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Out of the Crisis, Hope¹

A reformed perspective on the financial crisis

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A basic principle of economics

The neo-liberal model assumes that the normal state of an economy is a stable equilibrium. Any disturbance can only be fleeting; everything will quickly and spontaneously settle down again (With an astonishing degree of intellectual elasticity those who hold this view of the economy as fundamentally static are nonetheless able to combine it with a vision of it as endlessly growing).

The Bible on the contrary sees the economy in unstable equilibrium. *For unto every one that hath shall be given, and he shall have abundance to excess: but from him that hath not shall be taken away even that which he hath*². The aphorism sums up in a single phrase the whole dynamic which explains the concept of the jubilee, which in turn underlies both Testaments³. In this kind of relationship the rich are willy-nilly the cause of the poor: both are inseparable consequences of the single process of cumulative causation. Gregory the Great (c. 540-604) put it simply: “If you have a second pair of shoes and a poor person is barefoot, your responsibility is not to give them to him but to return them to him.”

Communicating

The Bible’s insistence on maintaining community is the other side of the same coin. It is everyone’s responsibility to ensure that no-one falls out of the community, and to fetch the marginalised back into it. It is a commonplace that for the Old Testament the community was the ethnic or national community of the Jews and that one of the great innovations of the New Testament was to extend the concept to embrace the whole of humanity.

For Calvin, the word ‘communicate’ and its cognates have particular significance. He insists on the essential role of conversing, exchanging, trading, passing things on to those who need them – all those activities are included in his meaning of the word - in defining the very humanity of humanity.

¹ Cf. Judges 14.14

² Matthew 25.29. This dictum, which was popular at the time, appears several times in the New Testament.

³ Cf. Trocmé, André, 1961, *Jésus-Christ et la révolution non violente*, Geneva, Labor et Fides



Let us realize that as God has thus joined us together, that each of us is obliged to his neighbours. If God had wanted to keep each of us apart, well then, we would not have the necessity that compels us to mix with each other. Whatever people may wish, they have to communicate with each other. So this is what we must come back to: we have to know, in fact, that God wanted to make us like members of one body... [G]reat and small cannot rest content each with their own person but we must be united and have a mutual bond, as it were, of fraternity. When we have that outlook, everyone will then conclude, "I see my neighbour needing me and if I were in the same position I would want to be helped, so I must do likewise"... God ... wish[es] that each one of us should busy himself for his neighbours and no-one should be devoted to himself alone but together we should serve everyone.⁴

Signs of hope

1. Taxes

The financial crisis, the consequent disruptions to the economy and the demands these are making for new public expenditure have provoked the return of fiscal honesty to favour. The current timely attack on tax havens and banking secrecy is a first piece of good news to come out of the crisis. Taxes play an irreplaceable role in maintaining community. Two aspects of this role can be cited.

Firstly, taxes are the most sensible way of paying for collective goods and services – those which are available to everyone as soon as they are available to any one person: a public park or a street light for instance. Collective goods contribute in an irreplaceable way to the cohesion of the community. Since it is in everyone's private interest to pretend that they are not interested in a collective good, hoping that someone else will pay for it in their stead, the fair-est way of paying for them is through taxation, which is compulsory.

Secondly, taxes provide the fairest way of redistributing to the marginalised the resources which the spontaneous workings of the economy have sucked into the centre. In so far as taxes are compulsory, everyone is required to contribute their fair share. Through taxation the jubilee can become an everyday occurrence.

2. Social security

During any period, the economy produces a particular assortment of goods and services to be distributed among the then members of the human community. This is not just a matter of rich and poor. There are people who produce little or nothing because they are too young, too old, handicapped or lacking in the other factors indispensable to production. For production not is not the fruit of labour alone: capital of many kinds and the vast range of natural resources also contribute. Calvin's catechism of 1537, referring to the phrase in the Lord's Prayer concerning our daily bread, reminds us that *it is purely a free gift from God from wherever it comes to us, though it seems to have been gained through our industry.*

Over the last generation or so society has decided that people should be convinced that they should break free from the community and accumulate a private hoard of wealth so as to be

⁴ Calvin, Sermon on 1 Timothy 6. 17-19.



able to meet their own needs when they are not in a fit state to work, without relying on God's providence communicated through their neighbours. As Calvin put it, *When people share with each other in proportion to their gifts and needs, this mutual allocation results in very decent shares and as it were a beautiful harmony... Riches which are heaped up at the expense of our brethren are accursed... We are not to imagine that the way to grow rich is to make provision for our own distant future and defraud our poor brethren of the help that is their due*⁵.

As the gold people have accumulated in their various private insurance and social security schemes have turned to dross in the financial crisis, now is the time to return to simpler, more sensible methods which build not the illusion of fortune but the reality of community.

⁵ Commentary on 2Cor. 8. 14-15.