

Ethical Engineering a Political Economy for Greater Wellbeing in the 21st Century, and the Contributions of Religion.

In the light of the current global crisis, but necessarily located in a much wider context, the shape of a religious contribution to a more ethically adequate political economy for the 21st century probably begins to take a clearer shape. I think this emerging architecture can be usefully related to the interaction between positive (engineering for Sen) and normative (ethical for Sen) economics as ethical engineering and how this can overlap strongly with an emerging religious contribution to political economy. The logical structure of this paper unravels this thesis: part one analyses what has gone so badly wrong with contemporary economies; the second recognises the need to probably move beyond arguments for a ‘new capitalism’ (such as Peston’s more humane capitalism) as the answer to the crisis; the third part identifies the integral role ethics and religion can play in the critique of and more importantly in the moving beyond a new capitalism; the fourth and final part sketches a possible contribution of religion, in collaboration with others (disciplines, faiths, government, business and civil society) to the architecture of a more ethically adequate political economy for wellbeing in the 21st century.

The literatures used in this paper bring together current and emerging research across disciplines, including economics, economic history, psychology, philosophy and theology, noting particularly the potentially creative correlations, for example, between the wellbeing – happiness research, and technophysio evolution – economic change research, and the contribution to both of new understandings and interpretations of ethics and religion. Both suggest wider and deeper analyses of the current crisis, and maybe more viable (because more humanly enduring) ways forward.

Part 1. What’s Gone So Badly Wrong and Why?

I detect two emerging consensuses which address this question, and which overlap and reinforce and contextualise the current financial and economic crisis.

First, analysis of the current more immediate situation as a crisis of global-wide financial systems and economic recessions – which impact within and between nations. Commentators are increasingly judging the depth and extent of these crises as the worst since 1945 (global production, trade and growth) and possibly since the Great Depression of 1929-32. All acknowledge the global interlocking of financial and economic systems, including developed and emerging economies. The general explanatory conclusions recognise, in financial systems, the calamitous overreaching of credit and risk assessment, linked to the massive overvaluing of financial assets, in turn linked to massive global imbalances between the major surplus economies of Asia and oil producers, and the indebted West, particularly the US and the UK. These trends generated, and in turn were fuelled by, increasingly complex financial instruments and speculation, and the development of extra traditional banking systems, including complex investment banking conglomerates, private equity agencies and hedge funds. Although contributing significantly and positively to the wider economy (but also to its resultant profound imbalances), they particularly generated staggering rewards for a small number of individuals – contributing to the emergence of extreme inequalities and the growing likelihood of essentially unaccountable political influences (if not corruption of the body politic). Although

many commentators identify the contribution to such crises and excesses of such morally obvious values as greed, there is likely to be a much broader and deeper connection between such economic breakdown and the erosion of the ethical (and religious) foundations of personal, community and national wellbeing. In other words, it is essential to make the major connection between wider wellbeing literatures, and their emerging rigorous findings, and the economic analysis of the current crisis. For example, it is worth observing the linkages between the tracking of the grave erosion of social-and religious-capital from 1960-2000-and its description as the Great Disruption, and the growing gap between the intractable bottom billion and the richer nations, and its description as the Great Divergence – and the proven causal relationships - Wilkinson – between such inequalities and ill-being in its various forms, including health. Interestingly, these connections between moral, social and economic fabric, and their profound current imbalances and erosions, is embodied, for example, in the work of the economist Layard, and his contribution to happiness, as a new science, but also as chair of the newly published Children’s Society report on A Good Childhood. Searching for Values in a Competitive Age (2009).

Second, there is a need to locate such analysis of the current situation in a wider, deeper and more complex historical analysis. This analysis also crosses disciplines and ideologies, often working with cycles from the 15-16th centuries to the present to analyse the correlation of political-strategic and economic systems including as the development of capitalism. Interestingly, Arrighi’s interpretation (again, with strong resonances across literatures), notes four stages in each cycle, with the movement from capital accumulation through new productive energies and systems, to capital accumulation through the development of financial instruments. The latter also signals the end or collapse of a cycle, but is also seen as overlapping with or leading into the first stage of the new cycle. The fourth American-led cycle, (the first being in Italy in the 15-16th centuries), entered into its final turbulent financial stage in the 1970s to the present, probably ending in the current financial-economic crisis. It is this historical interpretation of recurring excesses, particularly as financial capitalism, which also links to other interpretations, including:

- a. The recognition of the intrinsic tendency to speculate for gain, increasingly using credit and new financial instruments, and increasingly thereby driving up asset values, and then the inevitable collapse – for example J. K. Galbraith’s A Short History of Financial Euphoria (1990) traces such recurring episodes from the Dutch speculation in the tulip commodity in the 17th century, to the South Sea Bubble in the early 18th century in Britain, to the junk bonds in the USA in the later 20th century (interestingly reflecting the three cycles of empire-capitalism, of the Dutch, British and American).
- b. The Marxist and neo-Marxist analysis of capitalism in terms of its fundamental contradictions and its inbuilt propensity, through the drive for capital accumulation through profit, to generate excesses and crises (see Beams and John Reader).
- c. The Keynesian and neo-Keynesian analysis which recognises the contribution to wellbeing of the market mechanism, yet the profound tendency of capitalism to also generate economic cycles of growth and slumps because of its intrinsic instabilities (much of Keynes’ work related to the 1929-32 crash). Interestingly, Keynes preferred Malthus’s analysis to Ricardo’s and the following classical and neo-classical economics, not least because Malthus recognised the existence of such unstable cycles as against the argument for intrinsic market equilibrium. Malthus was also one of the early proponents of ethical economics and what has been labelled as the tradition of Christian political economy.

It is important to note that this recognition of economic cycles is now being linked to religious cycles, certainly traced back to the 18th century in US and UK history. It is also significant that some interpreters regard this connection between secular (political economy) cycles and religious cycles as profoundly interactive, including as promoting the pursuit of more egalitarian societies (This provides some evidence for my later interacting of economy and religion).

Also, as an essential cautionary note, financial systems are rightly argued to be an essential part of the drive for human development, and are intimately related to economic development. Current critiques need to take proper account of this judgement (Ferguson).

Part 2. A Way Forward: Moving beyond a New Capitalism?

What the above two analytical consensuses begin to suggest is the preference for real change – the first level of analysis has therefore led to Peston’s argument for a new more humane and so reformed capitalism (similar to James’s argument for an unselfish capitalism). The second longer term historical analysis recognises such a progressive change as the beginning of a new cycle of capital accumulation in the early 21st century.

My current research, however, is beginning to suggest the possible deficiencies of such a conclusion for an ethically and religiously adequate way forward out of our current crisis. This conclusion, or emerging hypothesis to be tested, relates to what is raised by two questions relating to the likely emergence of a quite new context and agenda, emerging out of the very late 20th and early 21st century – suggesting that the new cycle may be, and should be, quite different in crucial ways from the previous ones, as essentially an emerging new paradigm.

The first question comes out of radical new research in the field of economic history, and is complemented and elaborated by other research in economics, psychology and religion (essentially economic history and happiness research). This research recognises that we are globally increasingly entering into a post-Malthusian Trap (or postscarcity) context which, among other things, challenges the hitherto and undue reliance on the productive and financial domination of societies (both as integrally part of capitalist processes). Two sets of arguments reflect this emerging transition, suggesting that the substance of previous cycles will be changed radically:

1. The pioneering work of Clark in economic history identifies this transition with fundamental changes in our understandings of economics – reflected, for example, in what is called the happiness hypothesis – that since the 1950s, increasing prosperity (driven by economic growth) has not resulted in increasing happiness or wellbeing at all, particularly when a certain (modest) income level is attained. What is clear, from other research, is that other matters become of far greater importance than the economic, for the delivering of wellbeing (and including a constructive, ethically adequate – and religious/spirituality - phylosophy of life, strong family life, close friends, good health including mental health, and work).

2. The emerging new cycle is expressed by Fogel (Nobel Economic Laureate) as the breakthrough of technophysio evolution (very topical, given Darwin’s Origin of the Species 150 anniversary), reflected for example as dramatically increasing life expectancy, but also as representing the emergence of more immaterial agendas (on a

material-immaterial continuum) in terms of human development (not, of course, discounting the continuing and necessary developments in economies, including finance). This growing importance of immaterial agendas includes an increasing emphasis on personal and communal self-realisation, including as various forms of spirituality. Fogel so very importantly, also recognises the interaction between technophysio evolution, political realignments and religious great awakenings in the USA, but also acknowledges the wider relevance of this model. He links these interactions to, among other things, the pursuit of more egalitarian agendas – and this links to the happiness hypothesis and its recognition that improving wellbeing is associated with reducing inequalities. Also, of particular interest, to this whole thesis of this paper, Fogel notes that technological-economic breakthroughs cause severe disruptions, not least because ethical-religious-political systems take time to catch up with such material changes (the phase we are now in, given the acceleration of financial changes and globalization).

The arguments for movement from more material to immaterial agendas could be reinforced by new research suggesting over half the world's population is now middle class. It is suggested that 'They think and behave differently' – from Malthusian Trap societies – being 'more open-minded,' concerned for children's future and 'more influenced by abstract values and traditional mores' – are, according to a new poll, the middle classes in the developing world are happier, more optimistic and more supportive of democracy than are the poor' (The Economist, 14th February, p.17)

Importantly, both the Clark and Fogel type hypotheses (and a much wider secular research supports much in these findings) recognise the central role of ethics-morality and religion-spirituality in such an emerging post-Malthusian Trap era. Both have important implications for a new political economy for human wellbeing in the 21st century – not least because they also thereby recognise why matters have gone so wrong in the current crisis.

The second question, I can only point to briefly because of my lack of knowledge of its detailed architecture. This recognises that the other major change in our emerging post-Malthusian Trap context is also related to that decisive change in terms of industrialisation - and is described as the emerging environmental crisis, which is also likely to gather pace in terms of extent and intensity as the 21st century evolves. Again, it also relates to the emerging material-immaterial continuum.

Note – both questions also contain profound indications for a constructive, ethically viable way forward out of our contextually located current crisis.

Part 3. The role of ethics and religion in the critique of and, more importantly, the moving beyond a new capitalism to a new construct for a political economy for human wellbeing.

It is important to recognise how the agendas and literatures informing parts 1 and 2 all acknowledge the central role of ethics and religion in both explanations of the contemporary crisis and suggestions for more adequate ways forward for people and societies. These secular judgements are confirmed and elaborated by the experiences of ethics and religion in contemporary society. (In this approach of secular confirming religious – ethical findings, rather than the latter seeking the support of the former, I am reminded of the happiness research project – that in the secular literatures, there is regular reference to but no elaboration of the importance of ethics and religion in the

contemporary construction of happiness. Our research programme seeks to flesh out that contribution. Interestingly, the findings will be published in ‘the frontiers of economics series’ of Routledge as Political Economy, Religion and Wellbeing.

1. The nature and role of ethics in analysis and reconstruction following on the current economic crisis.

The role of ethics or morality is suggested by explanations of the current economic and financial crisis – whether in terms of analysis of the immediate crisis, reflected, for example, in President Sarkozy’s call for a ‘new form of capitalism based on moral values’ (speech at EU Summit, Brussels, in The Economist, 16th October 2008) and in Robert Peston’s argument for a new more humane capitalism, or in terms of a wider analysis locating the present crisis in the capitalist system itself, and its proven damaging as well as positive consequences for human wellbeing – reflected for example, in psychologist Oliver James’ critique of selfish capitalism.

These judgements link with my observations, in Transfiguring Capitalism, of the regular and positive interacting of moral and economic understandings as essential for developing more adequate (economically and ethically) political economies and societies. (This is reminiscent of Gladstone’s philosophy, the 200th anniversary of whose birth we celebrate this year, and his focus on promoting ‘the moral dimension of political economy’ as a replacement for a political mission to support the Church of England). These interacting concepts emerge from a variety of literatures and disciplines, linked particularly to the early years of the 21st century and therefore to the unfolding of the present crisis. They include: in economics, the use of moral economy, moral entrepreneurs, moral globalization, and moral growth; but also, in politics, as reinforcing the concept of political economy, the use of moral citizenry, moral education, and a moral impact audit. As an illustration of how these judgments relate centrally to the task of developing a more ethically sustainable political economy, I will simply refer to Nobel Economic Laureate Stiglitz on moral growth (2005) – ‘In short, the debate should not be centred on whether one is in favour of growth or against it. The question should be, are the policies that can promote what might be called moral growth – growth that is sustainable, that increases living standards not just today but for future generations as well, and that leads to a more tolerant society? Also what can be done to ensure that the benefits of growth are shared equitably, creating a society with more social justice and solidarity than one with deep rifts and cleavages of the kind that became so apparent in New Orleans in the aftermath of Hurricane Katrina’.

These contemporary judgements can be profitably located in the long ‘tradition’ of interacting positive and normative features of modern political economy – from Adam Smith and Malthus (including as part of what Waterman has described as the early tradition of Christian political economy) to Keynes and then Sen (another contemporary Nobel Economics Laureate) – including as the latter’s useful distinction between ethical and engineering economics. Ian Steedman has illustrated the significant role such ethical economics also played in the work of major figures in today’s mainstream neo-classical tradition of economics. My current research in the happiness-wellbeing literatures confirms this importance of ethical economics. For example, it notes the increasingly robust nature of what is increasingly unhelpfully and inaccurately and pejoratively described as subjective wellbeing-and how such hard empirical material is also reinforcing the ‘objective’ nature of the ethical

dimensions of such wellbeing research. For example, with regard to the wider happiness research, the psychologist Diener concludes his latest study with the judgement 'We are optimistic that just as science transformed our material world in the 20th century, it can revolutionise our understanding of happiness in the 21st century'. It is that character of objectivity which also increasingly links to the latter, the ethical dimensions of wellbeing. It is this moral core (or 'soul'?) of the human, which for example, Adam Smith could be seen as referring to in his Theory of Moral Sentiments (1759), indispensable complement to his later Wealth of Nations (1776), when he judged that 'The present inquiry [into moral sentiments] is not concerning a matter of right, if I may say so, but concerning a matter of fact'. It is these judgements of the objectivity of ethical as well as engineering economics, from the early and latest research into political economy, which have suggested to me the need now, for the future of political economy, and the common good, to interact ethical and engineering economics as ethical engineering, as an appropriate new tool for reconstructing political economy post-crisis.

2. The nature and role of religion in the analysis and reconstruction following on the current economic crisis

I have drawn this argument from very contemporary literatures across a variety of disciplines in order to suggest new evidences for the role of religion in relation to the analysis of the present economic-financial crisis located in the suggested wider context. The argument moves from establishing the connection between religious and economic cycles, to the complex nature of these religious cycles, to how this connects to the complex nature of religion itself particularly as a new formulation as religious added value, and how this is in turn reinforced and elaborated by new findings across disciplines, from religion to psychology, economics, and sociology/anthropology. It is this reformulated basic understanding of the religious contribution to wellbeing which then allows me to develop its particular contributions to political economy in terms of values and practical outcomes.

First, there is a connection between religious and economic cycles as reinforcing both the concept of cycles as a continuing phenomenon, and the judgement that a quite new stage of cycles may be emerging which strongly cement the necessary interaction between economic and religious cycles for the common good of all. A detailed profile of such a thesis would include:

- i. The arguments for religious cycles – as great awakenings in the USA, closely parallels and indeed interacts with economic cycles – and is particularly suggestive in relation to the ending of the fourth economic cycle (American dominated) and the birth pangs of a new fifth cycle. In the history of US awakening cycles this links to Fogel and McLoughlin's arguments for a fourth Great Awakening in which we are now placed.
- ii. That continuity of interacting economic and religious cycles may be now entering a new stage of cycles according to Fogel's interpretation which broadens the variables in this interactive process of cycles. So he interacts technophysio evolution (widening economic – technological change as the driving force of change, as an interactive process, with dramatic consequences for human wellbeing, including as life expectancy – a key indices in the UN's Human Development Index) with political realignments in the USA, and with religiously inspired Great Awakenings. It is this fourth current awakening cycle which suggests a fundamental change in the nature of cycles through the development of material changes into immaterial agendas (including 'spirituality' and religion, the former being broader than the latter). These

judgements can be powerfully reinforced by the current happiness – wellbeing research which suggests the necessity yet increasingly clear insufficiency of economic drivers for the attainment of greater human wellbeing – which in turn, reinforces the renewed and new importance of religion with ethics alongside and indeed informing, as I will argue later, a renewed political economy in the reconstruction of wellbeing.

Second, the analysis of these awakening cycles suggests a complexity of religious expressions including from ‘old’ to ‘new’ lights (traditional orthodoxies to progressive orthodoxies), and so the current fourth awakening includes forms of globally resurgent religion – as orthodoxies, evangelicalisms and Pentecostalsisms – but also more post modern expressions, including a variety of spiritualities, environmentalisms, alternative medicines and youth cultures (reflecting the growing significance of the move to more immaterial emphases on the continuum of material to immaterial which characterises Fogel’s fourth great awakening. It also has profound implications for the technophysio interaction in terms of technological and economic advance – relating to say health, education and environmental sectors, and for political realignments, all of which Fogel links to the pursuit of more egalitarian societies.

Third, the complexity of the religious contribution in this emerging cycle leads into the recognition of the growing acknowledgement of the complexity of the religious contribution itself. This allows for a new formulation of that religious contribution, reinforced by findings in the secular literatures with which I am working. This argument therefore moves:

i. From acknowledging a broad spectrum or continuum illustrating the varieties of religious experience – which itself then operates on other continuums, for example from moral to theological anthropology, and from ethical economies to theological economies. Complementing this (from Through the Eye of a Needle, Transfiguring Capitalism) is a continuum working from religion operating in partnership with others (including other faiths, government, business, voluntary sector) to religion as promoting a distinctively different mode of operating (from the mainstream secular views and practices) – including, for example, as Muslim interest free banking, Jubilee 2000, and fair trade.

ii. To a new acknowledgement of religion as a complex entity which is supported by increasing new evidences of its general added value character, including a difference factor, (that is, different from secular operations) – so no longer distinguished, in its essence, between religious overlapping consensus, and as distinctively different. This understanding of religion as general added value character is supported by such evidence as:

a. The WTF’s (religious) interim research conclusions which distinguish between religious capital (as the practical outputs or contributions of religion to society in general and to human wellbeing in particular) and spiritual capital (as the energising or motivating force of religious contributions, including through personal and public worship, religious narratives and themes including forgiveness, repentance, transformation and philosophy of life, etc). It is the latter, spiritual capital, which is so closely linked to other findings which elaborate its features, for example:

b. Leslie Francis’ (religion and psychology) scale of attitudes to Christianity, Hinduism, Judaism and Islam; so Christianity’s five key components are God, Jesus, Bible, Prayer and Church. He has usefully worked its correlative relationship with the Oxford Index of Happiness – suggesting the positive contribution of religion to wellbeing.

c. Diener's (psychology) work connects the added value of the WTF's spiritual capital to the value of religion's comforting beliefs, social support, connections to a reality greater than self, growing up religiously, and experience of ritual.

d. Layard's (economics) Big Seven constituents of happiness: the seventh, a philosophy of life, can be easily related to the first six, family, friends, income, work, health, participation) not least because he develops it as common good (central also to Papal social encyclicals), meditation, including as the Jesuit's Spiritual Exercises, the religiously informed Alcoholics Anonymous – and in the midst of this material, he suddenly states that 'people who believe in God are happier'. Interestingly, he chaired the Children's Society (the old Church of England's Children Society) recent report A Good Childhood. Searching for Values in a Competitive Age (2009) which embraces many of the above insights in analysing the problems of our society and suggesting more adequate ways forward.

e. Swinton (sociologist, anthropologist) notes the importance of religion's regulation of lifestyle and behaviour (restricting alcohol and drug intakes); social support and networking; positive self-esteem; acquisition of life skills and coping resources for illness, stress, loss; and generating positive emotions, including forgiveness, hope and transformation.

NB. Other 'lists' of the contours of religion's distinctively added value character occur in other recent secular research, including in Haidt (psychology) – and it would be very feasible to construct such a working profile of such and understanding of religion from across these literatures.

3. This general added value of religion as part of its essential character is then embodied in and confirmed by its outputs – and, confirming the empirical character of the ethical and now religious contribution, is the measuring of such added value in relation to equivalent secular outputs, including in: Christian medical services in Uganda; Muslim pre school madrasas in East Africa; circles of support for the care and support of prisoners, including paedophiles, in the UK; the provision of support for the homeless in the UK; Putnam's work on the added value of church-Christian contributions to social capital in the USA; the NWRDA report on England's Northwest, including economic costings of religious contributions to civil society. This societal added value benefit of religion is confirmed by religion's added value contributions to personal wellbeing – for example, the work of the Centre for Spirituality, Theology and Health at Duke University in the USA, and its 'series of clinical studies which suggest among other things, that rates of recovery of cancer patients may be higher amongst those who report involvement in faith communities, to better longevity among those who attend synagogue, slower rates of cognitive decline in those experiencing the onset of dementia and some marginal impact on aspects of coping strategies in relation to recovery from serious illness'.

iv. It is this distinctive added value factor of religion in general which is then reflected in a variety of ways of operationalising such religion specifically in terms of its contributions to the reformulation of political economy. For example:

a. Its historic and contemporary contribution to the formation of values, character and virtues which directly impinge on political economy, and which clearly now need enhancing and enlarging. Traditionally these values and virtues have included: accepting responsibilities, trust, truth telling, thrift, benevolence, compassion, justice, peace and creativity. Although these values may have been strongly generated by religious communities, they often permeate secular societies – and may well thereby lose strength, the more they are disconnected from such traditioning communities. There is much evidence in contemporary philosophy and theology that values

divorced from character formation and its nurturing of virtues in traditioning communities are unlikely to be as effective (so secular societies and cultures are less likely to generate such virtues, however much government strives to accomplish this – including in order to combat the major rise in crime, family breakdown, the erosion of trust and volunteering, and including addressing the moral roots of the current financial-economic crisis). In addition, there is some, probably important, evidence to suggest these judgements on what is feasible or not in terms of developing character and virtue, and wider societal values, in the current examples of what has traditionally been referred to as the protestant work ethic are still operating in societies – for example, in terms of the growth of evangelicalism and Pentecostalism in Latin American and Africa, and the importance of religio-ethical systems in China and Japan for generating character, virtues and values. There are some important overlaps here with the ‘tradition’ of ethical economics.

b. Its historic and contemporary practical outcomes as contribution to renewed political economy, including as service to the poor, struggles for economic justice, etc (see Malcolm Brown’s list of examples in his February 2009 GS paper, and in Faithful Cities report, etc). These can be:

- operated in partnership with others including other Faiths, government, business and civil society – including as expressing shared values.
- and also sometimes operating as more critical of and sometimes embodying alternatives to mainstream political economy: for example, Muslim interest free banking; Jubilee 2000; and the debt forgiveness of the most heavily indebted economies, and fair trade as expressing traditional religious commitments to a just wage and price as not simply determined by market mechanisms.

NB. There are a growing number of examples of these two forms of practical outcomes of religion – for example, see my lists in Transfiguring Capitalism.

Part 4. The contribution of religion to a new more ethically adequate political economy for wellbeing in the 21st century.

Such a religious contribution would necessarily be one alongside others, and committed to a reformulated global as well as national common good. It would therefore include much overlap with others, expressed as practical partnership working and as theoretical interdisciplinary working, but it would also involve some more distinctively different religious contributions. It would also include values and principles to support a vision for the common good of all as global and national interdependencies. It would therefore be likely to involve:

1. A commitment to pursuing the wellbeing of all, as including:
 - a. the human in its total environment, so essentially sustainable.
 - b. the more marginalized, expressed as a bias for inclusivity, pro poor and bridging the gap policies (so also more egalitarian).
 - c. a clear and growing recognition that pursuing greater wellbeing (including happiness) certainly incorporates commitment to the continuing promotion of political economy but increasingly moves beyond it, focussing on the human in relationships with self, people, environment and that which is greater than them all.
2. A commitment to pursuing and strengthening the ethical-moral dimensions in political economy (and necessarily also of the wider society which supports it) in ways which:
 - respects the positive-normative interaction in economics, but not at the expense of the ethical as has happened at least through much of the history of modern economics,

and particularly in the last three decades, contributing to the current financial and economic crisis.

- recognises the ethical as as factual as the positive in economics (and increasingly informed by happiness-wellbeing researches).

3. A commitment to pursuing and strengthening the religious dimensions in political economy (and in wider society) as a properly recognised partner along with others in government, business and civil society, and as a properly recognised field of operating and enquiry, alongside economic, political and globalization systems (informed, for example, by Fogel's interaction of technophysio evolution, political realignments and religio-ethical awakenings in the USA, and its equivalents in other societies, including Britain and Western Europe). Such a commitment presupposes the recognition of the religious contribution (as continuums) and its interaction with a variety of other experiences (also as continuums).

Inspired and informed by such a vision, values and principles, the religious contribution could promote a broad programme for pursuing a more ethically adequate political economy for the emerging 21st century. It would necessarily address both economy and finance, given the current crisis, though located in a wider context. It would therefore firmly connect to the analysis of the current crisis, and the likely forces pushing us into new understandings and experiences in new emerging cycles.

Such a programme could be developed in three main areas: first, a recognition and development of political economy in a globally interconnected context, within which finance is necessarily located; second, a recognition and development of the emerging productive capacities as reflecting the new continuum from material to immaterial characteristic of the emerging new cycle; and third, the recognition and development of alternative economic activities.

First, the recognition and development of political economy in an increasingly globally interconnected context;

- as a recognition of the value of human interrelationships and interdependencies (powerfully emerging from the wellbeing research)

- as the development of ways of collaborating (or cooperating) for a global, national and community common good (reinforced by wellbeing-social capital literatures).

Such values and principles would involve:

1. A commitment to peace, security and justice – of general relevance for sustainable political economy, and of particular relevance for addressing the 'bottom billion' (Collier) in the most failing states (essential for delivering the UN's Millennium Development Goals for 2015). This is a recognition, too, of the interdependence of strong sustainable economies, and of strong political participation (again, a key feature of social capital and happiness literatures, and of faith's added value).

2. A commitment to global trade and production, increasingly ethically informed – and inspired by fair trade experiences, so that 'such principles will become like worker safety and environmental regulations in the North – minimal standards that are a given for all international production, and not just a niche market'. This can be regarded as mainstreaming the ethical.

3. A commitment to financial markets which is ethically informed and proportionate (that is not significantly disconnected from ethical values and from real economies, but located in relation to them). This could involve the collaboration of financial

experts and ethicists working on the following guidelines (to lead to something like middle axioms) – they indicate the kind of areas which could need addressing in order to engage the immediate and longer term causes of the current crisis, including their ethical deficiencies – and recognising the need to address the consequences of such proposals – that they must contribute to, and not unduly damage, greater human wellbeing, including as moving beyond economic resources, though necessarily inclusive of them (the new material – immaterial continuum).

a. Addressing this disproportionate (excessive) cross border financial trading, including capital and currency movements, and including trading in financial instruments such as derivatives and securities – in order to restrain speculation and major instabilities (this recognises both the value of such trade and instruments, and their inevitability, including benefits for wellbeing – but also their historic – see cycles history – propensity to become increasingly damaging, given increasing globalization). For example, such engagements could include a Tobin type tax, including its use – as ‘throwing the sand in the wheels’ of excessive financial speculation, and to use the finance raised to generate capital for global poverty reduction programmes.

b. Developing and reforming the IMF (and other global economic – financial institutions) to work, for example, with developing economies by freeing up financial support for them in economic crises (inevitable – despite recurring assumptions that cycles can be transcended) rather than putting the screws on them.

c. Developing methods to protect emerging economies from speculative runs on their currencies – for example, by gradual introductions of poorer economies into global trading and financial markets (rejecting the neo-liberal one size fits all model).

d. Examining the feasibility of reintroducing fixed exchange rates in relation to a bundle of mainstream currencies, in order to discourage financial speculation.

e. Given the experiences gained from the current financial crisis, to develop more effective and fair ways of regulating financial systems – including extending undue asset increases to monitoring inflation targets, promoting a greater savings culture, addressing excessive government and personal debt tendencies, and engaging parallel banking and financial systems outside the traditionally focused banking systems.

f. Ensuring all citizens and companies (and non-domiciles) pay fair and efficient taxes, including those achieving the highest incomes and capital accumulations – including addressing tax avoidance systems, including tax havens.

g. Addressing the issue of grave inequalities in the distribution of income and wealth (given strong evidence from wellbeing research that more egalitarian societies are happier and healthier). Using the tax system, some suggest a ratio between top and average earners should be no more than 5:1, for example. See Wilkinson’s new book on equality.

h. Developing – in terms of variety and extent – alternative (to mainstream systems) financial systems, from Muslim interest free banking to credit unions.

i. To develop wealth measuring systems which extend beyond traditional materially-based systems, and also include more immaterial experiences (see NEF’s National Accounts of Wellbeing: bringing real wealth onto the balance sheet), confirmed by recent research – into happiness/wellbeing, and Fogel’s material – immaterial continuum as likely to be characteristic of the emerging 21st century. This again confirms the locating of finance – economics within a wider common good – political economy context.

Second, developing production systems appropriate for the emerging new cycle.

These would reflect growing trends to more postmodern and postindustrial economies and systems – as identified by economists and economic historians – to promote emerging and necessary productive capacities, including through technological advances including as technophysio evolution - and including as interacting with religious, spiritual and ethical awakenings – and as embodying the growing trend moving into more immaterial as well as material concerns. These initiatives are significant because they recognise the continuing and growing importance (given the importance of income and jobs for wellbeing in the happiness research) of wealth creation and employment as interacting with the pursuit of personal and communal self-realisation and more holistic development. These productive capacities, which characterise the emerging new cycle, include:

- health services, technologies, finances and personal developments.
- education across lifetimes, including lifelong learning, and skill acquisition inclusive of yet also beyond those required for material productive capacities.
- environmental sustainability, including land and water use, energy, etc.

Third, the recognition and development of alternative (to current mainstreams) economic activities - as complementing and also critiquing mainstream systems and values

These include:

1. What Offer has usefully described as an economy of regard (embodying, for example, such values as reciprocity, benevolence and grace – essential values in happiness and wellbeing researches) – and including personal, household and community activities, including for example:

a. voluntary (or gift) work and voluntary bodies, including faith-based (volunteering and altruism are essential features of strong wellbeing profiles). Much supported, currently, by Rowan Williams, as part of a religious-ethical response to the current crisis – and also related to his reworking of welfare, and the local, including faith communities – as an interactive pluralism – and as counterweight to the damaging effects of globalization.

b. work relating to the household, including caring for the vulnerable (major projected increase in elderly populations globally) and the nurture of children (high priority in wellbeing researches – see A Good Childhood report, James, Wilkinson, and Thatcher in Happiness network on marriage and children).

c. family enterprises – including as small businesses, and as major feature of Asian economies.

2. A complex of economic activities and enterprises, based on co-operative, social, public-minded principles rather than based on mainstream capitalist for private profit systems and values. These include:

a. co-operatives, including the co-operative movement (as retailing and production – noting in the UK, the Co-op is the biggest farmer and biggest ethical trading system), and such innovative systems as Mondragon in Spain, and the John Lewis Partnership in the UK.

b. A wide variety, growing rapidly, of social enterprises, including faith-based, in agriculture, production and retailing.

c. as the significant, and growing, employee share ownership schemes (see Wilkinson for strong US – UK figures, benefits and potential – including as expansion into co-operative – based ownership).

d. as financial institutions, including mutual societies, credit unions, and ethical banks (Coop, etc)

3. As directly religiously inspired economic activities, including as critique of and sometimes alternatives to, mainstream economic activities; including:
- a. Fair trade – including as contemporary reworking of the tradition of the just price and wage – as embodying a system not shaped predominantly by the market mechanism and system.
 - b. Jubilee 2000 and international debt remission – particularly in relation to the poorest and most heavily indebted nations - with strong religious and ethical basis.
 - c. Muslim interest free banking, corporate financing, mortgages and personal credit systems.
 - d. Numerous local examples of faith-based organisations providing clear added value, often as alternatives to equivalent secular based systems; for instance: Christian medical services in Uganda; Muslim pre-school madrasas in East Africa; circles of support, Mennonite in origin, for prisoners, including paedophiles, in Britain; provision of services for the homeless in Britain; and the Eden-evangelical based provision for marginalized young people in Britain, etc.

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