p. 360ff.
- 114 Col. 3:22–23. Everyone mentioned in these codes (*baustafel*) was economically active in some way within the household. Thus, the *baustafel* are relevant to all worker relations, not just the master/servant relationship.
- 115 1 Thess 4:11.
- 116 Ecc. 5:18–20.
- 117 Ex. 35 ff.
- 118 See Prov. 5:3–14, 6:24–26, 23:27–28. Cf. J. P. Burnside, 'Strange Flesh: Sex, Semiotics and the Construction of Deviancy in Biblical Law', *Journal for the Study of the Old Testament*, 30/4 (2006), 387–420.
- 119 This reality forms the cultural context for Jesus' discussion about divorce in Matt. 5:31–32. In a patriarchal society, it was very difficult for previously-married women to survive without a husband (especially if they had children).
- 120 The parable of the shrewd steward (Luke 16:1–9) is an interesting study in this regard. Westerners emphasise his dishonesty and so refer to him as the 'unjust steward'. Easterners, however, recognise that he created honour for both his master and debtors and therefore received honour in return. See Bailey, *Jesus Through Middle Eastern Eyes*, p. 332ff.
- 121 1 Tim 5:8.
- 122 See Lev 25:35. The verse does not specify exactly what 'falling into difficulty' means.
- 123 Luke 2:8–20, but especially the often-neglected verses 17 and 18.
- 124 Matt. 4:18–22; Mark 1:16–20.
- 125 Matt. 28:9–10; Luke 24:10–11; John 20:14–18.
- 126 Jesus impeccably labels these people as 'whitewashed tombs'. See Matt 23:27.
- 127 E.g. tithing on herbs. See Matt. 23:23 and Luke 11:42.
- 128 This range of meaning is covered by the generic Greek word *misthos*, as seen in verses such as Matt. 5:46, 6:2, 10:41; Luke 10:7; John 4:36; Acts 1:18; Rom 4:4; 1 Cor. 3:14; James 5:4; 2 Pet. 2:13; Rev. 22:12.
- 129 St Paul uses this word (*brabeion*) twice: 1 Cor 9:24 and Phil 3:14.
- 130 I.e. the Pearl of Great Price. See Matt. 13:44–45.
- 131 Matt 6:20–21, 13:44, 19:21; Prov 15:6.
- 132 The Greek word is *kleronomia*. This concept is central throughout Scripture, beginning in Ex 4:22 where Israel is described as God's 'firstborn son'. It is on this basis that the Promised Land is given to the Israelites. It is promised, yes, but it is an inherited gift based upon their ongoing relationship as heirs to their father, God. See Christopher Wright, *Old Testament Ethics*, p. 84ff.
- 133 In this case, the well-known story of the prodigal son asking for his inheritance prematurely is precisely the exception that proves the rule. Inheritance was ideally to be distributed 'in the hour of death' (Sir 33:20–24), but certainly not before the older siblings. Today, most financial rewards can be easily

separated from the giver; in the Bible, the reward requires recipients to enter into the joy of their master in heaven where the reward was kept.

134 This is precisely the tension in which the elder son finds himself in the story of the prodigal son. See Luke 15:28–30.

135 The OT eternal focus is partly truncated due to conceptions about the afterlife of individuals. This begins to change in the Second Temple period in interaction with Hellenistic culture (2 Macc. 7:9, 29), so that Jewish beliefs about the afterlife have become more diverse in Jesus' day (Mark 12:18; Acts 23:8).

136 Matt. 6:19–21.

137 Matt. 25:19; Luke 12:45; Luke 20:9.

138 Luke 19:14. The fact that the master's citizens 'hated him' meant that faithful service from his servants was at the very least accompanied by difficulties and at the most physical danger if the citizens decided to express their displeasure towards the master's household. For a detailed exposition of this passage see Bailey, *Jesus Through Middle Eastern Eyes*, p. 401.

139 2 Sam 23:13–17.

140 In this sense, there was a basic symmetry between good luck and bad luck. Good luck was not rewarded just as bad luck was not punished. See Lev. 25:25.

141 Luke 12:13–21.

142 Bailey unpacks just how tragic a scene this is for a Middle Eastern context where every decision is always made through conversation with friends and family. Bailey, *Jesus Through Middle Eastern Eyes*, p. 303.

143 Although the term 'corporate' has become closely associated with business, it is actually quite appropriate considering that it connotes a unified *body* (corpus), one of the central metaphors of the New Testament (1 Cor. 12:12–14; Eph. 4:1–16).

144 Ex 16:31; 40:38; Levi 17:3, 8, 10; 22:18; Num 20:29; Josh 21:45 and Ruth 4:11.

145 Isaiah 42:6, 49:6.

146 Eph 2:19.

147 1 Cor 3:9. Luke 6:35 also connects reward with being 'children of the Most High' and Matthew 6:4 emphasises that rewards come from our heavenly Father.

148 Consider David fighting Goliath on behalf of everyone else and the good manager in Luke 12 who did *not* beat the other servants but instead treated them well.

149 Prov. 18:1.

150 Regardless of the country, one can almost always find a wealthy person who has insulated themselves from commoners by means of high walls, gates, driveways, gardens, etc.

151 Deut 15:7–15.

152 Cf. Psalm 37:21, 26; Prov. 14:21, 31.

153 Luke 12:13–21 initially appears to contradict this statement since we encounter brothers arguing about inheritance. However, the parable Jesus tells in response to the request in verse 13 emphasises the supreme value of relationships with people over wealth. Family and household relationships were not always easy, but even in this passage we find the two brothers in a relationship—even if strained.

154 Matt. 25:21.

155 Luke 19:17.

156 Cf. Bailey, *Jesus Through Middle Eastern Eyes*, p. 403.

157 Luke 12:48.

- 158 This relates to the Eastern Orthodox teaching on *theosis* or 'deification'.
- 159 See Eph. 2:19.
- 160 Matt. 5:12; 1 Pet. 1:4; Col. 3:24.
- 161 The story of the workers in the vineyard gives just a little insight into how aware and sensitive other workers might have been about rewards given to others.
- 162 1 Cor. 9:9–10.
- 163 Matthew 6:6, 16–18; Luke 6:35; Col. 3:24.
- 164 Matt 25:15 suggests that the master already had an understanding about his servants' previous behaviour since he distributed the talents 'according to ability'.
- 165 One of the best examples is the parable of the shrewd manager in Luke 16:1–9.
- 166 Abraham, Job, David and Solomon all fit this mould. Additionally, several wealthy people assisted in ministry of Jesus and the Church.
- 167 Accumulated power has a tendency to accumulate wealth (probably as a result of procedural injustice) but that is not condoned and even warned against. See 1 Samuel 8:1–18.
- 168 We might say that the view of wealth is 'fulfilled' in the New Testament as it becomes clear that earthly aspirations for land, temple and king are all satisfied by the new things accomplished by Jesus. See Walter Brueggemann, *Land*. Cf. Peter Walker, *Centre Stage: Jerusalem or Jesus?* (1996).
- 169 Deut. 17:14ff, Ahab and Jezebel, Zacchaeus, the rich man from Luke 16 and Ananias and Sapphira are all apt examples.
- 170 Isaiah 5:8.
- 171 Matt. 6:24; Luke 16:13.
- 172 Deut. 17:16–17; Cf. Psalm 20:7.
- 173 Luke 16:9. See also: Lev 25:23–24; Deut 8:17–18. See also Prov. 23:4; 1 Tim 3:3, 6:9–10; Lk 12:15; 2 Cor. 9:8.
- 174 Eccl. 5:10.
- 175 Commenting too much about the percentages can be problematic, especially since parables sought to communicate one big idea more than several. Nevertheless, it is quite clear that an increase of 100% is exceptional in almost any setting [or 1000% in Luke], whereas an increase of 0% clearly falls below satisfactory level. Because these are parables, it would not be surprising if Jesus purposefully picks extreme examples.
- 176 The *lex talionis* is often misunderstood. It was actually meant to serve as a *limit* to punishments.
- 177 Luke 17:7–10.
- 178 See Matt 25:15 and note #140 above.
- 179 The 'gig economy' refers to the increasing prevalence of people completing discrete projects for a set amount of pay. Zero-hour contracts, though related, are paid by hourly wages. See <https://www.wired.co.uk/article/what-is-the-gig-economy-meaning-definition-why-is-it-called-gig-economy>.
- 180 Higginson and Clough, *The Ethics of Executive Remuneration*, p. 8. See also Robert C. Solomon, *Ethics and Excellence: Cooperation and Integrity in Business* (Oxford: OUP, 1992) p. 45. [as cited by Higginson and Clough].
- 181 The major exception to this, of course, is a particular conception of the entrepreneur as a starkly independent agent.
- 182 NB: The view of this author is that there is no such thing as static 'competency'. Someone is either gradually drifting away from competence or reaching towards excellence. But this raises all sorts of

management questions beyond the remit of this paper.

183 Persons who excel at some type of specialised work often eventually enlist or rely on others to help them concentrate on that specific work through the division of labour.

184 <https://hbr.org/2018/11/the-best-performing-ceos-in-the-world-2018>.

185 It may be better to attract CEOs who are personally willing to take high risks but who have a track record of positional and company risk aversion by *not* offering a 'golden parachute'. How such qualities can be determined is another matter.

186 This would also need to grapple with the fair distribution of profits to shareholders.

187 Remember that the master in Matt. 25:15 had an understanding of his servants' abilities.

188 One implication in this regard is that would be ill-conceived to ever pit employees against each other within the same company, since the motivations and rewards will inevitably exclude others. This is not to say that competition within a company is unhealthy, but rather that *antagonism* within the same company is ultimately counterproductive. For more on competition vs antagonism see Calum Samuelson, *Redeeming Sport?*, p. 2018.

189 https://www.theguardian.com/business/2018/nov/17/four-day-week-productivity-mcdonnell-labour-tuc?CMP=fb_gu&fbclid=IwAR19dGyes2LDPnw6XevcrWUixcE_8mEobECrNuQh5IgrJoKPY_gUdMPqAI.

190 The Jubilee Centre and then Relationships Foundation have been leading the national Keep Sunday Special Campaign since 1985, based on research showing the significant connections between shared family time off and personal and social wellbeing.

191 This relates to the so-called Nash Equilibrium.

192 E.g. Fred Goodwin of RBS and Philip Green of Arcadia and Top Shop.

193 This is besides the fact that EPS can be manipulated through share buybacks and accounting manoeuvres.

194 Donna Hicks, *Leading with Dignity* (New Haven: Yale University Press, 2018), as quoted in Theodore Kinni, 'Leaders Should Focus on Human Dignity at Work', *strategy + business*, 28 November 2018.

195 Dignity and shame are on the rise in current Western cultures after a lull in the 20th century. They are at the core of identity politics, social media, #metoo and MAGA.

196 This idea of directors and managers being 'fiduciary' agents of the shareholders has been challenged as no longer self-evidently true. See, Joseph L. Bower and Lynn S. Paine, 'The Error at the Heart of Corporate Leadership', *HBR* (2017).

197 Relationships Foundation and Keep Time for Children, *All work and no play: how working unsocial hours affects family life* (2006).

198 See the methodology explanation at <http://fortune.com/best-companies>.

199 100 Best Companies to Work For; annual list published by Fortune magazine that ranks U.S. companies since 1998. See Alex Edmans, 'The Link Between Job Satisfaction and Firm Value, With Implications for Corporate Social Responsibility', *Academy of Management Perspectives*, 26:4 (2012), 1-19; also 'Great Place to Work UK' at <https://www.greatplacetowork.co.uk/>.

200 Nader T. Tavassoli, Alina Sorescu, and Rajesh Chandy, 'Employee-Based Brand Equity: Why Firms with Strong Brands Pay Their Executives Less', *Journal of Marketing Research*, Vol. LI (December 2014), 676-690.

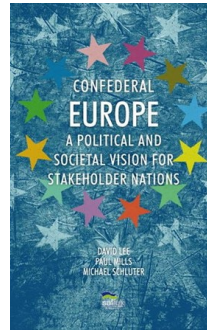
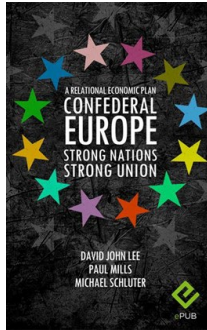
201 For a fascinating examination of this area see Jon Ronson, *So You've Been Publicly Shamed* (London: Picador, 2015).

202 The most notable examples, Bill Gates and Mark Zuckerberg, have both pledged to give away vast portions of their personal wealth.

- 203 See Robert M. Bushman et al., 'Bank CEO Materialism: Risk Controls, Culture and Tail Risk', *Journal of Accounting and Economics*, 65:1 (2018), 191-220. Interestingly, an additional repercussion of not focusing on or acknowledging non-monetary factors may be that companies ignore the possibility that a CEO may be focusing more on their own reputation than on shareholder interests.
- 204 In these situations, both directors and shareholders should be penalised, but in different ways. Any employee payments outstanding should be given priority over all other stakeholders, including the Inland Revenue.
- 205 <https://www.reuters.com/article/us-ing-groep-settlement-money-laundering/dutch-bank-ing-fined-900-million-for-failing-to-spot-money-laundering-idUSKCN1LK0PE>.
- 206 See Calum Samuelson, *The Steering Wheel*.
- 207 (£10.50 in London and £9.50 outside London).
- 208 See endnote 179.
- 209 See <http://www.jubilee-centre.org/introducing-the-relational-proximity-framework/>.
- 210 See <http://www.reading.ac.uk/web/files/economics/emdp2016124.pdf>.
- 211 The Walker Report on Corporate Governance is especially keen on the advantages of partnerships.
- 212 It can be equally argued that the lack of rProximity/cohesion within shareholders (over time) and within employees (over time) makes it easy for those with rProximity/cohesion (executives/directors) to make up what the others (stakeholders & employees) want or need.
- 213 Living Wage Foundation 2018 figures are £8.75 across the UK and £10.20 in London.
- 214 NB: There are other forms of dependence apart from financial dependence, so a just and dignified employer would consider both financial and non-financial remuneration to help support such dependence.
- 215 See <https://www.thetimes.co.uk/article/reduced-salary-for-bath-university-s-next-vice-chancellor-tmrqgnm8v>.
- 216 <https://www.theguardian.com/business/2018/feb/23/persimmon-slashes-bosss-bonus-to-just-75m>.
- 217 Kylie Jenner earned \$166.5 million in 2018, largely thanks to her 110 million Instagram followers. See Forbes on world's highest paid entertainers.
- 218 C.S. Lewis, *The Last Battle* (London: Diamond Books, 1999), p. 355.
- 219 FRC, *UK Corporate Governance Code* (2016, § D.1).

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