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What is the economy for?

By Rob Fairmichael, Secretary, Inter-Church Committee on Social Issues (ICCSI)

What a difference a year makes. Today, unemployment is going through the roof - the roof which the builders left unfinished when they were laid off, so we're all a bit more open and subject to the elements than before. If you owned bank shares and sold them a year ago, stuffing the money in your mattress, you would potentially have 5,000% of what those same shares are worth now. Meanwhile the words 'Irish' and 'banking' combined are enough to cause international ridicule. Strange times indeed but, as always, the poor and vulnerable are most at risk of sinking in the current economic crisis.

The prosaically named 'Companies, Communities and Religious Investors' conference on socially responsible investment, organised primarily by ECCR, the Ecumenical Council on Corporate Responsibility, was attended by 80 people at All Hallows, Dublin, on 5th March. It was not about the current world financial crisis per se but about the impact the economic world makes on people and how we, as Christians, should respond. With a packed day, only some of the detail, and very little of the discussion, can be recorded in this space.

The scene was set by Robert Cochran (chair of ICCSI, the Inter-Church Committee on Social Issues) who addressed the theme that 'The time is right….' In stating that banking is too important to be left to the bankers, he argued for a clearer separation of the social infrastructure role of banks from their wholesale, back-office, role as investment bankers. He also stated that the current market model for equities and currencies is seriously flawed and has outlived its usefulness; he argued for a 'social economy, where meeting social and community needs and respecting personal integrity and value are as important as economic and monetary gain…'

Robert Cochran also raised the question of whether corporate responsibility can be a smokescreen for un-ethical behaviour 'or perhaps just a cynical PR exercise.' He felt that the time is right for the churches to provide moral and ethical leadership on these matters but raised the question of whether we, in the churches, have 'been accomplices to a form of free-market capitalism which has led to the mess we are in today.' He concluded by stressing the importance of becoming the change we wish to see.

We had a focus on the impact of our economies on the poor world, and how companies impact on the global South. Fr Patrick Eyinla spoke about oil and gas extraction in the Niger Delta and asked where the spirit of God is in corporate entities who made little or no attempts to rectify the negative impacts their work had on plant and human life. Fr Frank Nally talked about mining in the Philippines, the devastating ecological effects, and the dangers of storing waste in the vicinity of a geological fault, with the danger of earthquakes. Mining is capital intensive and does not create that many jobs.

One primary question is how can more food be harvested for burgeoning populations if the land and waters are made toxic? The population of the Philippines is set to increase from 90 million today to 135 million by 2030. I might add that we now talk about 'toxic' banks but the word has an entirely different meaning if you are a small farmer in one of these countries whose livelihood is ended, figuratively disappearing down a mine because of toxic tailings. Laws to defend the environment may look spectacular on paper but have very poor implementation, Frank Nally said. That gold ring on our finger may have caused 5 tonnes of waste.

The discussion was brought home by a question from the floor, by Joe Murray, about Shell involvement in Co Mayo (Corrib gas field). Interestingly, Shell thought it sufficiently important to

send two representatives to the conference, one of whom raised the issue of whether ECCR really interacted with companies; Miles Litvinoff of ECCR gave a short but comprehensive reply of how it informs, and seeks to interact with, companies whose affairs it is examining.

Rev Prof Enda McDonagh, speaking on the theological basis for socially responsible investment, emphasised the extent to which we are relational beings, regulated by ethics and morality which overrides the law. Individuals exist in communities, they are not individuals with community added on. Just as there are good communities and individuals, there are poor communities and individuals – sin in theological terms. All of us carry potentially fatal flaws – we want more and more of certain things such as money and power to which we can become addicted. He caused some laughter by talking about dealing with his addiction to books…..

He moved on to speak about social bonding – always being our neighbour's keeper - and the importance of the challenge of faith in recognising the positive and the negative. He ended with his three (in Greek) 'K' words – Creation, Kairos (with opportunity for transformation arising from crisis) and Koinonia. People of faith need to pursue the needed breakthroughs.

Fr Seamus Finn spoke of some of the options for Christians in interacting with the financial and corporate world through shareholder actions – some of which may be easier in the USA than in Europe. Regulation of business must be monitored, reliable and accurate but it was needed on a global level and we have a very long way to go on this, he said; we need a global regulatory framework or we end up with a race to the bottom.

Very Rev Dr Sam Hutchinson spoke about Presbyterian principles, and the Presbyterian Church in Ireland has had a good set of ethical guidelines for investment – he spoke of some of the difficulties along the road. He also spoke about the legal requirement for trustees to get the best return – an issue which received some questioning from the floor.

Other speakers covered the work of ECCR, ethical investments available in the Republic (which has been less developed in this area than the UK), advice available on ethical investments, and Oikocredit (a Christian micro-credit organisation assisting poor country development). The closing prayer included the Christian imperative to love mercy and act justly. The organisers hope to continue the work which has just begun in Ireland with this conference.

The churches in Ireland, including the Church of Ireland, have, in general and at a central level, good ethical investment policies. What a survey by the Inter-Church Committee on Social Issues (ICCSI) showed, however, is that at a subsidiary level within churches the same strictures may not apply. Meanwhile, irony of ironies, at a personal investment level we probably do not exercise the same level of concern for our brothers and sisters, our global neighbours at home and abroad, as we expect of our churches. On moving forward on green issues we all have a long way to go.

The churches, as repositories of concern for spiritual and ethical issues, are still a mass force in Irish society, North and South, and have the capacity to help move things forward. But do we love our neighbour as ourself or shaft them with sweatshop jobs and global warming? What exactly is it that we are doing to the 'least of these' our brothers and sisters? The history of Christian responses to usury is certainly not straightforward but when the Christian church 'got over' its problem with this practice (lending capital for interest) by around the 16th century, did we have anything to replace it with?

Tony Weekes asked the question during the day of what the economy is for. This question might seem naïve but is actually quite profound. Until we answer that question adequately we will be tossed by the vagaries of economic cycles and consumerist fashion. From the point of view of the globe and global warming, economic growth which is not decoupled from new resource and fossil fuel use is an absolute disaster. If the current recession is an opportunity for us to rechart where we are going then it can help us towards an ethical and sustainable future, so the big problems currently faced are also an opportunity. The challenge for Irish churches is to seize the existing kairos moment to move towards koinonia while respecting creation.