

The rich traditions of the Christian Ethical Investment Group

Gavin Oldham

The Christian Ethical Investment Group (CEIG), which merged with ECCR early in 2008, has a proud 20-year history of campaigning for ethical values to be taken into account in making investment decisions.

Its roots were in the late 1980s struggle against apartheid in South Africa. Many of the UK's largest businesses were continuing to operate in that country in defiance of sanctions. A small band of dedicated people from the Church of England were determined that the Church's substantial assets should not be invested in a way that would give succour to the South African government.

The Bishop of Oxford's case

As with many pioneering faith initiatives, the core of this group of people were from the diocese of Oxford. Canon Bill Whiffen was the main mover, and he worked with Rt Revd Richard Harries, then Bishop of Oxford, to bring a legal case against the Church Commissioners in 1991.

The judgment turned out to be a major landmark in the history of church and charity investment regarding the role of trustees in balancing their fiduciary duty to achieve the best possible performance for their beneficiaries while properly recognising the values held by the organisation owning the assets. The judge prepared an extensive and detailed summing up which is widely used by charity lawyers, authors and investment managers today.¹

The CEIG constitution was developed by its executive committee which included Revd Paul Brett and Mike Tyrrell, an energetic campaigner and member of the Church of England's General Synod, who was CEIG Chairman until his untimely death in 2002.

Ethical Investment Advisory Group

Meanwhile Canon Hugh Wilcox followed up the legal judgment with a Synod motion welcoming the establishment in 1997 of a formal Ethical Investment Advisory Group (EIAG) to provide specific guidance for Church of England central investment bodies.

The first nine years of CEIG's existence were thus marked with an outstanding series of successes, and in the late 1990s the group broadened its remit to become more ecumenical in nature to give more attention to the need for a broader acceptance of ethical investment, including for individuals.

Meanwhile the Church of England's EIAG ensured that the new Pension Board and the CBF Investment Fund, which provides straightforward stock market investment for parishes and dioceses throughout England, had a set of policies and a list of restricted stocks recommended for avoidance on ethical grounds.

After Mike Tyrrell died in 2002, Gavin Oldham took the helm, with Stephen Dunham and Jane Whitfield as Secretary and Treasurer respectively. As active business people, both Mike and Gavin brought a pragmatic awareness of the issues facing those in the world of work.

Events and seminars

A series of events and general meeting seminars were held to tackle contemporary issues, including fair trade and the environment. A notable panel session was held at St Mary-le-Bow church in Cheapside chaired by Rt Revd Richard Chartres, the Bishop of London, with a panel which included representatives from Friends of the Earth and investment institutions.

CEIG has always rested heavily on its Christian foundation and has sought to offer a strong theological basis for its activities. In 2002 Dr Richard Burrige, Dean of King's College, addressed a seminar urging a stronger basis of theology for ethical investment. In the EIAG Rt Revd Peter Selby, Bishop of Worcester, did much to address this need.

CEIG also developed focused ethical investment worship for its general meetings, including a litany covering the main FTSE-100 business sectors, which had been developed by Mike Tyrrell. In 2004 Gavin Oldham provided an analysis of the parables and gospel teaching with contemporary pointers for the workplace of today, and the CEIG website had a special section 'Where's God [in ethical investment]?' charting relevant sections of the Bible for study.

Work was also undertaken to survey church opinion on the exclusion of alcohol-producing companies in the light of the absence of biblical support for the restriction on that sector. It was concluded that the key issue was to bear down on alcohol abuse rather than production, and that a more refined policy was needed. The EIAG has now accepted the need for more focus in this area.

Neighbours of tomorrow

A key aspect of CEIG's thinking was to interpret Jesus's instruction to 'love your neighbour as yourself' in the context of our neighbour of tomorrow. Much ethical purpose is directed towards intergenerational fairness, not just addressing the problems of today but also the problems that will be bequeathed for the people of tomorrow by our actions today. This is particularly relevant to areas such as the environment, whose degradation will result in much suffering as a result of forced migration, hunger and poverty.

However, action on the environment cannot be limited to specific disinvestments from investment portfolios. The Bishop of Oxford's judgment may have set new guidelines but also demonstrated that disinvestment from companies such as BP or Royal Dutch Shell is simply not an option due to their size and thus impact on trustees' fiduciary duties. So pressure must be maintained by a policy of engagement and dialogue to ensure that the best possible corporate governance standards are applied, including corporate responsibility towards the environment.

These considerations have drawn CEIG closer to ECCR's activities, and after much careful consideration it was decided to merge CEIG within ECCR. We therefore look forward to bringing its rich traditions, which have changed the shape of the Church of England's recognition of the role of ethics within investment, to the campaigning work of ECCR.

Gavin Oldham was Chair of CEIG from 2002 to 2008.

Notes

1. See 'The Bishop of Oxford's case', www.eccr.org.uk/module-htmlpages-display-pid-41.html.

ECCR *Bulletin* no. 70 September 2008