

Wesleyan Economics

Insights for the 21st Century



Three Studies based on John Wesley's attitude to wealth.

*They have been prepared by the Faith and Order Committee
of the Methodist Church of New Zealand.*

WESLEYAN ECONOMICS – Insights for the 21st Century

Background

In October 2010 the Investment Advisory Board asked the Faith & Order Committee to prepare a preamble as it worked to develop new Guidelines for Socially Responsible Investment. The committee took up this request and arranged for a consultation to take place at Takapuna Methodist Church on Saturday 26th February.

At the Consultation Rev. Barry Jones contributed a paper on John Wesley's economics and the Rev. Dr John Salmon offered a paper on social ethics and church investment. From the insights shared at the consultation and its own reflection, the committee prepared the preamble and this was sent to the Investment Advisory Board at the end of March, 2011. The committee received a letter from the IAB in which it expressed appreciation for the work of the committee and stated that they would seek a conversation with the committee on the preamble. The committee is happy to share its work with the church.

What follows is divided into three parts for the purposes of study. Each section may provide material for an evening study. The committee offers these studies of Wesleyan Economics believing that our tradition continues to have important things to contribute to the debate about the economic and financial crisis that we are caught up in.

Questions are attached to the end of each section that may be used to start discussion of the issues. We accept that the subject is controversial and encourage participants in the dialogue to respect the different views that will be represented in each group.

Rev. Dr. Terry Wall.

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A PREAMBLE TO A SOCIALLY RESPONSIBLE INVESTMENT POLICY drawing on biblical and theological insights.

Methodism is committed to:

- Stewardship - the responsible use of money.
- Social Justice - avoiding social harm
- Human Wellbeing - promoting positive development
- A Good Creation - sustaining the planet



Study one – Biblical insights

(Note: if you are using this material for a Study Group please ensure there are some Bibles, preferably NRSV or Good News, available.)

God's purpose:

Christian theology teaches that God brought this world into being, sustains it and brings it to completion. In Christ we have seen that God pours out the divine life for the life of the world and is ever active within the world encouraging it toward its fulfilment. The scope of God's transforming love is personal and communal, political and environmental, global and cosmic.

In this divine work we are called to be co-creators.

As the church seeks to manage its financial resources, there is the challenge for these fundamental convictions to shape both policy and decision making.

Word to Israel:

God's word speaks to us across the generations and within our own day. From the beginning of scripture there is a call to delight in creation and to "replenish the earth". (Genesis 1:28 AV) Law is given to provide direction and call Israel to remember its obligation to the poor. "You shall not strip your vineyard bare, or gather the fallen grapes of your vineyard; you shall leave them for the poor and the alien." (Leviticus 19:10) At the heart of the Law is the notion of restraint.

Alongside Law in the Old Testament the prophetic witness calls for moral responsibility in business and social relationships. “Seek justice, undo oppression; defend the fatherless, plead for the widow.” (Isaiah 1: 17) God’s vision is one of transformation: “they shall beat their swords into plowshares, and their spears into pruning hooks...” (Micah 4:3)

The other stream of tradition within the Old Testament is that of the wisdom writings. Their insight refined by the experience of daily life is offered. In Proverbs 29: 18 we read, “Where there is no prophecy, the people cast off restraint but happy are those who keep the law.”

Word to the Church:

This stewardship of resources continues to play a central role in the New Testament. In Jesus’ parables there is witness to a world of grace in which hearers are surprised at God’s generous love extending to all, even the marginalised.

Jesus teaches, “Blessed are the meek, for they will inherit the earth.” (Matthew 5:5) Jesus challenged the abuse of the Temple courts when he turned the money changers from their tables. (John 2: 14) A constant theme in the teaching of Jesus is caution about the accumulation of riches. “Do not store up for yourselves treasures on earth ... but store up for yourselves treasures in heaven.” (Matthew 6: 19) Further wisdom of Jesus: “It is easier for a camel to go through the eye of a needle, than for a rich man to enter the kingdom of God.” (Matthew 19:24)

Study questions

1. *How do our ideas about God inform our conversation about economics?*
2. *What might the notion of restraint contribute to the discussion?*
3. *Can a biblical case be made for economic policy to protect the poor?*
4. *What clues do the prophets give for economic justice?
Are there present applications of Jesus’ cleansing of the Temple?*
5. *In what ways might our “spiritual disciplines” open our hearts to the needs of the impoverished?*

Study two – Wesleyan economics

(Note: it will be helpful to have a copy of Wesley's *Forty Four Sermons*, or the updated version of the Sermons called *Sermons on Several Occasions*).

John Wesley's witness:

In the preaching of John Wesley there are insights that remain relevant to our management of the resources of the church. Before the development of economic theory in the nineteenth century, Wesley was a pioneer in articulating a critical theology of wealth. Wesley did not have a negative attitude toward money or the generation of wealth. He saw that it could be a blessing. All who fear God have a responsibility to know how to employ this valuable talent, for example in feeding the hungry and clothing the naked.



In his sermon *The Danger of Riches* he located four positive purposes of wealth: 1. provision for families, 2. generation of capital by business, 3. bequeathing resources to families, and 4. freedom from debt. In 1746 he established a “poor man’s bank” and lent small sums of money to those who wished to start businesses.

John Wesley's warning:

Careful study of Wesley's sermons reveals that he gave considerable attention to the place of wealth in society. In sermons such as *On Riches*, *The danger of Riches* and *The Danger of Increasing Riches* he outlined his awareness of the spiritual danger of wealth. Indeed so concerned was he about this that he saw the pursuit of wealth as being idolatrous.

In his sermon *On Riches* he identified five dangers in amassing wealth.

- 1) It prevents us from attending to God and the things of God.
- 2) Riches can be a hindrance to loving neighbour and self.
- 3) Riches can lead to pride, contempt for others and atheism and as such are a hindrance to holiness.
- 4) To deny ourselves and follow Jesus is a bigger challenge for the affluent.
- 5) He concluded that happiness is to be sought in God, and in God alone.
For Wesley covetousness was the sin of desiring more.

In his sermon on *The Danger of Riches* four desires are mentioned that he claimed have destructive spiritual consequences.

- (i) The desire of the flesh, the pleasure of tasting leading to gluttony.
- (ii) The desire of the eyes, wanting things that are ornate.
- (iii) The desire of honour, seeking admiration and applause.
- (iv) The desire of ease, the wish of comfort and desire to avoid every cross.

John Wesley's economics:

In his sermon *On the Use of Money* we are introduced to Wesley's famous teaching, "gain all you can, save all you can and give all you can." It is instructive to note some of the qualifications that are outlined. In gaining all we can Wesley insists that:



- a) we should not gain at the expense of "hurting the body". By this he meant people should not work too many hours or be exposed to harmful chemicals.
- b) Nor should we do what is harmful to the mind by either breaking God's law or the law of the land.
- c) Nor should we gain by harming neighbour. This includes refraining from selling below market rate, setting out to undermine a neighbour's business and lowering the moral health of society. Further, Wesley considered we should not seek to avoid taxes, as these are used to do good in and for society.

John Wesley's social responsibility:

By "saving all we can", Wesley did not endorse the accumulation of wealth. Rather he advocated frugality and simplicity of life. He opposed expenditure that was designed to support comfort and luxury. He cautioned against purchasing things that appealed to the senses such as works of art and fancy clothing.

By "giving all you can" Wesley recognised an obligation to others, especially the poor, even to those who may not be believers. Clearly Wesley sees the use of money as a spiritual challenge associated with particular temptations. He was constantly concerned that because the Methodist people were frugal they accumulated wealth and as a consequence lost the reality of Christian spirituality.

Disturbing heritage:

Methodism has sought in different ways to respond to its biblical and spiritual heritage. This has been expressed in the quest for social justice as conditions have been encountered in different periods of history e.g. in the fight against slavery, in the temperance movement, in the pacifist witness, in struggle against apartheid and in support for a minimum wage and good working conditions.

It has been expressed through “humble philanthropy”, in which wealth is used for the benefit of others without drawing attention to the donor. More recently the bicultural journey has been an expression of the sharing of resources and power. There has been the commitment both to refraining from engaging in harmful actions and the promotion of communal well-being.

Study questions

- 1. How are Wesley's four positive purposes of wealth relevant today?*
- 2. Do the four dangers identified in Wesley's sermon On Riches apply today?*
- 3. How might we speak of the spiritual temptations that Wesley sees in wealth?*
- 4. In what ways might we apply Wesley's insights to our economic issues?*
- 5. How might the gospel challenge the sovereignty of the market?*

Study three – our context

Today's challenge:

And now this heritage continues through the theological emphases inherited from Wesley, and the themes of stewardship, social justice, human wellbeing, and a good creation which have specific relevance for questions of responsible investment today. In our contemporary setting, these themes are seen to be linked to environmental concerns, which are demanding more attention within Methodism, and are appropriately considered in the context of investment.



Finish then thy new creation:

Managing wealth at family and institutional level requires spiritual maturity. Our tradition encourages the responsible and creative use of resources. Wealth can promote fullness of life and healing. However our tradition does not endorse maximising return on investment. It calls for restraint in the interests of avoiding exploitation of people and exhausting the environment. Drawing inspiration from the gospel, the church is bound to engage in an ethical investment policy that serves the new creation. This vision should inform and critique our practice.

Study questions

1. *What biblical restraints would you like to see featuring in policies of economic development?*
2. *Do our biblical, theological and spiritual insights shed light on the sale of land to those who are not New Zealanders?*
3. *Should the church confine itself to broad principles or should it also contribute suggestions to the details of economic policy?*
4. *How can our renewed interest in the wellbeing of the environment be taken into account in economic planning and policy development?*
5. *How has this study challenged the way you might use what resources you have as a Christian?*

Wider Methodist Community:

The Central Finance Board of the British Methodist Church formulated the following Biblical Principles to guide its work:

- to encourage the fruitful use of economic resources
- to encourage activities consistent with God's nature and values
- to encourage a concern for the vulnerable and oppressed

Therefore we offer some questions to guide decision making within our church:

1. Are our decisions inspired by gospel perspectives or market ideology?
2. Does this policy come at the expense of any persons or communities?
3. Will this approach empower the impoverished?
4. Will this decision promote the concentration or dispersal of wealth?
5. How will this decision express our stewardship of nature?
6. In what ways might this direction contribute to healing the relationship between the human community and the natural world?

The Faith & Order Committee is always interested to receive responses from parishes and rohe about studies it makes available to the church. Responses may be sent to the convenor of the committee, by mail to the Rev. David Poultney or email davidcpoultney@gmail.com

Additional Material

From Sirach 31:8-11

(Sirach is one of the inter-testamental books and is part of the Apocrypha)

Happy are the rich
who still have their integrity,
who are not corrupted by money.

Name them,
that we may esteem them;
they have acted
for the benefit of everyone.

Let them take pride
in passing the test:
they had their chance
to do wrong but did not;
they had their chance
to choose evil but would not.

No wonder their wealth is secure
and the assembly sings their praise.

Additional study (A contemporary issue)

Ten Commandments for the Commercial World (written in 2011)

The Occupy Movement no longer occupies the Aotea concourse by Auckland's Town Hall but recent headlines in the Herald remind us why the movement came into being. Its seed was the inordinate greed evident in the Wall Streets of this world, greed that has clearly not left New Zealand unscathed. Pause to consider the most recent headline: "Combined pay tops \$5.5m for bosses of four energy firms". Four people each earning over a million dollars a year! Each person we were told received a rise of over 11% whereas the average wage increase in NZ in 2010 was 1.7%. This one headline was symptomatic of a number of others in the Herald during the last twelve months. Here are some examples: April 30, 2011 "More \$5 million men as earnings climb" (there were four, the CEO's of Westpac, Nuplex Industries, Telecom and Fonterra, each with a salary of over \$5m per annum); October 26 2011 "SkyCity presses on with fee raise vote" (this took the directors' fee pool from \$1m to \$1.5m); February 27, 2012 "NZ tax on rich among the lowest in the world" (shows the other side of the equation, in the UK high earners face a 50% tax rate on their income). All of which in New Zealand is not simply scandalous it points to a systemic evil.

Why? The reality is, that when we look at a company, be it an energy company, a bank, a telco, or whatever, we discover that there is in fact only so much money to go around. The earning power of a company however efficient it might be is circumscribed by its customer base. It is that base that provides the cake and it is the cake that is sliced up in order to pay all who work for the company from chief executive to the lowliest staff member, not forgetting the shareholders. So the outcomes are clear. When the chief executive receives a huge salary and bonuses then others in the company's workforce pay the price and receive correspondingly less. More often than

not the “less” falls most heavily on those in company positions that are perceived to be at the bottom of the heap, but others pay the price as well.

I am not arguing against those who have put in years at university, or those who have greater skills, or who are capable of taking on greater responsibilities, being paid more. I agree with that. But the truth is that what has happened in our society is far from being just that, it is completely over the top.

A guideline for me would be this. No one occupies a more responsible position in this country than the Prime Minister, a person whose salary is about \$400,000 a year, and who has to live under media scrutiny virtually every day. Consequently the Prime Minister has a greater accountability to the population at large than any other CEO in the country. Furthermore the main bonus that he or she may receive by virtue of good leadership is to be elected for a further term. While the PM’s salary is well above the average wage (approximately \$54,000), it is a mere pittance when compared with what some CEO’s in this country receive. This, in my view, demonstrates the grossly excessive nature of the annual payments to many CEO’s.

But who is at fault here? Principally I believe it is the Boards of Directors and the share holders that support them. Boards of Directors who advocate such excessive salaries need to be called to account by shareholders for it seems that far too many have been seduced by oft quoted slogans such as “if you pay peanuts you get monkeys”. I believe that is nonsense.

I believe that there are people in our society who aspire to challenges, who rise to responsibilities, and who get far more satisfaction in delivering excellence, than they do in the extensive nature of any pay packet offered or received. I believe that there are many people who have a respect for their fellows, a commitment to ethical living, and who are not driven to obtain the highest possible financial packet for themselves at the expense of others. Let the Directors seek them out and if they don’t, let shareholders call the Directors to account.

As Christians we are all familiar with the Ten Commandments, it seems to me that Boards of Directors, and CEO’s need a “Ten Commandments of their own”. So, let me end with ten “commandments” which I believe if taken seriously, even in part, could make an impact and call us back to some kind of sanity:

1. Let there be no executive pay rises that are above the rate of inflation.

2. Let there be no bonus's given that are not a recompense for exceptional service and results.
3. Let there be no salaries grossly in excess of the level of that paid out to the country's Prime Minister.
4. Let there be no Boards of Directors who are unwilling to keep executive salaries under control.
5. Let there be no chief executives employed who are not willing to live within these parameters.
6. Let there be no executive severance packages greater than the limit imposed by three month's salary.
7. Let there be no tax loopholes for anyone and in particular for those earning over \$100,000p.a.
8. Let there be no tax funded advances to public companies that are not prepared to work within these limitations.
9. Let there be no contracts that over rule conscience. 10. Let there be no secret deals, let transparency rule the day.

The World Economic Forum in Davos, Switzerland, suggested that "severe income disparity" is the biggest risk facing the world. It is time to face up to it here in New Zealand.

Someone once said "economic recovery requires a moral recovery, it is a spiritual crisis". If that is right, if this is a "spiritual crisis" then clearly the challenge for the Church is to give a lead.

Norman E. Brookes

Questions for Discussion:

1. *If as the Herald reported "NZ tax on rich (is) among the lowest in the world" (in the UK high earners face a 50% tax rate on their income) what if any might be the benefits of such a policy? What are the negative consequences?*
2. *It seems that far too many have been seduced by oft quoted slogans such as "if you pay peanuts you get monkeys". To what extent do you "agree" or "disagree" with that statement? To what extent were your occupational choices influenced by the size of the pay packed offered?*
3. *What three of the "ten commandments" offered above would you see as being the most important in terms of helping NZ become a more equitable society?*

Wealth and Poverty

The claim that wealth is God's great gift
Makes poverty God's curse;
So what could lead the Christ to choose
A poor man's life and purse?

"How cursed are riches," cry the poor,
"When only held by few."
But rich folk bless the wealth that leaves
The poor outside their view.

Then how should Christians view their wealth
And what does God condemn?
"Both poverty and wealth," says God,
"Will chant earth's requiem."

O God, the host of rich and poor,
Who forms our common quest,
Help us through sharing common wealth
Discover "less is blest."

Within Earth's common meal we find
A sacrament of grace,
A grace that makes us one with all
Who form the human race.

Bill Wallace
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