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Public Theology and the economy in a globalizing world

ABSTRACT

This paper was read at the Theological Day of the Faculty of Theology, Stellenbosch University on 25 January 2010.
Speaking on "Public Theology and the economy in a globalizing world" in 30 minutes is a real challenge. The themes of Public Theology, of basic assumptions of economics and of what we mean by the word "globalization" would be each one a lecture of its own. And yet the connection of the three is exactly what needs to be discussed. The challenge of a globalizing world which has destructive effects on the natural environments and which still tolerates the poverty caused death of thousands of human beings every day is clearly on the table. I will leave describing these challenges of globalizations more closely to others today and focus on the theological grounding. After a reflection on the relationship of theology and economics in the reformation traditions, I will describe the place of a public theological model of economic ethics in the context of several other models. I will explain what it entails by distinguishing four dimensions of ethical reflection and conclude with exploring the task of the church in a globalizing world.

1. THEOLOGY AND ECONOMICS – A HISTORICAL REMINDER OF REFORMATION THOUGHT

The thesis that theology has something meaningful to say in the field of economics is new and old. It is old, because – as we shall see - it has strong groundings in reformation thought. It is new because for a long time most voices in the last century, assessing the relationship of religion and modern economies, have advocated a clear separation of these two spheres. In Germany a certain interpretation of the Lutheran Two-Kingdoms-Doctrine has played the most important role in arguing for this view. Whereas the biblical commandments like non-violence or free giving of possessions are valid for the individual Christian, says this interpretation, the political and economic world cannot be ruled by such commandments. The political and economic world has to apply its own laws which are based on reason rather than on the gospel. What was meant as a *distinction* between the two kingdoms by Luther became *separation*. The highly problematic role of this version of the two kingdoms doctrine in the time of National Socialism, legitimizing grave injustices by the state, led to a reorientation of Lutheran thought in post war Germany. The strong Christological foundation of the Barmen Theological Declaration of 1934 which also Lutherans had agreed with was a good basis for this reorientation. Nevertheless it took almost half a century until the present wide consensus was reached in Germany that the church has a task of ethical orientation also in the world of economics.

In his recently published book "Essays on Being Reformed" Dirkie Smit describes in a very catching way how a similar process happened in the 1970's in Reformed theology in South Africa.[1] Very similar in the result, though different in the argument, South African Reformed theology had been very sceptical about a substantial contribution of theology to the political and economic world. Theories of natural law had shaped Calvinist thinking in a way which supported existing

1 D. Smit, Essays on Being Reformed (Collected Essays vol.3, ed. by R. Vosloo), Stellenbosch 2009, 2-5.

social and economic structures as the will of God expressed in creation. Moral guidance by the Bible was therefore restricted to personal life.[2] Smit describes how this mindset was challenged in Stellenbosch in the 1970s in the lectures of a newly appointed professor by the name of Willie Jonker. Jonker showed how Calvin's thought put a strong emphasis on the *embodiment* of the word of God in all spheres of life. In 1973 Jonker published an article in a "Festschrift" for some of his colleagues with the title "The relevance of social ethics" (translated from Afrikaans in English) which was eagerly read and intensely discussed by many students.

Jonker emphasized how Calvin's starting point in the word of God had to lead to an approach to social ethics in which the social aspect is not reduced to the individual and in which social and political systems and structures could no longer simply be accepted as given and eternally valid.[3]

"As long as we believe that Christ is Lord" – wrote Jonker, and I quote Smits English translation – "and that his reign should be proclaimed over every inch of this earthly reality – and should we not believe this, we are no longer Reformed people – then we may not close our eyes to the injustice, poverty, oppression, and frustration which so many people in our world suffer. "[4]

Just like Lutheran thought had to be reminded of his own roots in the work of Martin Luther himself, Reformed theology had to be liberated from its ideological misuse, especially evident in the ideology of apartheid.[5]

In order to understand why this liberation was especially urgent in respect to the theme of economy, we need to take a moment to look at the reformers themselves and their theological understanding of economic questions. It is remarkable how limited the attention was which this side of the reformers has received for a long time. Even in the Lutheran world almost nobody knows that Martin Luther was quoted by Karl Marx in his famous book "Das Kapital" many times – and in most cases in an affirmative sense. Luther's writings on economics were not even completely translated in English for a long time. Most Lutheran Christians have often heard of Luther's ideas about faith and justification but never about his vivid polemics against early capitalism. Luther's critique of the practices of the banks and the multi-national corporations of his time such as the Fuggers cannot be directly applied to our world today. It was motivated by a conservative defence of the old feudal system. His scepticism against the new practices of early capitalism, however, was fed by the biblical love commandment and the Golden Rule which he interpreted in a way similar to what we today call the "preferential option for the poor".[6]

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2 See J. de Gruchy, Liberating Reformed Theology. A South African Contribution to an Ecumenical debate, Grand Rapids 1991, 272: Neo-Calvinism had similar detrimental effects like the Lutheran Two-Kingdoms-Doctrine in the German Third Reich "through its doctrine of the sovereignty of separate spheres, in preventing the church from prophetically challenging the government.",

3 Jonker as summarized by Smit, 3.

4 W. D. Jonker, Die aktualitet van die sosiale etiek, in P. A. Verhoef et al (reds), Sol iustitiae illustra nos, Kaapstad 1973, 78-107 (96), in its translated version in Smit, 4. In the German speaking world the theology of Karl Barth had generated similar insights and led to the development of social ethics as an own theological discipline developed by people like Heinz Dietrich Wendland and Heinz-Eduard Tödt who was called on the newly established chair for social ethics at the university of Heidelberg in the early 1960s , later held by Wolfgang Huber.

5 For this liberation see Smit, footnote 82-84.

6 For a closer look at Martin Luther's ethics of economics see H. Bedford-Strohm, Poverty and Public Theology. Advocacy of the Church in Pluralistic Society, in: International Journal for Public Theology 2 (2008) 144–162 (151-154). There is an excellent interpretation of Martin Luthers works on these lines from a South African Perspective which has not gotten the attention which it deserves: K. Nürnberger, Martin Luther's message for us today. A Perspective from the South, Pietermaritzburg 2005. See also U. Duchrow, Global Capitalism: A Confessional Issue for the Churches? (Geneva: WCC Publications, 1987),

It is thus clear that the thesis, developed by Neo Lutheranism in the 19th century and often repeated since then, that the church should keep out of the sphere of the economy and concentrate on its spiritual task, is not true to Luther himself. The church has to carefully reflect *how* it speaks on economic issues and what it says, but it is clear that Christian faith has consequences also for the basic design of the economy.

A similar assessment can be made for the economic ethic of John Calvin and Early Calvinism.[7] In consequence of the famous thesis of Max Weber, Calvinism has been seen as the one religious tradition with the closest tie to capitalism. A certain popular version of Weber's Calvinism thesis is to this day widely spread among sociologists, economists and people who either want to criticize or praise capitalism with Weber's help. It says that Calvinism and capitalism have a close relationship, because for Calvinists, economic success in the capitalist world is a sign of belonging to the exclusive group of God's chosen people. Ascetic efforts to not consume but invest and increase wealth are therefore a way of proving one's own lucky place in God's providence. Those who are familiar with both Weber and Calvin know that Weber's thesis is not a defence of capitalism. Even Weber himself saw how capitalism of his time had left its religious roots and become an iron cage without spirit. It is all the more inappropriate to apply Weber's thesis to capitalism as we know it today. But especially Calvin himself and early Calvinism as well would have strongly protested against being misused as a witness for what we today know as capitalism.

In an article on taking interest in the Reformed church German early 20th century church historian Karl Holl came to the conclusion that Calvinism was "the strongest enemy of capitalist striving" until the middle of the 17th century.[8] Ulrich Körtner has even stated that in original Calvinism there was always a tendency to turn to a Christian socialism.[9] In all its decisiveness to contribute to society and its economic well being, says Körtner, Calvinism, in its history, has always criticized capitalism and called for a social and practical involvement of the church in politics.[10] And Matthias Freudenberg, in a recent publication of the Beyers Naudé Centre of Public Theology, has shown how John Calvin himself emphasized the social responsibility of wealth. While Calvin was no social revolutionary, says Freudenberg, he "pleaded for a balance between economic growth and social justice".[11]

We can conclude that recent scholarship on reformation thought has given clear evidence that if we want to be true to our Protestant sources, we have to include the sphere of the economy in our theological thinking beyond the personal level and need to develop an economic ethic based on biblical guidance and careful analysis of the situation and possible ways to deal with it.

The challenges which we face in the globalizing world make this task all the more urgent. How could fellowship around Jesus Christ even be conceived without a fundamental concern for Christ's brothers and sisters who are hungry, thirsty or naked, and therefore a concern for global justice? How could God be confessed as the creator without care for creation which has become so vulnerable through the activities of human beings?

53-56.

7 See U. Körtner, Calvinismus und Kapitalismus, in: M. E. Hirzel/M Sallmann (Hgg.), 1509 – Johannes Calvin – 2009. Sein Wirken in Kirche und Gesellschaft. Essays zum 500. Geburtstag, Zürich 2008, 201-217

8 Holl, quoted in Körtner211.

9 Körtner, 213.

10 A.a.O. 215.

11 M. Freudenberg, Economic and Social Ethic in the Work of John Calvin, in: A. Boesak/L. Hansen (Eds.) Globalisation. The Politics of Empire, Justice and the Life of Faith, Stellenbosch 2009, 153-172 (163).

I want to describe three models which deal in different ways with the challenge posed by these questions. Mapping the discussion on theology and the economy might help us develop our own judgments.

2. THREE MODELS OF CHRISTIAN ECONOMIC ETHIC

The *Technical Economic Model* can be treated very briefly. From what we have seen so far, it has to be seriously questioned from a theological point of view. In its strong version it denies all considerations which go beyond questions of purely instrumental reason, as f. ex. the best strategy for the maximization of the Gross National Product. In its milder version it implies that beyond a basic human understanding of values like fighting human misery there is no need for ethical reflection. Since almost all people can agree on those basic human values, there is no need for ethical intervention in the field of economics. The challenge rather lies in how to find the right economic strategies to implement ethical goals which all people more or less agree upon.

Those who come from this model are usually sceptical or even hostile to religion based interventions in the debate on economics. Especially in its weaker form this model can be valuable and should not simply be dismissed. If theologically based economic ethics underestimates the difficulty of finding strategies which actually work, interventions from the standpoint of this model can have a healthily sobering effect. It has to be said equally clearly though that this model, especially in its stronger form, tends to be ideological, because it lacks consciousness of its own presupposed goals and values.

The goals and values can be seen as the driving motive of a second model which I call the *Utopian Economic Model*. The utopian model fundamentally criticizes the existing social and economic order with all its acceptance of greed and egoism and tries to describe alternatives to this order which are based on the equal sharing of resources. Capitalism is fundamentally condemned because it works on the basis of seeking profits, an attitude which is seen in fundamental contradiction to the Christian commandment to love and serve the other.[12] In its strongest version it even demonizes capitalism as the source of all evil. In its milder version it focuses on the alternatives.

It would be wrong to dismiss this model – and I now mean the milder version – too quickly. Its description of an economy driven by mutual respect and solidarity between human beings and by an awareness of the dignity of non human nature can have a strong inspirational effect and can generate creative imagination for new economic thinking beyond the horizons of traditional concepts which are sometimes much more narrow than we realize when have been brought up with them. And there is an obvious closeness between this model and biblical visions equally describing the new values and new relationships of Shalom in the kingdom of God.[13]

The weakness of this model is its *primary* reliance on inspiration. Fundamental alternatives in organizing economics along the sharing of resources can be lived if people highly identify with their goals and values. If interest conflicts and struggle for scarce resources are not in the way, alternative models can work and inspire others. They can however not be the primary basis for

12 See f.ex. Ulrich Duchrow, Alternatives to Global Capitalism. Drawn from Biblical History, Designed for Political Action, Utrecht 1995. Even though Duchrow presents not only alternative visions of an "economy of life" but also in many ways valuable sharp political and economic analyses, I would see his approach close to the utopian model. Its pragmatic value suffers under an insufficient reflection of the role of self interest in economic exchanges.

13 See F. Segbers, Die Hausordnung der Tora. Biblische Impulse für eine theologische Wirtschaftsethik, 3. Auflage 2002; U. Duchrow, Alternatives, 142-202.

the public voice of the church in economic matters, as long as there is no general conversion of all people towards those new values before our door. Basing the economy on the readiness to freely share resources is, thus, problematic. If utopian alternatives applied in politics lead to consequences opposite to their intentions, f. ex. a sharp decline in generating wealth, they can even be deeply ethically questionable.

The *strength* of the utopian economic model is its inspirational message that another world is possible. The *danger* of it is a lack of guidance for a situation in which the economy still has to be organized in a way that takes into account existing self interest and the distribution conflicts involved in it. If people do not spontaneously share, there need to be rules which both encourage the production of wealth and a fair distribution. The utopian economic model leaves those alone who, for example as politicians, have the power to actually shape those rules.

That is why we need a *third model* which I call the *public theological economic* model. The public theology model cherishes the inspirational potential of the utopian model. But it goes beyond this model by explicitly reflecting upon the concrete effects of certain possible mechanisms, including possible unintended counterproductive effects of mechanisms which at first sight seem especially ethically valuable. The public theological model has a natural closeness to an ethic of responsibility because it sees the reflection on the consequences of its considered alternatives for action as integral part of its ethical argument. Only when theologically based ethical goals are mutually related to a careful reflection of political and economic strategies and their expected consequences, can theological ethics really give guidance to politics and economics and the debate on it in civil society.[14]

This model, however, also helps economists to critically reflect their own thinking. What are the implicit goals and values of economic strategies and how are the priorities set? And how do we measure the success of economic efforts? Measuring such success by simply using the Gross National Product implies different goals than developing instruments to measure the improvement of the situation of the poor and assessing progress in ecological transformation. Good economic theory includes such account for its goals and purposes in its reflections.

Let me further explain what a public theological approach to economics implies.

3. FOUR LEVELS OF ETHICAL REFLECTION

A public theological approach on economics must distinguish four levels of ethical reflection which have to be mutually related to each other: the individual level, the corporate or entrepreneurial level, the political structural level and the socio cultural level.[15] It is decisive for a substantial ethical assessment that none of these four levels are forgotten or even played down. Here lies one of the most important deficits in the current economic ethical debate.

The *individual and corporate level* is underestimated if ethical consideration is primarily given to the political structural level. This phenomenon can be identified on two opposite sides: certain approaches like the one of German economic ethicist Karl Homann dismiss the critique

14 For my earlier account of public theology see H. Bedford-Strohm, Nurturing Reason. The Public Role of Religion in the Liberal State, in: NGTT 48 (2007), 25-41; Public Theology and the Global Economy. Ecumenical Social Thinking between Fundamental Criticism and Reform, in: NGTT 48 (2007), 8-24; and "Tilling and Caring for the Earth". Public Theology and Ecology, in: International Journal of Public Theology 1 (2007), 230-248.

15 These four levels and their importance to understanding the global financial and economic crisis also form the basis for a recent public memorandum by the German Protestant churches on the Economy (Council of the EKD, 2009, Like a high wall, cracked and bulging. Statement by the Council of the Evangelical Church in Germany on the global financial and economic crisis, Hanover. (download under http://www.ekd.de/english/download/eKd_texts_100_2009.pdf).

of unethical behaviour by corporations on the grounds that self interest is a natural driving force of the economy and therefore not to be ethically criticized.[16] His theory is in many ways close to Adam Smith's idea of the invisible hand which has been so important for the formation of modern free market theory. On the opposite side Marxist approaches emphasize the systemic character of the current injustices and therefore see considerations of individual or corporate ethics not only as useless but, even more, as a disguise of the systemic character of the problem. Both approaches give not enough account of the importance of an individual and corporate ethic which is necessary to support political and legal frameworks.

Ethically conscious individual and corporate efforts can support *existing* social and ecological frameworks, and they can also encourage politics to go beyond and expand such existing frameworks.

It is clear that an approach emphasizing one-sidedly individual and corporate behaviour would be equally wrong. If individuals or enterprises are permanently punished by the market for their ethical behaviour they will not be able to sustain it. Instead the market must be framed in a way which encourages ethical behaviour of individuals or enterprises. That is why the *political structural level* is so important.

The *socio cultural level*, finally, reflects the norms and fundamentally held values which guide economic behaviour on all levels. It is important whether solidarity is deeply ingrained in the socio cultural fabric of a society or whether self reliance and reward systems based on individual achievement are the guiding principles. This fundamental level is crucial for what policies are possible in a society. Vice versa, individual and corporate behaviour as well as political decision making and public debates around it, have clear long term consequences on the socio cultural level.

Let me give an example for how these four levels interact. I want to show this by assessing the role of *incentives*. Concern for incentives is based on the assumption that people do not always spontaneously act in an ethically responsible way but only or only effectively act in such ways when it is in their own good self interest. The utopian model would tend to dismiss this assumption because it wants to overcome self interest driven economics. There are indeed ecologically conscious people – usually well educated and morally highly motivated - who make conscious sacrifices by for example doing everything to save energy. They avoid using the car whenever possible, they use electric lights at home as little as possible, they save water wherever they can. And if they visibly enjoy their lives rather than being a personification of moral accusation to others, they can indeed be a strong inspiration. And we clearly need more of that. Nevertheless, a public theological model will not exclusively or even primarily rely on such inspiration. It will be aware of the role of self interest in a world yet unredeemed from sin. It will honour inspirational examples as signs of a new world in which sin has been overcome, but it will put equal emphasis on incentives which connect ethical goals with self interest. It is, f. ex. a political question reflected by a public theological approach, which incentives have to be created, so that it is in everybody's self interest to save energy. One of the possible outcomes of this reflection would be the call for an ecology tax which makes ecologically damaging goods expensive and gives market advantages to those products which save energy. The appeal to consumers to live more in tune with the environment would be supported by good economic reasons for every individual in their consumer habits but also for the companies to produce their

16 "The call to take on political responsibility is often phrase I semantics that forces MNCs into the role of opponents. 'Sacrifices' and 'taming of capitalism' are called for. But corporations cannot make sacrifices, and to tame self-interest is diametrically opposed how the market economy works" (K. Homann, Globalisation from a business ethics point of view, in: K. Homann/P. Koslowski/Ch. Luetge (eds.), Globalisation and Business Ethics, Aldershot 2007, 3-9 (5)).

goods more ecologically. Ecological consciousness on the socio cultural level would both support such ecology tax and be strengthened by it.

This example illustrates the care and multidimensional awareness with which the impulses of biblically informed Christian ethics must be brought in dialogue with economic matters. Only in this way can theology be publically relevant. Such a public theology must be bilingual. It must develop a clear theological profile and – where appropriate - make this profile explicit in public. But in addition to a theological language, it must also speak the language of the secular world and be prepared to engaged in debates and make its points plausible without basing them exclusively on theological arguments.[17] Such bilinguality is the appropriate tool for the public presence of the church in a pluralistic society.

What is the challenge for the churches in light of public theology and the economy in a globalizing world? I will conclude by highlighting three tasks.

4. THE TASK OF THE CHURCH IN A GLOBALIZING WORLD

Firstly, the church has to be truly light of the world by being itself. The church cannot give good advice to the world if the world cannot see at least its honest effort to live what it preaches. It is the *authenticity of the church* which is its foremost challenge. To be sure, this authenticity includes its fallibility. It is a well known strategy by those who are bothered by the church's criticism to simply dismiss this criticism by pointing to the church's own homework. The decisive criterion for the authenticity of the church is not its perfection. Perfection is an eschatological quantity. The decisive criterion is the church's readiness to always and again strive towards its own measures, theologically speaking, to live under the word of God.

In a global world this means that the church must enter a new ecumenical age. It must embody an ecumenical spirit of brother and sisterhood by material sharing of resources as one dimension of the correspondence between message and order of the church which the Barmen confession so clearly describes in Thesis III.[18] And it must increasingly find a common voice as a vital agent of a new global civil society. In questions of justice, peace and the integrity of creation this effort has already been remarkably successful. In the assessment of pluralism in democratic societies either as threat or as fruitful ground for diversity it still has a long way to go to find as common understanding.

Secondly, the church must become sure enough of itself and its firm basis in Jesus Christ that it can freely and openly engage in a dialogue with other religious traditions and with the secular world about the "humanization of globalization" – as a recent publication co-produced in Stellenbosch – called it.[19] The ecumenical documents on globalization in the last years like the Accra document of the Reformed World Federation and the Agape document of the WCC have strongly described and criticized the failure of neoliberal capitalism to meet the challenges of such "humanization". And the churches in the North have often too easily dismissed this critique as undifferentiated and purely confessional.

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17 As German theologian Eva Harasta has shown in an article in the International Journal for Public Theology, such bilinguality has already been an integral part of Karl Barth's famous treatise on "Christengemeinde und Bürgergemeinde".(E. Harasta, Karl Barth, a Public Theologian? The One Word and Theological 'Bilinguality', in: International Journal of Public Theology 3.2 (2009) 184–199.

18 "As the Church of pardoned sinners, it has to testify in the midst of a sinful world, with its faith as with its obedience, with its message as with its order, that it is solely his property, and that it lives and wants to live solely from his comfort and from his direction in the expectation of his appearance."

19 Clint le Bruyns/Gotlind Ulshöfer (eds.), The Humanization of Globalization: South African and German Perspectives Frankfurt 2008.

However, the challenge of the churches in the North as well as in the South now is to take the task of public theology seriously. The churches need to engage in a new dialogue with those who bear political and economic responsibility. If those in power express their will to look for new ways of a more just and more sustainable global economy, the churches need to take them by their word. They need to listen, they need to challenge, and they need to gather as much expertise as possible to pave the way for a new consensus in the societies which can lead to a more just and sustainable world. With their widely discussed public memorandums on the overcoming of poverty (2006), on the ethics of entrepreneurial action (2008) and on the financial and economic crisis (2009) the German Protestant churches have tried to offer a contribution in responding to this challenge. (They all carry the signature of the chairman of the Council of German Protestant churches Wolfgang Huber who is among us today). I now hope for increased efforts for similar endeavours in cooperation between churches in the global North and in the global South.

Thirdly, the church is called to be a source of *empathy, hope and joy* in a struggling world. It is called to be a *source of empathy* because it witnesses a human being who was tortured and executed on the cross with a cry of despair on his lips. The church will therefore always be a place of "memoria passionis"[20], never ceasing to be a reminder for the globalizing world of the suffering it puts up with or even causes.

The church will be a *source of hope* because the cry of despair on the cross was not the last word. The resurrection story can be read as God's authentification of the "will to the future" as Dietrich Bonheoffer called it.[21] Failures in the struggle for a just and sustainable globalizing world like the Copenhagen summit can never extinguish the knowledge of the soul generated by God's authentification of the will to the future.

Finally the church will be a *source of joy*. The struggle for a globalization which respects the dignity of all human persons and the dignity of non human creation is based on the awareness of the preciousness of the gifts of creation. Celebrating these gifts is a contribution of the church not to be underestimated. Enjoyment of human community and of the beauty of nature – as it is expressed in so many biblical texts – is a witness to God the giver of life. In all the debates and intellectual encounters which public theology, in its reflection of the economy in a globalizing world, generates, the joy of life is a vital source. Let me end with the word of a nearly 80 year old man who, after a life of struggle for justice and dignity, expressed this joy of life by referring to his new lover of old age: "I don't regret the setbacks I have had before, and, late in my life, I am blooming like a flower because of her support."[22] What Nelson Mandela says about Gracia Machel can be an inspiration to all of us to celebrate life and to work for the future of a globalized world in which such celebration of life includes all creation.

KEY WORDS
Economy
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20 Johann Baptist Metz, Memoria Passionis. Ein provozierendes Gedächtnisin pluralistischer Gesellschaft. In Zusammenarbeit mit Johann Reikerstorfer, Freiburg/Basel/Wien 2006.

21 Dietrich Bonhoeffer, Letters and Papers from Prison, New York 1972, 15f.

22 Jennifer Crwys-Williams (ed.), In the Words of Nelson Mandela, Johannesburg 2010, 73.

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