

# Where's God in ethical investment?

## *A biblical and theological approach*

**CEIG Annual Meeting : 2002**

The development of Corporate Social Reporting owes much to Christian concerns about the linkage of our investment decisions and the world around us. The first ethical investment policy was probably that of the Church Commissioners. The judgement in the legal case brought in 1991 by the Bishop of Oxford forms the basis on which charity trustees can take into account factors other than the 'purely' financial.

However, there has been little discussion of the theological under-pinning of this Christian concern. What is it about the Christian faith that spurs Christians into debate regarding investment and the use of money? Do the theological issues help us in the development of tackling difficult questions that are often side-stepped by the ethical investment movement?

We were pleased to welcome Richard Burrige to lead us in this subject. Anthony Bolton, a senior investment manager with Fidelity Investments, responded to issues from the 'coal face' of practical investment management. The debate that followed included issues from mobile phone masts to trade for justice.

*Richard's material is his copyright which includes material from his forthcoming book, 'New Testament Ethics Today' from Eerdmans and T&T Clark.*

*The lecture was chaired by Clive Cutbill of Withers LLP who was our host for the evening.*

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### **Richard Burrige**

*Dean of King's College, London*

#### **Introduction**

*Some personal background :*

I have been involved in debates in the Church of England's General Synod about ethical investment particularly the recent Ethical Investment Advisory Group reports. I have been very glad to see the extremely encouraging progress they have been making of late. Nonetheless, I have also been one of several critics of them who have asked the question before us tonight: **Where is God in ethical investment?**

I am not an economist, nor an expert in ethical investment. But I am a biblical scholar trying to grapple with ethics – working over the last few years on a major research project on how the New Testament is used in ethics, and relating that to handling moral dilemmas in society today.

First to explain my reactions ethical investment at present – and then to sketch out how we might answer our question.

## **1 Ethical Issues and Investment**

A major part of the debate about ethical investment is concerned with particular ethical issues or questions about the morality of certain activities.

Thus the EIAG's Statement of Ethical Investment Policy notes that ethical investment concerns go back to the formation of the Church Commissioners in 1948. This was confirmed in the 1991 judgement on the Bishop of Oxford's case.

### [Bishop of Oxford Judgement](#)

The Church Commissioners had always avoided investment in companies dealing in armaments, gambling, alcohol, tobacco and newspapers.

The Bishop of Oxford's case sought declarations from the Vice-Chancellor about the duties of the Commissioners to promote the Christian faith and not act 'in a manner which would be incompatible' with that – most notably through avoiding investment in South Africa completely. Although these declarations were not made the case was a watershed.

Since 1991, things have changed enormously. Ethical investment has become big business and in churches with formal reports to Synod on ethical investment concerns. All of this is greatly to be welcomed and applauded.

However, EIAG is primarily focussed on responding to particular issues – which is immensely hard work. In a recent month, the EIAG's had a case-load of sixty. 25% of the cases concerned issues to do with life in society – *human rights, governance, employment, etc* – while 50% concerned environmental issues - *emissions, energy etc*.

Similarly, the EIAG reports to Synod shows a similar focus on particular issues. Of the 32 individual items mentioned since 1996 only 2 are related to sexual family life (pornography etc). 7 items are environmental and 8 are related to armaments.

### [List of EIAG Publications](#)

Those responsible for giving investment advice have to consider the issue and make recommendations and justify their reasons for doing so. It is these reasons which particularly catch my attention.

## **2 Approaches to Ethical Investment**

In today's multi-cultural and multi-faith society, debate and public policy are usually conducted around two main areas

- **utilitarian principles**  
to maximise the greatest benefit for the greatest number of people, and to minimise any pain and suffering for as few people as possible. *This ethical*

*tradition has dominated much of our public life and legislation for the last century or two.*

- **human rights.** While starting with the declarations of the French Revolution and the American Declaration of Independence, - *when humans had been 'given inalienable rights by their Creator'* - it came to the fore with the foundation of the United Nations and its Universal declaration of human rights – *Creator dropped in favour of a committee.*

**Utilitarianism** and **human rights** are seen (*rightly or wrongly*) as open to all and not confined to believers in any one religion or moral system. Therefore it is understandable they have come to dominate public discourse. It may be argued that they are being joined by another widely agreed basis for ethics – that of **global environmental concern**, and for the welfare of our planet.

Much of the debate about Ethical Investment also uses these approaches. But what concerns us are the ethical investment policies being pursued by our various churches – and their statements and reasonings.

- **Church of England's policy** [Full text](#)  
'Christian witness and values' are mentioned in the opening sentence – very encouraging.

However, look at the rest of it – good and typical list using utilitarian, human rights and environmental concerns; fine so far as it goes – and better than many – but nothing particularly Christian. There is a list of things not to invest in – but never any reasons. Disappointing has not carried out the initial claim.

The reports to Synod also goes through the various issues in turn – using various ethical criteria – but mostly about avoiding harm, causing benefit, human rights and the environment. Nothing wrong with this but : **Where is God in all this?**

- **Methodist statements** [Extracts](#)  
Some more stress on Christian ethics, 'consistent with moral stance and teachings of Christian faith'
- **Roman Catholic dioceses** [RC Diocesan Summary](#)  
Again stress on Christian ethics – especially Birmingham, Brentwood, Northampton, Wrexham - Others are more issue based – eg Menevia or Lancaster.

Again, fine as far as it goes – but where is God in all this? Christian ethical investment must begin with biblical and theological principles. Obviously cannot cover them all in this lecture – for it would include the whole theological syllabus – but let me try to sketch out a basic approach for us to discuss.

### 3 Some Biblical material on wealth

#### Jesus and the New Testament

*Sketch by John Bell and Graham Male of Iona Community: Church Times 23/1/98*

Jesus comes down mountain to find disciples arguing about what is the subject he talks about most often; Is it personal morality? family life? eschatology? *we might add homosexuality or abortion* Answer - **money**.

200 refs on money, rich, poor versus 50 for marriage, sex, etc. *Compare these statistics with EIAG breakdown – not so far out with its concentration more on environment and authority than on sex and gambling.*

### 3.1 Jesus/gospels:

Debt slavery common in Jesus' parables and teaching (*e.g. in prison till you pay Matt 5.25-6; unforgiving servant 18.23-35; two debtors Lk 7.41-43*);

Recent social studies (*e.g. Horsley's*) back this up; tension of urban centres like **Sepphoris** *note never mentioned in NT yet financial and intellectual capital of Galilee versus* villages like **Nazareth**, *subsistence farming v selling produce to market for cash; selling of land, especially small holdings to larger farms owned by rich absentee landlords, slave gangs* Common across Roman empire – Does it all sounds familiar?

**How can we arrange this material?** Quite a lot and quite complex. Let's have a go at Jesus first (using Mark), then look at what Matt and Luke do with it.

a) *Jesus/Mark:*

Rich young man and teaching about wealth, camel and needle: *Mk 10.17-22; 23-25; [also Matt 19.16-30; Lk 18.18-30 §189 - note Lk's 'sell all' and 'very rich']*

b) *'Q' material common to Matthew and Luke (but not Mark)*

**Beatitudes** (*Matt 5.3-12/Lk 6.20-23*); Matt has eight virtues, mostly spiritual poor in spirit, hunger and thirst for righteousness, mourning; Lk financial 3 distresses- poor; hunger now, weep now - out of poverty or frustration? Lk's 3 distresses balanced by 3 woes against rich (*Lk 6.24-26*).

**Sermon on Mount:** Do not lay up treasure on earth but heaven *Matt 6.19-21/Lk. 12.33-34*; Cannot serve God and Mammon (*Matt 6.24; Lk 16.13-14*); do not worry about material things, Seek God's reign (*Matt 6.25-34/Lk. 12.22-31*); concentration on the 'kingdom' – really 'kingship' - 'of heaven'.

**Money and interest in talents** *Matt 25.14-30*; pounds *Lk 19.12* - yet the ones who are praised are because they have lent to banks and made interest *forbidden under the Old Testament* - while 'wicked servant' did not go to the bank!!

c) *Matthew - counter-tendenz* Matthew is more spiritual and uncompromising

Unique cancellation of debt parable *Matt 18.25-32* on forgiveness;

Unique labourers in vineyard *Matt 20. 1-16*

Unique judgement by deeds of financial relief etc. *Matt 25.31-46*

d) *Lukan material*

Magnificat hungry v rich away, *1.53*; woes to rich *Lk 6.24-26*;

rich fool 12.13-21, leads into lilies and ravens, 12.22-34; 'sell your possessions and give alms' inserted before treasure in heaven 12.33.

Unique about invite not rich but poor 14.12, also inserted into parable of great banquet 14.21 (*Matt just has as many as you can find* 22.9); leads into challenge of cost of discipleship, including unique 'give up all your possessions' Lk 14.33; Odd parables of unjust steward Lk 16.1-13 - importance of being 'faithful in 'unrighteous mammon'; Pharisees who were 'lovers of money' scoffed 16.14, leads to Dives and Lazarus 16.19-31). After the rich young man (18.18-30) comes Zacchaeus (Lk 19.1-10).

*Jesus' example:*

General sense that money and belongings are not important to him.

Paul's appeal to Jesus' example: though he was rich became poor for our sakes 2 Cor 8.9; Jesus' humility again in Phil 2.4.

Is it notable that Jesus seems to talk more about money and possessions, and less about some of our 'touchstones' of Christian morality?

Are we meant to take these instructions literally? Interim ethic before the coming of the kingdom? Or for the super-Christians? Rich young man and teaching about wealth, camel and needle: Mk 10.17-22; 23-25; Matt 19.16-30 – note Matt's version in 19.21 – leads to the Didache *Second Century AD* and onto religious orders.

Is it hyperbole to make the point ? Like we might refer to 'only 50p' a week

Stewardship theme consistent theme in many parables – theme of rendering an account.

#### **4 Theological framework**

See for example [CEIG Where's God ? Flowchart](#)

**Creation:** General biblical context of the 'earth is the Lord's and the fullness thereof' (Gen. 1; Ps 24 etc.) seems to underlie a lot of the trust in God as heavenly Father in all the parables.

**Sin:** Gen 3 – and the history of humankind. This is why we need ethical investment policies – because we have a tendency to be selfish, greedy, to exploit others and then blame it on others. *Like Adam and Eve in the Garden of Eden*

**Incarnation** Jn 1.14; 1 Cor 8.6; Col 1.15-20 speaks of the fullness of Jesus, yet Phil 2 of his humility in laying it aside – all to experience our human life – and poverty.

**Redemption:** everything can be redeemed from the effects of human sin. Peter Selby argues from the Atonement the need for a transformed economy - self-sacrificial

*Peter Selby 'Grace & Mortgage' 1997 pp 156-167*

**Eschatology 'Future' things:** through to new world in *Roms 8, Rev 21-22*; eschatological reward 'receive hundredfold' (*Mk 10.29-31*) or of the reversal for Dives and Lazarus (*Lk 16.25*). This is the uncomfortable part of keeping an account.

## 5 Church tradition and moral philosophy

The first two major considerations for any Christian attempt at ethics are **the Bible** and **theological framework**. There a major resource of 2000 years of **church tradition and reflection** Much of this has contributed to the development of moral philosophy. Huge subject – but a couple of examples:

a) **War and weapons:** the shift from the non-resistant approach of Jesus, through the pacifist tendency of early church, to the Constantinian state and the acceptance of military service, leading to the development of just war theory. Some accept this, others do not. But at the very least, the [just war criteria](#) can inform discussion about investment in military companies.

b) **Alcohol or gambling:** Varying positions taken by different churches at different times. Need to analyse them – compare them – and see what they might have to say to the issues facing us today.

## 6 How does this affect the key issues facing ethical investment?

What does theology say? Does it help us to know what to avoid or what to invest in? Certain activities as cause for concern?

A biblical and theological approach coupled with an awareness of the riches of the Christian tradition can achieve a vast amount in the field of ethical investment. It will be different from the usual utilitarian or human rights approach.

We may want to agree with both of these – but we will have better grounds for doing so – **human beings** made in the image of God, and hence have '**rights**' and also responsibilities; we **do want to maximise the good benefit** – but also we recognise that every individual is precious in the sight of God. **Environmental** approaches too will often coincide with others – but will arise from a proper respect for creation because it is made by God and has a purpose in his love.

Thus I fear that I am putting an huge amount onto the task of those involved in ethical investment – which is why the Church of England need to resource EIAG more adequately! We cannot avoid the issue-based focus – but in each case, we need to consider all the biblical material relating to a topic, to work through the theological framework and see what the implications for it are, and to consider the wisdom of the last two millennia.

## 7 Jesus' inclusive attitude

I want to conclude with a brief final point which arises out of my wider research on Jesus' ethics and those in the NT generally.

One potential problem for those involved in ethical investment is that it can seem to lead to being 'separate' or '**holier than thou**'. That is, that Christians cannot touch certain things – alcohol, tobacco, etc. I think it probably is right that we should not invest from such activities – and still less profit from them.

However, we have to remember that Jesus' ethic was always taught in a context of **accepting people where and as they were**. The one thing he was not proposing was an ethic of 'purity'. This means that Christians need to get involved in the debate on ethical investment, to join in the issues, to seek to develop a clear and truly Christian approach to them – yet also to debate with those in the rest of society seeking ethical investment from their perspective.

**We still need to engage with the utilitarian or human rights approaches of others – but we must always seek our own Christian basis as well – to ask 'Where's God in ethical investment?'**

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Dean of King's College, London

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### **Anthony Bolton**

#### *A response from an Investment Manager*

*I am an investment manager with Fidelity Investments and run some of the larger funds including the European Fund and Special Situations Fund. Each fund has some £2 billion under management but with some 200,000 investors who typically only have a few thousand pounds invested. These are usually sold through an intermediary.*

The general approach is that of best financial returns and not to exclude companies on ethical issues. Among 200,000 investors there will be a broad range of views and therefore it would be inappropriate to dictate one view over another through making a particular stance on an investment.

What we do do is to look for companies' ethical business practices. Some 15 to 20 companies are seen every day to talk about their companies and operations. Fidelity would want to see openness about business practices and, for example, prohibit the payment of bribes or involved in corruption. Companies should adhere to best practice in Corporate Governance. Fidelity have a code of standards which are applied globally.

There are 4 examples of moral question that I have been confronted with in practice:

1. **Directors' Pay** : Pay should be commensurate with the job. Bonuses should align directors' interests with those of the shareholder and should not be paid for

poor performance.

2. **Tobacco** : The best performers over the past two years have been Tobacco companies. In considering good practice there is, for example, a Swedish tobacco company that is looking at uses for ‘non-smoking tobacco’, tobacco products that do not involve inhalation, such as snuff.
3. **Consumer Finance** : A company such as Provident Financial raises difficult issues. They provide a credit source for those who would not be otherwise eligible for credit – normally those who are poor. The alternative would be for local money lenders with exorbitant charges. In such cases companies need to provide very clear standards of business.
4. **Gambling** : This is a difficult issue. Attitudes differ geographically and have moved substantially over time. What was not acceptable a few years ago has become quite acceptable – as for example with the National Lottery.

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## Discussion and feedback from the floor

*GO* This Christian Ethical Investment framework will be very helpful in the EIAG (Ethical Investment Advisory Group – for the Anglican Church).

*Richard Burridge* There is obviously a very real problem of investment – whether that be from a secular, Christian or Islamic point of view. There is nothing wrong with the utilitarianism-human rights-global ethic approach. Much of these ideas derive from Christian sources. The American Bill of Rights and the French Revolution were the originators of the concept of human rights when rights were ‘given by the Creator’. Now they are given by the United Nations.

In our pluralist society we can no longer use the theological approach for public discourse (unlike a theocratic society such as Israel in the Old Testament or certain Islamic countries applying Sharia law). Yet without God there are no ethics only shared values.

Anthony has to grapple with very real situations. It is recognised that no-one can come from a ‘neutral’ situation – ‘everyone comes from somewhere’ which gives the opportunity for Christians to debate the subject theologically.

*WW* In the original Bishop of Oxford’s judgement the only side that quoted Scripture was the Church Commissioners’ lawyer who quoted Jesus’ saying that you cannot serve God and Mammon. And then he said that what was Jesus’ saying but as investors we had to be in the real world!

Money is the key issue and we should look at banks and their responsibility. Both in respect of debt and trade for justice.

*RS* I want to raise issue of Mobile Phone Masts and their installation on church buildings. Is that not being on the side of Mammon ? Does that not expose churches to possible litigation? Use of pornography ?

Equally surely the investment manager should be concerned about health issues and possible litigation in investing in mobile phone companies.

*Richard Burridge* : The dichotomy between God and Mammon I believe is forced. The key word is 'serve' – the root word is to do with 'Worship'. What is the 'Number 1' guiding principle?. The gospels give the 'kingdom' (or 'kingship') as Number 1. One can still serve God by doing something financial.

*Anthony Bolton* : Health aspects and potential litigation are very important. I have looked at the evidence and considered it in investment decisions. We are looking at similar issues with National Grid where there may be radiation issues for buildings in the vicinity of electricity pylons.

*Clive Cutbill* : I come from a church which has refused to put up a mast despite its financial return. We relied on the exception in the Bishop of Oxford's judgement whereby charities can turn down financial return if that will have a negative impact on givers ability to give. We considered that the negative reaction to a mast on the spire would directly affect the giving into the plate. In some ways this is good financial business and not just ethical.

*Richard Burridge* : I recognize that there are serious concerns with mobile phones in areas such as: sexually explicit material over mobiles, health hazard, and BT/Vodafone's refusal to block mobile phones (so reduce incentive for crime).

*HL* : Is it not that small is beautiful. Small businesses can give good service and take on board the issues of being socially responsible by relating to their local communities. However big organisations seek to maximise profit and so Mammon is Number 1.

*Richard Burridge* : This maybe a fact of life. Strange idea of God not being in dialogue with world. This maybe where the ethics of intention come in – What is the purpose of earning more money ? Is it to build a bigger swimming pool or give the money to the poor ?