

CALL

EUROPEAN CHRISTIAN
EMPLOYMENT AND
ECONOMY NETWORK

Church
Action on
Labour
and
Life

REPORT OF THE WORKING GROUP ON ECONOMIC SUSTAINABILITY TO THE CALL ASSEMBLY – OCTOBER 2012

Introduction

The impetus for this working group came from an address to the CALL Assembly by Professor Tim Jackson of the University of Surrey in the UK. His contention is that on a finite planet, growth is not sustainable either environmentally, economically or socially¹.

Although Professor Jackson does not come at this from a Christian viewpoint, his thesis struck members as entirely consistent with a Biblical understanding of the world.

Environmentally we are taught that God has created the earth so as to sustain all living beings and that his provision is sufficient for us all. This provision includes humankind's ability to breed plants and animals so as to produce greater yields and sustain more people on the same amount of cultivated land. The Working Group did not have a remit to discuss the ethics of food production in detail but they recognise that there is a need for a Christian understanding of the balance between agricultural production and care for the earth which God has entrusted to us.

Socially, we are taught that all human beings are equal in the sight of God and that Christ died for all people. Every human life has equal value and all people should have the opportunity to reach their true potential in the sight of God. Our approach to other individuals, other communities, other cultures should be one of cooperation and mutual enabling, not one of competition.

Economically, we are taught that money is our servant, not our master; we should not judge others by what they own but by whether they show the fruits of the Spirit in their lives – these are love, joy, peace, patience, kindness, goodness, faithfulness, gentleness and self-control.

It is clear that these teachings do not sit well with the way that capitalism is currently operating in the Western world. The working group considered it vital that the churches throughout Europe speak out about these issues. Environmental sustainability has a high profile throughout the world; not everyone accepts the arguments for reducing our use of natural resources, but most Europeans are aware of the debate. The church should not be

¹ Prosperity without Growth: Economics for a Finite Planet. Tim Jackson. Earthscan Publications. ISBN 9781844078943

silent on these issues, but its voice needs to be even louder on the issues around economic and social sustainability which are not as prominent in public debate.

It is never easy to persuade people to listen to the prophetic voice but that does not excuse church leaders from saying these things in the public square. However, they can only do so with conviction if they can be confident that church members support them and live out these principles in their own lives. None of us can abdicate the responsibility for living our own lives in a sustainable way.

The problem

The working group took as its starting point the economic crisis generated by the credit crunch. All commentators agree that this arose because of excessive borrowing by states and by individuals. At the time, the overwhelming view of the media was that things had to change. But it appears that they are not and the working groups thought that there were two important reasons for this, although no doubt other factors contribute.

1. The western world currently uses money as a mark of status. We are beings who crave acceptance and respect. In Europe today acceptance is offered to people who own the same kind of objects as we do; it is not enough to have decent clothes to wear; if we are to be accepted, they must be made by the right designers and make us look like those we want to consider our peers. And if we are to be respected, those clothes, as well as any other material goods we own, must be clearly more expensive than those around us can afford.

This means that people whose incomes are already more than sufficient for their desires, let alone their needs, continue to seek higher incomes as signals of the respect which they deserve from their peers; one has said that it is a way of "keeping score".

People whose incomes are adequate for their needs but not their desires, borrow in order to buy things that suggest that their income is higher than it is, in the (sadly, well-founded) belief that this will enhance their acceptance and respect. These things can be houses, clothes, cars, holidays, electronic equipment.

People whose incomes are inadequate or barely adequate do not have any of the signals of status and both perceive themselves and are perceived as marginalised.

The church should loudly assert the equal value of all human beings who were created by God and are equally loved by Him

2. Governments still use economic growth as the main indicator of success. Bill Clinton's campaign slogan "It's the economy, stupid" has a strong resonance for all leaders of western capitalist countries who judge their performance against the growth of gross national product (GNP) or gross domestic product (GDP). Politicians and the media assume that the public will vote in elections for the party which they trust to best manage the economy in a way which sees personal incomes rising; the assumption is that a rise in GNP or GDP, combined with low inflation, will result in a rise in personal incomes.

This leads to a position which is difficult for non economists to understand and which appears illogical. In response to the crisis governments are reducing their own borrowing while at the same time, urging the banks to increase credit to private companies and to individuals so that they can spend money to grow their business in the first case and to acquire more consumer goods in the second, thus creating growth.

Many people in the churches and countries of Europe are asking "If, as we have been told, borrowing by individuals beyond their ability to pay was a major factor in causing the crisis in the first place, why does the solution involve individuals and companies borrowing even more?"

These considerations led the working group to consider how we can judge whether a government is acting in the interests of the people if we do not use economic growth as a measure. In democracies where we vote at regular intervals for those who are to govern us, we need a way of deciding between different parties with different promises and different records of achievement. At present the pressure is on us to vote for the party which will increase our income and reduce our taxes, without any consideration for economic, environmental or social sustainability.

Assumptions

During their discussions, the working group has made the following assumptions:

No one should live in poverty. Definitions of poverty are various; one commonly in use is that no one should have an income of less than 60% of the median² income for their society. Another is that everyone should have sufficient income to live in a way which means that they are not excluded from participation in society. Work has been done by, for example, Loughborough University in the UK, to establish minimum income standards on that basis.³

These definitions are very much addressed to relative poverty within a society. The working group is conscious that if they are applied separately to each member state in the EU and expressed in euros, the 60% figure will be different in each member state. Equally, work to establish a minimum income standard for each member state is also likely to come to different figures because of difference in prices. It is also likely that if the same definition of a minimum standard of living were used across each Member State, in some the required income level would be much further above the 60% poverty line than in others⁴.

Standards of living in member states should converge. The working group acknowledged that while a Christian perspective supports Professor Jackson's suggestion that there is a limit to economic growth and a point at which it must stop, that point has not been reached in all member states of the EU. In many of the states in the west of the EU, there is a strong argument that the stopping point has been passed and that they should be looking to shrink rather than to grow, In many member states in the east of the EU, however, there is a considerable way to go before their economies reach a level where they can deliver prosperity to all their citizens without growth.

Discussion

As the working group discussed these issues, it became clear that there were two difficult issues which would need to be put aside for possible future work.

Spirituality

² Median income is the amount at which the same number of people in a defined group has a lower income as has a higher one.

³ <http://www.minimumincomestandard.org/>

⁴ In the UK, the minimum income standard for a single person is currently 74% of median income

This arose as the group considered how governments might measure their success with criteria other than GNP. A number of organisations have worked on this and the group also benefitted from a conference in Bad Boll in Germany looking at similar issues.

Discussion around economic, environmental and social sustainability has been taking place since well before the credit crunch, particularly in relation to corporate social responsibility. The group as a whole was concerned that spirituality is not included in these discussions but was divided as to whether it could be assessed.

Even if spirituality is defined as relating to religious belief and practice, and it is not clear that this restriction is valid, there are problems with assessing it. For example, it is not helpful to measure spirituality by the number of people who report themselves to be of a particular faith, as this does not distinguish between those who practise and those who do not. Attendance at a place of worship or membership of a denomination are better indicators, but statistics are not uniformly collected or reported, for example in the free evangelical and Pentecostal churches. It is also the case that the involvement of the church in provision of health and social care in Germany and Scandinavia means that the figures for church membership are not comparable with those in other countries.

There is also the issue of religions other than Christianity. As the group understands the research, it demonstrates that people with a strong religious faith score higher on indicators of wellbeing than those without, but this is not affected by the nature of that belief. As well as the recognised religions – Islam, Judaism, Hinduism, Sikhism – people who strongly hold to some of the New Age beliefs may also report higher wellbeing scores.

The issue of the way people feel as an indicator of the success of a government's policies is the closest approach that governments – in France, Germany and the UK, for example - have made to assessing spirituality. This is not very close at all and it is not clear to the working group that it provides a useful indicator of the success of a government.

Governments are asking people whether they consider themselves to be happy and what it is that makes them happy. The answers are reasonably predictable but do stress a strong family bond, good health and a secure job as of equal or more importance than wealth. However the problem with measuring how many people say that they are happy with their lives is that each person will answer differently at different times. The suggestion is that enough people are asked to average out those who are currently suffering poor health or family problems, but external events can affect a great many people. For example, if you had asked the same sample of people in the UK whether they were happy during May 2012 when the press was full of discussion of a double dip recession and the weather was cold and wet the answer might have been very different from that given in the first two weeks of August when the press was full of British success at a well run Olympics.

The working group considered that these measurements are too subjective to provide a single alternative to measuring success by GDP although provided the sample is large enough, they may be useful as part of a menu of measures. However, the working group agreed that while people of faith may well be happier than those without, happiness is not equivalent to a fulfilled spiritual life. It might be interesting to do more work on assessing spirituality.

Is prosperity without growth possible?

The working group did not explore the question as to whether it is possible to have prosperity without economic growth and some members considered that it is possible to achieve a sustainable economic growth. accepted the thesis that it is possible to have prosperity without economic growth and there was a very brief discussion about what governments should do to achieve sustainable economic growth. It is clear that this requires a change of behaviour by people involved in the market, by governments, by

consumers – indeed by every member of society. The working group envisages the possibility of future work on what that change of behaviour might be and how it can be achieved, but do not address it in detail in this piece of work.

Nevertheless, they agree that a change of attitude is required and that the first step should be to find other practical ways of assessing the performance of governments. They hope that their work will contribute to this.

Definition

The Working Group started by considering what should be measured in order to assess the performance of a government or the health of a society. Governments talk about measuring the happiness of the population but the group thought that most people understand “happiness” as an emotion which is too subjective and fleeting for measurement. Other terms used are “human flourishing” and “well-being” which are easier for other people to assess by considering the life conditions of an individual rather than their emotional state. Both of these terms have positive points but the group concluded that “well-being” expressed their aim rather better.

Indicators of well being

The Group started by looking at indicators of well being. These were set out in their interim report to the CALL Assembly in May 2011. They are reproduced here in alphabetical order.

Cooperation – by this we mean that the state should encourage cooperation rather than competition and should promote volunteering.

Dignity – to treat everyone with dignity should be part of the culture of a society. Legislation enforcing equality of treatment is a start, but dignity implies equality of esteem. Public officials should treat everyone with equal courtesy and the education system should not value academic skills over practical ones.

Education – by this we mean access to a good education which develops the talents of each individual. It should not be assumed that everyone will follow the same path, but everyone should be able to follow their chosen path to the highest level they wish or are able to.

Employment – by this we mean that the state should create conditions of low unemployment, including providing training and support for those currently unemployed.

Environment – by this we mean that all actions of the state should be undertaken in a way which minimises pollution and toxic emissions and that similar requirements should be imposed by law on all activities within the state. It should be possible for individuals to manage their lives in an environmentally friendly way; this includes access to low carbon transport, opportunities for recycling, encouragement of environmentally friendly food production.

Equality – this should be the assumption behind all provision of goods and service whether by the public, private or third sector and should be enshrined in law.

Harmony with nature – while this includes concern for the environment on a global level, it also relates to each individual’s understanding of their place in creation

Healthcare – by this we mean access to good quality and timely healthcare according to need, not private wealth. The elderly should have the same access as

the young and should be cared for appropriately as they become more frail, whatever their income.

Hope – by this we mean the reasonable expectation that we will be able to achieve what we want and that our lives will be happy or content.

Human rights – by this we mean that the UN charter of human rights should be enshrined in the law of the state.

Infrastructure – by this we mean provision of water, sewage, energy, roads, railways, public transport; all provided with as little pollution as possible.

Integration – by this we mean that different cultures should be seen as contributing to society rather than detracting from it and that legislation should take account of different cultural practice

Justice – by this we mean affordable access for all to the Courts, with quick determination of cases.

Love – by this we mean the giving and receiving of love to and from those with whom we are closely associated, both family and friends. This is possible even in a state which does not provide an appropriate framework but is more easily expressed in a stable and non-oppressive state

Participation – by this we mean that people should be able to exercise their democratic rights and that they should be able to influence policy.

Peace - by this we mean that the state should not be at war, that there should be no civil unrest and that the police and security forces should not act with violence.

Possibility of flourishing – by this we mean that the framework of legislation set up by the state should allow everyone to develop their potential in their own unique way.

Security – by this we mean two things:

Low levels of crime

A social security system which gives assurance that no one will become destitute

Social justice – by this we mean low income inequality and equal access to the services provided by the state, whatever one's income.

Spirituality – there should be a framework of law in which it is possible to hold and live out one's beliefs. There is a difficult line to be drawn when these freedoms clash, but there should be no assumption that one view, whether it is secular or religious, should be regarded as the norm. It is also important to distinguish between cultural practice and the practice of faith; the latter is by no means confined to worship and ritual but in all faiths can be confused with cultural norms.

To be valued – this is a question of culture. In western European societies, people are valued according to their possessions and therefore according to their wealth. Politicians and other leaders of society should measure their success by indicators other than economic growth and wealth.

Work/life balance – by this we mean that everyone should have adequate leisure time; that no one should need to supplement the income from a full time job with a part time one; and that employers cannot demand excessive working hours.

While the Group considers that this is a reasonable analysis of what is required for well-being, it is also clear that the indicators are of different kinds. Some can be objectively measured while others cannot. Some are to do with a person's situation in life; others are to do with how they feel about their situation. Only one – love – does not depend to some extent on the conditions provided by the operation of society and by implication on the actions of government.

It is also significant that the Group did not suggest an adequate income as one of the requirements for well-being. It is subsumed in employment, in security and in work/life balance but is not a criterion on its own.

What next?

While this is interesting, the Working Group hopes that their work can be used to assist in changing the culture of valuing people according to their wealth. As a starting point, they suggest that the churches in Europe use indicators of this type to comment on the policies of the EU and of governments of member states.

It is clear that the list above has too many elements and most would be properly assessed by multiple indicators. They need to be reduced to a representative list.

The Working Group's first thought was to look at assessments which already exist, including the Millennium Development Goals, the European Commission report "Beyond GDP" and the response of the European Parliament, the OECD Better Life index, the happiness indices of France and Bhutan, and the New Economics Foundation's work on national accounts of well being. They also benefitted from a discussion of work going on in Germany at a conference in Bad Boll.

All of these look at broadly similar areas, which to a large extent are also the areas which the Working Group considered important. The most helpful appeared to be the OECD Better Life Indicators, but there are problems with simply suggesting that churches use them.

They lay more stress on wealth than the working groups considered appropriate. It is clear from the work by Jackson and Pickett that income inequality reduces the quality of life for both rich and poor within a country, so an assessment which regards wealth as a good in itself is flawed.

The indicator for the environment looks only at air pollution; the Working Group considered this inadequate. Carbon emissions would be a rather better indicator but still too limited. This is a difficult area to assess easily and the Working Group looks forward to seeing the outcome of the Commission's work on environmental accounting.

On work/life balance, the OECD indicators regard it as positive if both parents in a family are working. The Working Group does not consider it wrong for both parents to work but does think that family life is enhanced if it is possible for one parent to choose not to work.

It is in the nature of this topic that what is measured fails to give a full picture and everyone will have different views as to what is important. However, these three issues led the Working Group to reject the use of these indicators.

Proposal

The Working Group therefore considered what indicators they would recommend to the churches. In doing so, they had two considerations:

That the indicators should cover as many as possible of the conditions required for well-being;

That they should rely on data that is already collected.

They suggest the following:

1. GDP (gross domestic product – the total market value of all goods and services produced in a country in a given year) or GNP (gross national product – the value of goods and services produced in a given year by a country's citizens whether they are located at home or abroad)

Although the economy should not be the only indicator, the Group thought that it should be included. However, it should not be assumed that it must always grow and if the other indicators are positive, particularly the employment and poverty indicators, a fall would not necessarily be a problem. Whether GDP or GNP is used will depend on what governments collect and publish, although GNP is currently being used more widely.

2. Unemployment rate

This is measured in different ways and can distort the true picture. It is important to look at figures for those actively seeking work rather than just those claiming unemployment benefit as many people who want to work are not entitled to benefit – for example in the UK, people with a certain level of savings, people receiving a different benefit, people under 18 or people above pension age.

Churches may also want to look at the number of people of working age who are not in work. This is a more problematic figure as one spouse in a family may choose not to work. On the other hand, many married people who would prefer that one of them remained at home to care for the children cannot afford to do this; the number of people in low paid part time work or in other kinds of precarious work is significant; another working group has looked at this issue.

3. Poverty

The group considered what measure would be best to use here and concluded that the most useful is those earning less than 60% of median income. This measure gives some ideal of the level of income inequality in a society as it is only possible to achieve it if the highest incomes remain at a reasonable level and so do not pull the median up too high.

This should be a measure of disposable income – that is, what is available to spend after taxes have been paid. In some member states it is also possible to obtain figures for income after housing costs have been met; this is a better indicator in those member states which provide support for housing costs to their poorest families.

4. Life satisfaction

While this is a subjective measure, the working group did consider that it was worth including among the indicators. The most easily accessible indicator is that used by the OECD (Organisation for Economic Cooperation and Development) as part of their Better Life Index.⁵

⁵ <http://www.oecdbetterlifeindex.org/topics/life-satisfaction/>

5. Environment

The Working Group were clear that an indicator in relation to the environment was important, but this is such a wide topic that at present it is difficult to decide on a particular one. They hope that in due course, the Commission's work on environmental accounting will provide the route for assessing environmental performance in member states, but there is no equivalent at present. They suggest a combination of greenhouse gas emissions and energy efficiency measures.

6. Participation

One of the reasons why income inequality creates social problems is that the poor are excluded from participation in society; the group thought it important that this indicator should be part of any assessment of wellbeing. The working group suggests two areas of consideration; turnout in elections in countries where voting is not compulsory and the numbers of people engaged in volunteering.

7. Educational attainment

This is one of the easiest areas to assess by reference to the educational attainment of young people leaving full time education. However, it is important also to take into account those young people who move to apprenticeships or other work related qualifications

8. Health

The working group thought that this should include indicators of both physical and mental health. For physical health, life expectancy at birth and healthy life expectancy at age 65 seem to be useful measures. Governments also collect information on the percentage of people treated for a mental disorder.

Conclusion

The Working Group has produced a leaflet summarising their conclusions which they hope will be of assistance to individuals and churches in considering these issues. They suggest that the leaflet is used to inform individuals' assessment of their own circumstances and of the circumstances of the society in which they live, that readers use it to help their consideration as to how they will vote in elections, and that church leaders will find it helpful in commenting on public issues within their society. The working group also hope that their work will assist the Church and Society Commission as they contribute to the European debate on "Beyond GDP".

The working group feel that they raised more questions than they answered. It would be possible to continue this debate for many more months, but there comes a time in every consideration when it is time to assess where it has reached. This paper and the leaflet represent the working group's assessment of the current state of their thinking. They are all too well aware that there is more to do.

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