

Underlying much of the anger about the present economic crisis is a sense of betrayal – betrayal by bankers, who squandered our savings, betrayal by fund managers who gambled with our investments, betrayal by large corporations who changed the terms of their employees’ pension funds, betrayal by accountants and credit ratings agencies who seemed to have more of an interest in maintaining their contract with the firms they were overseeing than with the integrity of the books.

That sense of betrayal was further inflamed when, as bail-outs, bankruptcies and deals in distressed debt were being arranged, the same people who were responsible for the public’s pain were still reaping handsome rewards in terms of fees and bonuses.

The fact that we experience these actions precisely as a betrayal suggests that, regardless of the fact that such activities may be legal, they were violating an implicit, underlying set of moral obligations – a kind of covenant. And there is a content to that covenant, that is to say, a sense of fairness. And what we deem to be fair is itself a sign of some sort of social consensus or covenant – both about the sort of rules that we are willing to work within, and about the shared values that underpin the creation of such rules. Some would take the argument a step further and say that the reason we have set up rules at all is a sign of an even deeper covenant – based on the realisation that we share a common fate.

So our economic covenants go deeper than laws and rules. And to the extent that it is the disregard of this deeper reality that is part of the problem, the imposition of new rules and regulations will not really solve the problem.

This is not to deny that some new and tighter laws may be needed. After all, one of the reasons why the UK bears a special responsibility for the credit crunch is that besides being one of the leaders in the move towards de-regulation of the financial system in the early 1980s, it relied more than did, say, the United

The Credit Crunch A COVENANT BETRAYED

Malachi

States, on a ‘principled approach’ rather than a rule-based approach to the self-regulating capacity of the City. It was believed, by successive governments, that a deliberate ‘light touch’ approach was the best way to maintain integrity whilst allowing enough freedom to increase efficiency and, therefore, competitiveness.

But it only works if the integrity is already there. Regulation is necessary when integrity is lacking. But regulation cannot make up for that lack. Regulation has its limits. It is not simply that clever people will always find ways of getting around even the most detailed regulations. It is that regulations are too rigid to keep pace with new situations in a fast-changing world. Regulations that try to take into account each and every relevant factor become so complex as to be as much a hindrance as a help. Economies that can rely on trust, flexibility and freedom can be more creative and profitable than those which are hindered by masses of red-tape and regulations. Economic efficiency is increased by the lowering of transaction costs and the ability to rely on trust. But the age of ‘My word is my bond’ seems long past.

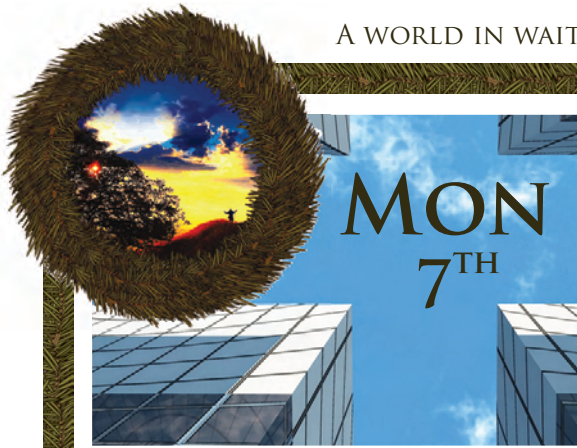
In that rebuilding of a climate of trust, the recognition of the deep covenants we have with one another can help. It means accepting that the moral obligations we have to one another are rooted not simply in our individual choices but in the givenness of our social existence. But we are far from being at that point.

That’s why Malachi’s message is worth listening to. The people he addressed were not saints. They were also weak. Without the hope of having their own king, all they had was each other. And so too with us.

ACTION

What Are We Waiting for? Witnessing to Hope

Association of British Credit Unions Ltd (ABCUL)
<http://www.abc.ul.org/page/index.cfm>



Lessons from Islamic finance BORROWERS AND LENDERS

Malachi 3

'Islamic finance' has increasingly gained attention in Western financial circles as well as in the Middle East and South East Asia. Why? Partly it is a matter of wanting to attract funds from wealthy Muslims. Perhaps more interestingly, it is because its various Sharia-compliant instruments and practices have proved less vulnerable in the economic crisis of our times. But for people of religious faith there is a still deeper reason Islamic finance is worth exploring. That is its moral dimension. For it is that which may remind us just how far we may have wandered from our own traditions.

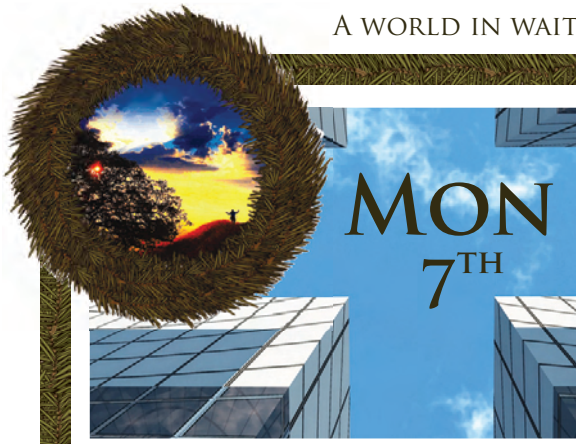
To avoid misunderstanding: the point here is not to promote Islamic finance as such. It is rather to see what we might learn from it. In the context of our focus on the covenant, Islamic finance illustrates the feasibility of creating financial instruments and practices that can give a central place to relationships of mutuality, partnership and restraint, whilst at the same time being both profitable and safe.

What is Islamic finance about? It is not just about borrowing and lending. It also extends to investing, profit-sharing, and insuring. At its heart is the prohibition on making a charge (*riba*) when allowing one's money to be used by another. Islam is hardly original in feeling such a practice to be repugnant. Classical philosophers – Aristotle, Plato, Cicero, Seneca – saw any charging of interest as simply unnatural. That was because money was not then seen as productive in itself. The Church, until well into the Middle Ages, forbade the charging of interest, often drawing on the covenantal theology of the Old Testament. What was stressed there was the injustice of taking advantage of another's need, above all if that person was a member of one's own community: 'You shall not charge interest on anything you lend to a fellow-countryman, money or food or anything else on which interest can be charged. You may charge interest

on a loan to a foreigner but not on a loan to a fellow-countryman' (Deuteronomy 32: 19-20). Islam added to this the belief that charging interest is an insult to the divine ordering of the universe and tends to engender madness on the part of the lender and disorder within society. These three traditions – classical, medieval Christian and Islamic – each took a very strict view, condemning not just the charging of an excessive amount of interest but the very fact of charging interest, regardless of the rate.

With the development of capitalism and the productive role of money, these traditions all found ways of accommodating to the new reality. But it is Islam which has striven hardest to maintain the principle that lay behind the tradition. What it allows are certain practices which involve a sharing of risk, which entail a sharing of any loss and a sharing of any profit. The sense of relationship and sharing of risk – whether loss or profit – has long been applied to other areas such as profit-sharing (*mudharabah*) joint ventures (*musharakah*) securities (*sukuk*). More recently it has been extended beyond simple borrowing and lending to insurance (home and car) and to investment. Indeed there is even a Dow Jones Islamic Market index, now ten years old.

But just which practices are compliant with Sharia is a matter of considerable debate amongst Islamic scholars. What further complicates matters is that there is not one single central authoritative body to pronounce on the application of Sharia law. So, contradictory opinions may sometimes be given. Banks and investment firms which offer Sharia-compliant services will often have Sharia advisers or boards. It can happen that these boards may approve a practice only to find later that other highly regarded Sharia scholars may come to the opposite conclusion. Indeed precisely this sort of conflict has arisen in the area of asset management. Other questions have been raised



about the usefulness of Islamic finance. How efficient is it? How effective is it in terms of alleviating poverty and inequality?

The basic question is: are such attempts at all relevant to mainstream financial systems and, in particular, to the present economic crisis? Apart from the fact that the products offered by Islamic finance are available to anyone, not just to Muslims, there is one very important point. That is its recognition of the way in which solidarity and mutuality between lender and borrower can take us beyond the impersonal laws of the market, which has no regard for relationships, no feeling for the pressures which lead a person to borrow, and no sense of responsibility for the plight of a borrower who experiences difficulties with repayment.

Islamic finance suggests that, far from being a hindrance, such principles of mutuality can lead to the creation of financial instruments that offer an incentive to more responsible lending and that provide a safeguard against the build-up of unsustainable personal, corporate and national indebtedness which has brought the world of finance to its knees.

Perhaps the question should be: can an economic system function efficiently and fairly without some such relational principles?

ACTION

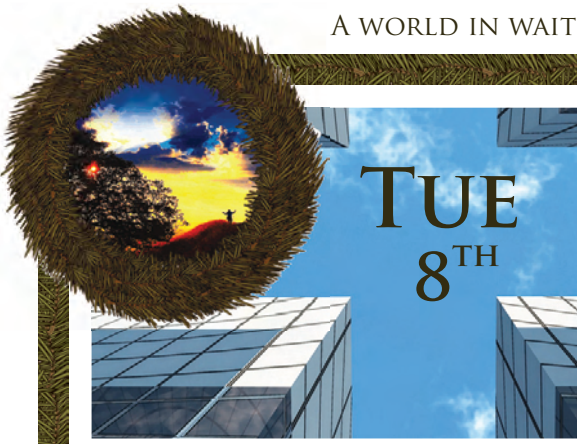
What Are We Waiting for? Witnessing to Hope

Debt on Our Doorstep campaign:
Church Action on Poverty
<http://www.debt-on-our-doorstep.com>

Debt counselling: Christians Against Poverty
www.capuk.org

World Islamic Economic Forum Foundation
<http://www.wief.org.my>

Malaysia International Islamic Financial Centre
www.mifc.com



Covenant and Exodus A FREE ECONOMY

Malachi 3: 5

'Then I will draw near to you for judgement; I will be swift to bear witness against...those who oppress the hired workers in their wages, the widow, and the orphan, against those who thrust aside the alien, and do not fear me, says the Lord of hosts'
(Malachi 3:5).

We celebrate the success of a free economy. But what do we mean by a 'free economy'? What kinds of freedom are most important? And freedom for whom? Of itself freedom inevitably tends to lead to inequality – inequality of wealth, which soon translates into inequality of status and inequality of power.

Unless relationships of power are taken into account, the uncritical endorsement of 'free' markets, 'free' enterprise, de-regulation, etc. can serve as an ideology for justifying the power that some have over others. We tend to associate this sort of insight with Karl Marx and his call for liberation, but in fact it was integral to the philosophy of Adam Smith and his view of a liberal economy. Smith was strongly critical of the concentration of power in monopolies of whatever sort, economic, political or religious. He was also critical of the practice of slavery, which he saw as actually less efficient than free labour.

The point is not that relationships of power are wrong. They are not only inevitable, they can also be used for good – and even for an increase in freedom itself. So state power, for example, which, of course, is only one form of power can be disastrous, as with the mercantilism of Smith's age and many of the experiments in central planning and nationalisation in our own. But it can also be a necessary means of extending freedom by empowering individuals and communities.

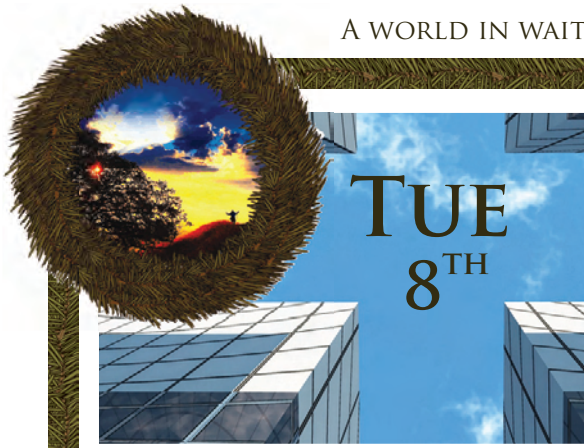
Here, too, the Biblical story of the covenant can give us some guidance on the question of freedom. The

covenant at Sinai was the principle which was to bind the people together as a people. But it was a covenant shaped by the experience of what had gone before – an experience of oppression and bondage in Egypt, followed by the experience of liberation in the Exodus. So important was that experience that liberation theologians have argued that the Exodus event is even more fundamental, theologically, than the covenant.

In fact, the two notions – Exodus and Covenant, freedom and law – go together. Covenant law is the law, not just of a free people, but of a freed people. And it was meant to perpetuate that freedom. The sort of freedom which would enable God's people to flourish was covenant freedom. God's people were not meant to be slaves to foreign powers. But nor were they to be slaves to one another. A God who wanted and enabled his people to be free from the oppression of the Egyptians would be even angrier over a system which purported to justify his people's oppressing and enslaving each other. That is why there developed laws against usury and why provision was made for release from debt.

From that covenantal perspective, the primary questions that need to be asked about economic freedom are not about formal institutional freedom, such as free markets, free choice, free trade and freedom of contract, but about real human freedom – freedom from want, freedom from exploitation. Economic freedom, in other words, has to have regard both to human need and to various forms of social power.

This is poignantly reflected in the history of South Africa. The Day of the Covenant (as it was known between 1982 and 1994) had long been a national holiday, originally known as Dingane's Day, after the name of the Zulu king who was defeated by Afrikaners at the Battle of Blood River, 16 December 1838. The



victory was seen as given by God in response to a vow to honour God and to keep the day holy. That day, 16 December, was also chosen by the African National Congress to bolster its fight for freedom by forming a military wing, Umkhonto we Sizwe. And that day, since 1994, has been observed as a national Day of Reconciliation.

So now there is a different kind of covenant – and a different kind of freedom. It's reflected in the nation's new constitution:

'We, the people of South Africa, Recognise the injustices of our past;
Honour those who suffered for justice and freedom in our land; Respect those who have worked to build and develop our country; and
Believe that South Africa belongs to all who live in it, united in our diversity.

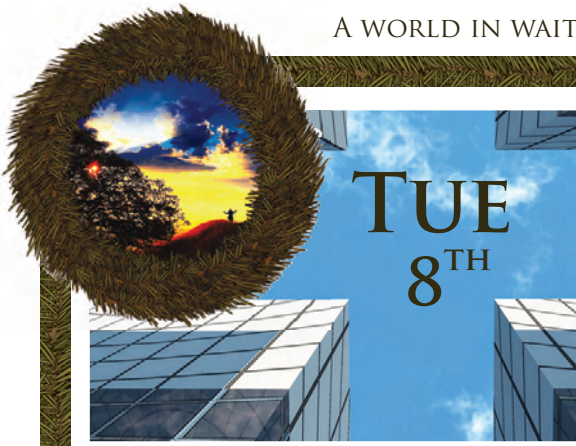
'We therefore, through our freely elected representatives, adopt this Constitution as the supreme law of the Republic so as to Heal the divisions of the past and establish a society based on democratic

values, social justice and fundamental human rights; Lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law; Improve the quality of life of all citizens and free the potential of each person...'

Its Bill of Rights includes economic rights – not just the right of private property, but a prohibition of forced labour, a right to strike, the right of employees and employers to form associations, to engage in collective bargaining, the right to an environment that is not harmful to health or well-being, the right to have access to adequate housing and health care services, and the right to sufficient food and water and social security.

And, oh yes, God has not been left out either. The Preamble to the South African Constitution also says:

'May God protect our people. Nkosi Sikelel' iAfrika. Morena boloka setjhaba sa heso. God seën Suid-Afrika. God bless South Africa. Mudzimu fhatutshedza Afurika. Hosi katekisa Afrika. '



Protectionism RESTRICTING THE COVENANT

Malachi 3

In theory we're all pretty well agreed: one of the most unhelpful responses to the present economic crisis would be protectionism. That was the disastrous response to the 1929 crash, which deepened and prolonged the Depression of the 1930s.

That is certainly the view of the leaders of the G20. At their London Summit in April this year, they stated emphatically: 'We will not repeat the historic mistakes or protectionism of previous years... We have today therefore pledged to do whatever is necessary to... promote global trade and investment and to reject protectionism...'

Yet their deeds seem not to match their words. President Sarkozy has offered support to the French car-making industry provided that the jobs would be brought home. The US Congress approved President Obama's economic stimulus package but only after having inserted a strong 'Buy American clause'. China then countered, not surprisingly, with a call to 'Buy Chinese'. In the UK, trade union leaders are trying desperately to persuade their members that 'British jobs for British workers' is not really in their own long-term interest, either as workers or as consumers.

Nor is the prospect of protectionism limited to the industrial sector. There are also real fears about financial protectionism, as governments bail out their failing banks on condition that they give priority to lending in their home country. In September of this year, commenting on a warning by Global Trade Alert, Simon Everett, Professor of trade and economic development at the University of St. Gallen, noted that: 'On average a G20 member has broken the no-protectionism pledge once every three days.'

But what's in a word? Does every measure taken to support domestic industry, to assist exports or to put quotas and conditions on imports necessarily constitute 'protectionism'? Might some such measures make good economic and social sense rather than being

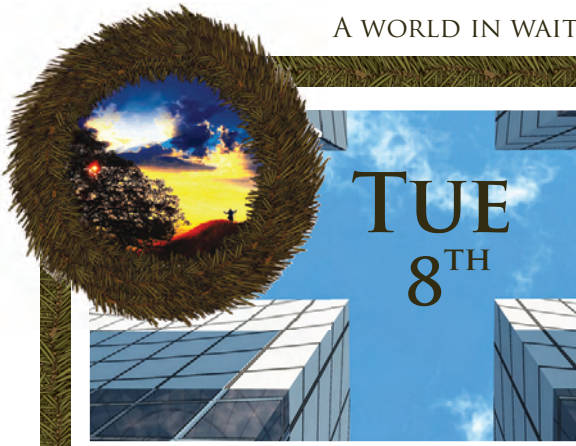
condemned for being purely expedient politically? After all, free trade is not necessarily the same as fair trade. And, in any case, judgement is required if a country is to balance its short-term needs as against its longer-term benefits. In short, slogans on either side of the debate are not sufficient.

To suggest that an additional factor that needs to be taken into account is the question of justice makes the task of judgment even more complicated. But justice cannot be left out. Might the Biblical story of the covenant be a help?

At first glance, introducing the notion of a covenant might seem the last thing that is needed. Would it not be taken to mean that our primary obligations are not to those in the farthest corners of the earth, but to those with whom we already have close ties – and therefore mutual obligations – and with whom we share common values, a deeper experience, and greater interdependency? Let the others form their own covenants?

And if that was where covenantal thinking led, ought we not turn instead to Adam Smith? Smith was a great critic of the harmful role played by powerful special interest groups. He pointed out, for example, that duties on imports and bounties for exports do not benefit the nation as a whole but simply serve the interests of a particular class – merchants and manufacturers. '... nations have been taught that their interest consisted in beggaring all their neighbours', Smith lamented. He was determined to expose the folly of such an argument. Why put up barriers against trade with France, Britain's 'enemy', he argued, when such trade would be worth eight times more than trade with the American colonies?

To bring Smith's argument up to date, we might note that the US Chamber of Commerce has criticised the 'Buy American' policy, warning that addition of the buy only US-made steel, iron and manufactured goods



attached to the economic stimulus bill is hurting the very workers it was supposed to protect. As for the attempts to restrict immigration, we might note the Ernst and Young special ITEM report, which argues that: 'There is strong evidence of a link between migration and economic growth'. An LSE report commissioned by the Mayor of London spelt out the economic advantages – and social costs – of granting an amnesty to people who have lived without authorisation in the UK for over five years and have not been in trouble with the police.

And yet, for all the merits of Adam Smith's insights, there are some very good reasons why it is important that we do not stop speaking in terms of the covenant. The foremost of these is that the covenant renewed by Christ is a universal covenant.

From that perspective, we are freed from a dogmatic approach which decides on ideological grounds whether particular measures do or do not constitute protectionism. What really constitutes protectionism is the will to pursue our own national interests selfishly, defensively and without proper acknowledgement of

their impact on the people of other nations, especially those least powerful and in greatest need.

Put positively, our universalist understanding of the covenant can serve as a positive cultural stimulus, alongside the various economic stimuli, in encouraging support for international economic pacts on fair trade, investment, taxation and action on climate change. It reminds us that our bonds are not limited by national borders, religion or political systems.

That is the kind of distinctive perspective which, amidst the debates on protectionism v. free trade, Christians can bring to the table. It's not ideology. It's about the bond that unites us.

ACTION

What Are We Waiting for? Witnessing to Hope

The Fairtrade Foundation
<http://www.fairtrade.org.uk>



HOPE UNDER AN ALIEN REGIME

Baruch 5

The 'Book of Baruch' was not written by Baruch, Jeremiah's faithful scribe. In fact, it is not so much a book at all as a compilation of writings composed at various times, starting some four centuries after Baruch.

These later centuries brought with them serious internal crises within Jewry. Unlike the age of Baruch, this time the threat was not so much political and military but cultural. The threat – or so it was perceived – was Hellenisation, the spread of Greek philosophy, customs, and ways of life throughout the Mediterranean. Precisely because of its pervasive civilising influence in all areas of life it was proving divisive for the Jewish people, both in Palestine and in the Diaspora. It tempted some to view the old religion as a bit of an embarrassment, whilst galvanising others into a fight to preserve their very identity.

This latter group viewed the cultural threat posed by the 'enlightened' new regime as far more dangerous than the oppression imposed previously by the Babylonians and Persians. One way of expressing this was to invoke the memory of the Babylonian exile as a kind of motif to describe the present situation. The 'Book of Baruch' is an expression of that spirit. It offers reflections, confessions and prayers, advice and encouragement for a people in a cultural exile. It is about how to live under an alien regime.

Do we live under an alien regime? This has been a central question, answered very differently by Christian theology down the centuries. One of the most influential views was developed by Augustine, with his image of the two cities, heavenly and earthly, human and divine, the one driven by the will to power, the other by love. This 'two-cities' image is but one of many ways of trying to develop the belief that the new and definitive kingdom inaugurated by Jesus the Messiah is both present now and yet still to come.

It's a useful reminder that Christians can never feel fully 'at home' under any political, economic and

cultural regime. There is always a sense of alienation and restlessness. But there are times when this is more intense and oppressive than others and times when it even becomes demonic. We have to judge according to the context. That is why some Christians were prepared to fight against Fascism which, alas, other Christians supported. It is also why some Christians – liberation theologians – have seen the Gospel as being about empowering the poor to throw off the system of domination represented by capitalist imperialism, which other Christians have been using force to defend.

In the face of our world's economic crisis, especially where the rewards and sufferings are falling so unequally and so unjustly, it would be strange if Christians did not ask anew serious questions about the regime under which we are living and whether we are called to work for an alternative. Not a perfect alternative, not the Kingdom of God on earth, at least in full. Any alternative would, of course, be likely to manifest its own forms of alienation. But that is a reason to continue the struggle, not to give up.

Our regime – liberal democratic capitalist – has clearly produced enormous benefits, not just in material terms but also in terms of freedom and human rights. But no regime should be exempt from critical questions about alienation. And to see our own as 'the end of history' would amount to a denial of Christian faith.

Critical questions could be asked about all three dimensions of the trio – liberalism, democracy and capitalism. But since these Advent reflections are focussing on our economic crisis, it is about the third aspect of this regime – capitalism – that questions will be explored here from the perspective of alienation. One set of questions is about the concentration of power, the other about corruption of values.

First, about power. Capitalist development entails two great problems of power. One is about monopoly, the other about class structure. Neither of these were



creations of capitalism. They both go back to ancient times and they both existed within state socialism. But with the development of capitalism they acquired particular forms, which call for particular critiques.

One of Adam Smith's constant themes was the pernicious role of monopolies – economic, political and religious: 'The capricious ambition of kings and ministers has not, during the present and preceding century, been more fatal to the repose of Europe, than the impertinent jealousy of merchants and manufacturers...the mean rapacity, the monopolizing spirit of merchants and manufacturers, who neither are, nor ought to be the rulers of mankind, though it cannot be corrected, may very easily be prevented from disturbing the tranquillity of any body but themselves.' And '...a company of merchants are, it seems, incapable of considering themselves as sovereigns, even after they have become such...and by a strange absurdity [they] regard the character of the sovereign as but an appendix to that of the merchant, as something which ought to be made subservient to it...' Smith tended to speak more of freedom and markets than of capitalism. And he had little to criticise about class structure, as it existed before or under capitalism. But he reminds us that an essential part of economic thought must be a critique of power.

The second big question about alienation – and the central issue in the period when the 'Book of Baruch' was being compiled – is cultural alienation. And so under capitalism: its cultural effects may be more important even than its economic effects. It's a question about the kind of morality – the motivations, virtues, types of character, ways of life – that it tends to foster, and those that it crushes. The effects of the exaltation of self-interest can be seen in daily life in terms of greed, anti-social behaviour, aggressiveness, littering and lack of concern for neighbours. And

the insidious penetration of market principles into all areas of life shows its degrading effects in the commodification of news (what sells – sex, scandals and sports – all of which must be sensationalised), in the change of priorities in our educational system (accounting, marketing, and business skills edging out the 'luxury' of useless classical education), and in a kind of materialism in which people are valued by what they possess – or lack.

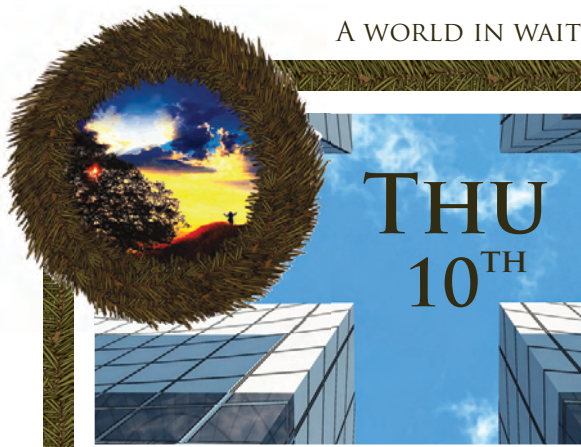
Strangely as we try to answer – or even ask – questions about our own alien regime, we might sense that the writers of the 'Book of Baruch' had an advantage over us. In the first place, they at least recognised that they were living under an alien regime. Secondly, they were able to draw on a living tradition, one which meant not nostalgia for days past but which provided a spur to hope for the future. And central to it all was justice.

The reading from Baruch chosen for the second Sunday of Advent describes how Jerusalem's dress of mourning will be replaced with garments of glory since 'for God will give you evermore the name, "Righteous Peace, Godly Glory".' (Baruch 5:4) – a clear echo of the message Jeremiah used for the first Sunday of Advent ('In those days...Jerusalem shall live undisturbed and this shall be her name: "The Lord Is Our Justice".' – Jeremiah 33:16).

ACTION

What Are We Waiting for? Witnessing to Hope

Community Action Network
(Social Enterprise)
<http://www.can-online.org.uk/>



Taxation - Avoidance and Evasion TRANSPARENCY

Philippians 1:3-11

In a time of alarming national debt, with its threats of cuts in public services and increases in taxation, it is more intolerable than ever that some of the world's largest and most profitable companies and mega-rich and even 'merely rich' individuals should be getting away with paying so little tax, while the rest of us pay the full amount. Here, too, is where a bit more light must shine.

We may take some encouragement from the way that governments across the world are beginning to put pressure on country after country which has been providing tax havens where secrecy has made it almost impossible to distinguish money laundering from tax evasion, from tax avoidance, and from a simple desire for privacy.

Even before the economic crisis, HM Revenue and Customs had been taking action, pressing foreign governments and offshore banks to provide information on the accounts of wealthy British citizens and offering partial amnesties to account-holders who agree to provide such information voluntarily.

In April this year, the UK government stepped up the pressure, announcing its intention to prepare legislation that would allow HMRC to 'name and shame' those individuals and corporations who deliberately understated their tax liabilities by more than £25,000. It has even proposed to close down retroactively, a tax avoidance scheme that has been used by hedge funds.

Such measures have traditionally been hampered by the threat that wealthy individuals and major companies will simply shift their funds elsewhere or even relocate. And such threats have real forces in that they would be likely to have an adverse effect not only on tax revenues but also on the economy itself.

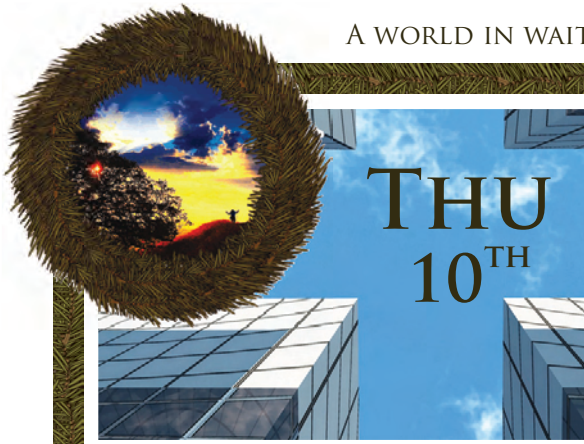
So recently the focus has shifted to inter-governmental collaboration. The UK and the US were starting to do

so even before the recession. But the global economic crisis has lifted international action to a new level: 'The banking secrecy of the past must come to an end', declared Prime Minister Gordon Brown, at his G20 press conference. 'The Organisation of Economic Cooperation and Development', he continued, 'are this afternoon publishing a list of tax havens that are non compliant and where action must immediately be taken... The principle is that you have to be prepared to exchange information about tax on request. We had Switzerland, then we had Austria, then we had Luxembourg, then we had Andorra, then we had Hong Kong, then we had Singapore. In the past few days, we have had a lot of other countries who have been prepared to sign up to this. Now I think you are going to find other countries wanting to join this group.'

The OECD had already been taking action. It had set up a Forum on Tax Administration, which met for the fifth time in Paris in May this year, bringing together more than 100 participants from 34 OECD and non-OECD countries.

What sorts of sums are involved? Quite a lot, especially once one takes into account the multiple forms of tax avoidance/evasion that exist – income tax, capital gains tax, corporation tax, VAT, excise tax. Offshore assets held in tax havens alone have meant that developing countries miss out on up to \$124 billion every year according to Oxfam. Raymond W. Baker, of the Center for International Policy, has calculated that some 2/3 of the (at least) \$1,000 billion of dirty money each year comes from commercial tax evasion (mispricing of goods and services, abusive transfer pricing, false transactions).

Apart from the lost revenue it might recover, action on tax avoidance/evasion also strikes a popular chord. But, in the end, policies should rest not just on their popularity or even on their utility but on justice. So a critical look at the issues is needed.



There is little problem about the need to crack down on money laundering, which can be used to promote criminal activity. There is also general agreement about the desirability of preventing tax evasion. But when one gets to the question of tax avoidance and the multiplicity of ways in which wealthy individuals and firms can pay lawyers to find loopholes in the law, we are faced with a common objection: 'It's not just. It's my money, by what right does the government want to get its hands on it?' The objection can easily be answered.

One interesting set of insights which undercuts that kind of objection was put forward more than two centuries ago by that great lover of freedom Tom Paine. Hardly a socialist, Paine, in *Agrarian Justice* developed a strong three-fold argument for a legitimate claim on the part of the community to a return on their investment sufficient to alleviate poverty. First, he pointed out, the present economic and social system bears a degree of responsibility for the very fact of poverty. Secondly, those who have become prosperous have done so thanks to the development society's infrastructure. Thirdly: '...if we examine the case minutely it will be found that the accumulation of personal property is, in many instances, the result of paying too little for the labour that produced it.' Thus Paine proposed – as a matter of strict right, not simply of charity – a National Fund, out of which

every person, on reaching the age of twenty-one would receive a one-off grant of £15, with every person aged fifty and over receiving a grant of £10 per year.

But even before Tom Paine, there existed in Christian theology, a deeper rationale: the covenant. Our sense of fairness, as has been suggested in the previous reflections, is best understood as being rooted in an understanding of the covenant. We are all in this together. We have a sense of mutual obligation which is prior to property rights and which should form the foundation on which law is enacted.

'Putting something back' for the good of society and especially for those who are struggling to have a decent basic standard of living is not just a matter of philanthropy; it is a matter of justice.

ACTION

What Are We Waiting for? Witnessing to Hope

Christian Aid: The Big Tax Return
<http://www.christianaid.org.uk/ActNow/the-big-tax-return/index.aspx>

Tax Justice Network
<http://www.taxjustice.net>