The Church and Her Money

The Northchurch Parish Lecture

Wednesday 11th May, 7.30pm

The Church of England is a wealthy capitalist entity in its own right, but always seems to have had a rather awkward relationship with capitalism. This evening I want to talk to you about how the Church of England deals with money and the market, and I want to argue that Christians need to do much more, to make the marketplace more Kingdom-shaped.

Perhaps before I do so, I should offer you my credentials, and explain how the lecture is structured. I'm sure you've all had a busy day, and some signposting from me may help you to manage your energy and attention.

First, Eve Poole. Who is she? Well, I work up the road from you, at Ashridge Business School. At the moment I am teaching leadership to senior managers from Tesco, to Ambassadors from the Foreign Office, to bankers from Belgium, and to clergy in the Church of England. Fresh from Durham University, clutching my theology degree, I started my career working for the Church of England, for the Church Commissioners. I then did an MBA at Edinburgh, before joining Deloitte as a Change Management Consultant. There, I specialised in capital markets, and learned a lot about how banks function. I then joined Ashridge, and have just completed a PhD from Cambridge, in capitalism and theology. So, much of my work is about reconciling faith and business, which is why I was so delighted to be asked to talk to you today about the Church and her money, as it is one of my favourite topics.

Now, on to our lecture. In the first part, I will take you through what my PhD research uncovered about what the Church says and does about money. Next, I will talk about the important – if sometimes latent – influence that Christians have in society. Lastly, I will set out my theses for why Christians should act now to make the market more Kingdom-shaped, and end by giving you three ways to change the world, before we break for questions.

First, what are the Church of England's views on capitalism? And is there even such a thing as 'the Church of England' or even 'capitalism'? To try to answer this question, I looked at all the reports and proceedings of the General Synod from the fall of the Berlin Wall in 1989 to the collapse in credit in 2008. I also had a look at books written by bishops, theologians and lay people, as well as speeches in the House of Lords, and other public records. Because Synod draws together views from a national perspective, I will focus today on their views, although you can look into the matter in more detail in my book.

Broadly, there are four themes that arise from a survey of official Church of England views: a major theme concerning ethical investment, and smaller themes concerning international debt, fair trade, and state support.

The major theme is Ethical Investment. The Church Commissioners is the Church of England's largest financial body, with a portfolio valued at about £5 billion, and is arguably the UK's largest and oldest ethical investment fund. It yields about £145 million every year, which used to be used to fund clergy stipends, but now largely pays for pensions, bishops, and cathedrals. Almost two thirds of the portfolio is held in stocks and shares, with the remaining third largely comprising property holdings and agricultural land. Did you know that Europe's largest shopping centre was built by the Church? Indeed, the Commissioners still own about 10% of the Metrocentre, in Gateshead.

Since its formation in 1948, the Commissioners have had an ethical investment policy, which has traditionally been about avoiding 'sin' stocks, like armaments, gambling, tobacco, alcohol, and newspapers (because of political bias). The Church also boycotted apartheid South Africa. Historically, the Commissioners’ policy is not to invest in any company whose ‘main business’ falls into any of these 'banned' categories. This policy was tested by the Bishop of Oxford in 1991, who asked the High Court to issue a ruling on the legal probity of the Commissioners' policy, because the emphasis on 'main business' meant that companies with only 49% of their operations in 'banned categories' were arguably exempt. This gave rise to anomalies such as the then £8 million invested by the Commissioners in GEC, who were making millions from the manufacture of armaments, although this activity only comprised a fifth of their business. The High Court ruling explicitly approved the Commissioners’ ethical investment policy of avoiding the ‘banned’ categories, on the basis that trustees should be able to avoid making investments that would conflict with the aims of their charity, or alienate its supporters, or make its beneficiaries unwilling to accept funds. The High Court did not comment on the definition of 'main', so the church argues the toss on this to this day. However, following this ruling, the Church created a central authority called the Ethical Investment Advisory Group (the EIAG), bringing together representatives from all of the central church investment bodies, which reports annually to General Synod. Three case studies on ethical investment serve to illustrate just how difficult their job is: Nestlé, Caterpillar, and the Octavia Hill Estates.

(1) Nestlé

Nestlé as a topic was originally raised in the context of discussion over the promotion of breast-milk substitutes in the third world. However, over time it became a theme at General Synod meetings in its own right, representing a number of key battles: Synod against sharp practice, Synod against world poverty, and Synod against the Church Commissioners. As a theme it also illustrates the limitations of Synod as a body, in that Synod’s formal boycott of Nescafé from July 1991 until July 1994 seemed to cause Nestlé some reputational damage but did not appear to influence their business practice, nor the Commissioners’ investment in them.

The various papers, debates and questions concerning Nestlé reveal a clear point of view, that irrespective of the letter of the law, Synod felt Nestlé should have gone further than the minimum required either by local laws or by the eventual World Health Organisation regulations on breast milk substitutes, in order to act responsibly in a market where their customers were particularly poor and vulnerable. Contingent to this was the view that the Church should be seen to be acting consistently with its espoused views, hence the call for a consumer boycott (although only of one Nestlé product) and the eventual and repeated calls on the Commissioners to divest their Nestlé shareholding, which they refused to do. The Nestlé situation revealed a difference in view right at the heart of the Church of England, between those formally representing it and those charged with financing a large proportion of its running costs. The difference rested on arguments about influence. Synod felt that a consumer boycott and divestment would send such a clear message to Nestlé that they would have a change of heart, while the Commissioners argued that they would have more influence with the Board as an existing shareholder. Either way, it appears that neither approach was effective, as Nestlé remains unrepentant to this day.

(2) Caterpillar

Similarly, the case of Caterpillar points up the difference in view between Synod and the central investment bodies, and the tension between divestment and constructive engagement. The matter first surfaced in July 2005, when the Commissioners were asked three formal questions at Synod about their investment in Caterpillar, in view of the use of Caterpillar earth-moving equipment by the Israeli Government to demolish Palestinian houses, as well as in the construction of the separation wall. At that stage, Andreas Whittam Smith, the First Church Estates Commissioner, responded that the EIAG had considered the subject and found that investment in the company was not in breach of current policy. The EIAG had, however, expressed ‘great concern’ and determined a process of engagement with the company and others on the Church’s behalf, after which it would reconsider the matter. The controversy returned to the floor of Synod the following year, in February 2006. Introducing the EIAG annual report, the Chairman John Reynolds gave an update on the EIAG’s process of engagement with Caterpillar, which had involved dialogue with Caterpillar; with Palestinian, Jewish and Israeli groups; with War on Want, and others. He reported that Caterpillar was to be monitored but not excluded from investment, and that there were no current sales of Caterpillar earth-moving equipment to the Israeli Government. The debate on the EIAG report offered the opportunity for a motion on Caterpillar to be brought, which opened with Synod ‘heeding the call’ from the Episcopal Church in Jerusalem and the Middle East ‘to disinvest from companies profiting from the illegal occupation, such as Caterpillar Inc, until they change their policies.’ It encouraged the EIAG to persuade Caterpillar not to supply their equipment or parts to Israel, and urged EIAG to ‘give weight to the illegality under international law of the activities in which Caterpillar Inc’s equipment is involved,’ and to update its recommendations in the light of further engagement and visits. The motion was ‘clearly carried,’ unamended.

The following day brought a media frenzy. During the debate the Archbishop of Canterbury had voted in favour of the motion, while the Archbishop of York had abstained. The former Archbishop of Canterbury, George Carey, went on record to say that the Synod decision made him ‘ashamed to be an Anglican,’ and Canon Andrew White, the Church's chief negotiator in the Middle East, described the motion as ‘more sanctimonious claptrap’ which made him 'despair of the church.’ By the end of the week, the Archbishop of Canterbury had issued a press release of a letter he had written to the Chief Rabbi, regretting the distress caused to the Jewish community and clarifying his understanding of what the resolution actually meant. In his view, Synod had not voted for the Church to disinvest in companies supplying Israel, merely to continue its existing policy of engagement in dialogue with them, and to undertake a fact-finding visit. A week later in *The Jewish Chronicle* the Chief Rabbi responded in what was described in *The Guardian* as ‘unusually harsh language,’ saying: ‘the Church has chosen to take a stand on the politics of the Middle East over which it has no influence, knowing that it will have the most adverse repercussions on a situation over which it has enormous influence, Jewish-Christian relations in Britain.’ The EIAG reconsidered its position on Caterpillar in the light of the Synod debate and its aftermath, but in a March 2006 Press Release reaffirmed its previous advice not to disinvest. The Church remained invested in Caterpillar to the tune of c£2.2m, until December 2008 when the shares were sold ‘for purely investment reasons.’

The case of Caterpillar reveals a consistency in approach from Synod in favour of divestment wherever investment by the Church could be seen to be lending support to companies or regimes whose behaviour is questionable. It also reveals a consistency in the EIAG and central investment bodies, to prefer engagement over divestment, and to apply their ethical investment policy to the letter. It also provided a further opportunity for clarification about the bounds and limits of the various bodies involved in ethical investment, in confirming that Synod's motions could carry no legal or binding status with the Church's investment bodies.

(3) Octavia Hill

Also at the February 2006 group of sessions, the sale by the Church Commissioners of their historic Octavia Hill Estates drew widespread consternation. While not an equity investment like Nestlé or Caterpillar, the holding, inherited from the Commissioners' antecedent, the Ecclesiastical Commissioners, represented around 3% of the investment portfolio and had originally been intended to provide 'well managed housing for the deserving poor,' at an economic rent 'so that their souls were not corrupted by receiving something for nothing.' As an investment, the Estates had become less attractive over time. In 2001, the Commissioners had been persuaded to implement their new policy of market rates in select cases only, thereby agreeing to forgo an estimated sum of £51m over a fifteen year period. The eventual decision in February 2006 to sell the Estates for £192m to a joint venture between a social landlord and a publicly quoted company was made by the Church Commissioners' Assets Committee the Friday before Synod met, and again attracted national media coverage as well as questions in both Houses of Parliament. Opposition was partly to the sale itself, and partly to the sale to a profit-making partnership instead of to a sole social housing trust. Andreas Whittam-Smith defended the sale on the basis that the Commissioners were 'not a housing charity' and had a clear legal duty to manage their investments to support the mission of the Church throughout the whole country. The Estates were not generating income and would be better managed by professionals. The Diocese of Southwark, home to most of the Estates, was particularly upset by the pastoral impact of the decision, leading to the introduction of a following motion in July 2006. While the motion asked Synod to state its regret over the Octavia Hill decision, that part of the motion was defeated, leaving a residual admonishment requesting the Church Commissioners and the Assets Committee to consider 'how they might in the future better seek out and reflect the views of General Synod in advance of investment decisions which might affect the mission and/ or reputation of the Church.' The debate elicited an interesting rejoinder from Whittam-Smith: 'The criticism of the Commissioners in terms of better seeking out and reflecting views of General Synod is really a criticism of those members of Synod who are governors and members of the Assets Committee. What this motion is really saying is that those whom the Synod has elected to the Church Commissioners have done a bad job, that they have not made the rest of us aware of things which might affect the mission and reputation of the Church. I can assure Synod that they absolutely did, absolutely have and always would do.'

Like Nestlé and Caterpillar, the discussion over Octavia Hill Estates tested the extent to which Synod, acting as the voice of the Church, can formally influence investment decisions. Again, the Commissioners' central response to Synod's challenge was to cite the Bishop of Oxford ruling and to restate their fiduciary duty. Whittam-Smith underscored this point, saying that the Estates were 'just part of our assets as far as we are concerned,' and that he saw no reason to seek further legal advice on the interpretation of the ruling in the Bishop of Oxford case, given that it was so specifically and recently given.

In summary, the central problem the Church faces over ethical investment is that it can't please everyone. The Church wants more money to pay its bills, at the same time as wanting that money to be clean. And unless we reduce the pressure on the Commissioners by increasing our giving, it will remain legally if not theologically justifiable for them to brandish the Bishop of Oxford Ruling and continue to pursue this 'main business' line, warts and all. Recently, the Commissioners have started trying to be more proactive in their investment strategy, but their ability to take risks is seriously constrained by the poor financial health of the Church of England.

Now, the second theme. International Debt. The idea of 'Jubilee' – a time for the forgiving of debt - was first debated at Synod in 1991. It receded into the background for the rest of the decade, until the Church's Board for Social Responsibility joined the Jubilee 2000 Coalition, and its Chairman, The Bishop of Oxford, introduced a debate on Jubilee in the House of Lords in July 1997. You will all know how instrumental the Church's support was in making Jubilee 2000 happen, so this theme is an example of Church muscle on the move in a really positive way. However, it is interesting to note, in the light of the credit crunch that was to follow, that the Church never really took the time to address the issue of debt *per se*. Rather, the debate was about poverty, and given widespread acceptance of the late Bishop of Liverpool's bias to the poor, the relevant theological arguments are taken as read. This became unfortunate when the Church struggled to engage with the credit crunch, because of the missed opportunity this earlier debate had represented. Apart from the embarrassing lack of preparation, this gap had another unfortunate side effect concerning ethical investment. In 2001, the Commissioners sold their holding in Provident Financial, the doorstep lender, following advice from EIAG. But the Pensions Board retained their own holding, arguing that an argument turning on the incompatibility of using rather ill-gotten profits from Provident Financial to finance the Church's ministry didn't affect them, because their fiduciary responsibilities applied to pensions and not ministry. A theological argument, about not encouraging financial indebtedness, might otherwise have applied. By February 2009, the credit crunch was in full swing, and Synod debated the issue in more detail. Still, in spite of the then Bishop of Worcester's book on debt (*Grace and Mortgage*), Synod remained distracted by the related issue of poverty. This entirely worthy but insufficient response was nicely summarised by one speaker, the Reverend Canon Jonathan Alderton-Ford, who noted that: ‘as a Church, we are very good at standing at the bottom of the economic precipice and looking after the casualties when perhaps we need to be at the top of the cliff building a few fences and warning signs.’

The third theme, Fair Trade, also contains an encouraging emphasis on relieving the lot of the poor, and goes rather further than the debates on debt in trying to build some of these fences and warning signs. Having first asked congregations to buy fairly traded products in a 1995 motion, Synod looked at the issue in 2001 and 2004, under the banner of 'Trade Justice'. This time Synod passed a motion stressing actions that the Church should take, like becoming ‘fairly traded’ in the dioceses, and joining the Trade Justice movement to lend it the support of the Church's global networks. The Government was offered ‘prayerful support‘ for any action to reduce global poverty, and the Church's Mission and Public Affairs Council was asked to develop a trade justice ‘advocacy strategy’ to inform the Church’s contribution to the public debate. While fair trade as a concept has its detractors, the Church has played a major role in establishing this market, a point to which I will return later.

The fourth theme, state support, is really two themes, because it relates to state support within the UK, and the Church's views on state support as a matter of sovereignty abroad. In the case of the former, the Church is keen that the state play a role in protecting dwindling domestic industries. Singled out for particular attention are the coal and farming industries. I mention this because the Church's enthusiasm for supporting industry doesn't seem to extend to those industries that are less to do with community and more to do with commerce. While Synod has asked the Government to intervene to create a ‘fair market' in energy, and to engineer public policy so that UK farmers continue to make a ‘large contribution’ to the feeding of the nation, when it came to debating the dwindling arms industry, the argument was somewhat different. In that instance, Synod asked that the Government actively manage the decline, providing support for training and alternative employment. I wonder which response would apply in a debate on the future of the UK banking industry, and suspect it would be the latter: euthanasia rather than life-support. Either way, this enthusiasm for state intervention is consistent when applied abroad, in that Synod has remained a critic of the infamous IMF and World Bank structural adjustment reforms, and history seems to have vindicated this stance. In 2001, the Church produced a useful book of essays called *Development Matters* in which the authors argued for reform of the IMF and the World Bank to make reducing poverty (the ends) not freer trade (the means) the primary goal of development. They pointed out that it was hardly fair to deny to the developing world the protectionism that had so benefitted the developed world in the past. Of course, there is an unresolved tension between protecting industries at home and abroad, as reflected in this uncomfortable question from a Bishop from Mozambique, who asked the UK, “Are the jobs of your workers of greater value than the lives of my people?”

Towards the end of the period I examined, a new theme started to emerge, concerning sustainability and the health of the planet. Previously, Synod had debated environmental issues as the Church Assembly in 1970 and then in its current incarnation in 1986. After a similarly long interval, the topic was raised again, in 2005, to debate the report *Sharing God's Planet*, which I commend to you. Looking at precedent, while this movement is in its infancy in Church terms, I should not be surprised if its comes into its own under the banner of 'environmental justice' as the uneven effects of global warming disproportionately affect the world's poor.

Apart from these particular themes, the piecing together of evidence from a careful reading of 20 years' worth of reports and proceedings can be used to paint an impressionistic picture of Synod's ideal economic worldview in general. First, it is a world in which the government manages the economy, which can be controlled through strategic interventions. There is a comprehensive welfare state, a national health service, and a state school system which includes religious schools. Key ‘community’ industries such as farming and coal are subsidised, as are companies developing green energy sources. A large proportion of the broadcast media is subsidised, as well as being regulated for ‘standards’ and required to include religious programming. While there is a private sector, this is heavily regulated by the Government in the public interest, for instance over advertising and employment standards, carbon emissions and ‘clean’ technology intellectual property rights. Companies offering ‘immoral’ services such as gambling are restricted, regulated and heavily taxed. However, companies rarely close: the goal is full employment, and dwindling industries are subsidised until natural wastage and changing patterns of employment – facilitated by state-funded training and support – make their demise painless. Consumers in general have free choice, except where services are publicly owned and run, but credit levels and commercial interest rates are regulated so that consumers do not spend more than they can afford. They are also encouraged by subsidies to ‘buy British’ to protect key domestic industries. Private sector enterprise is encouraged, largely because of the jobs it provides. The Government recognises a strong third sector, particularly the role of faith-based charities, working in local partnerships with them to ensure no-one slips through the net. The government also provides large development grants to developing nations, sharing technology and know-how with them, and rejects international debt, preferring instead to leverage the voluntary sector and faith communities to ensure that aid is well spent. The right of developing countries to develop and protect their own economies is guaranteed, although some international trade barriers relating to farming and energy remain, if only implicitly through domestic subsidy. Diplomatically, a delicate balance is maintained over the carbon emissions of the developing world, with first world patents and technologies increasingly being offered in exchange for compromises.

Politically, this worldview would be described as left-wing, and it probably sounds pretty recognisable and attractive to you. Politics aside, there are three particular areas which cause me some concern: one is economic, one is philosophical, and one is theological. The first is Synod's strong preference for interventionism. In the world view I have just articulated, there is an assumption that doing something is always better than doing nothing. This is like the classic notion of sins of omission. Thus, Synod disagrees with Adam Smith's invisible hand, desiring instead to assist this hand to bring about good where it is perceived to be misdirected. Synod also spurns the economic concept of laissez faire enshrined in the much-criticised IMF/World Bank liberalization strategies. However, this interventionist mindset ignores the fact that not intervening may also be a legitimate choice.

This mindset also assumes what would be called a positivist world view. Pressing for action – in this case in the economic sphere - implies a model of certainty and causality that is by no means proven, and which is increasingly under attack. In the matter of managing economies, Paul Ormerod has shown that the complexity of the system means the notion of government control over the economy and society can only be 'illusory.' In such systems, behaviour can be mapped and explained – like rolls of dice - but cannot be predicted to the levels of safety required by the state. Indeed, in such systems, consumer activity is much more influential than government action – as is shown by annual fads over Christmas toys. So urging consumer action, like the Nestlé boycott and support for fair trade products, is likely in the long term to have a more significant outcome than Synod's preferred habit of urging the government to act.

The second issue which concerns me is more philosophical in nature and relates to the undercurrent of legalism in the material I have examined. This is noteworthy for two reasons. The first is that regulation does not always drive improved behaviour, and an increase in it tends to suggest an erosion of the underlying societal moral permafrost. If there are informal sanctions in play, from family, society or religion, law is rarely required. Synod's preference for regulation may therefore be a classic case of addressing a symptom not a cause and, in so doing, contributing to a further undermining of the social constructs which laws increasingly replace. My second reason for concern is that both Jesus and Paul were notably critical of an over-reliance on law. As has already been mentioned, privileging the role of secular law over the 'court' of Synod contains an implicit acknowledgement of the powerlessness of 'divine' law. This may signal Synod's pragmatic acceptance of the Church's waning influence in the wider world, but it concedes a crucially important ecclesiological point without debate.

The third issue with Synod's economic worldview is an explicitly theological one and concerns free will. In Synod's world, a person's ability to choose 'badly' is restricted where possible by the intervention of a paternalistic State and the use of regulation and law. For me this is deeply problematic. First, it assumes that the state knows best. Second, it appears to assume that original sin prevents people from making wise choices. Now is not the time to get into the theological niceties of whether the incarnation trumps original sin or not, but I am anxious about the gift of free will. In my feeble understanding of creation, what marks us out from the angels is this very gift. Should we therefore we trammelling it quite so much?

But enough of the Church of England's formal views on money, markets and economics. Where do you fit in all of this? I wonder if you have been infected by beleaguerment, the bug which seems to be making the Church of England a bit shy and retiring? It is easy to succumb, in an increasingly secular society, and leave it up to Church leaders to stand up and be counted instead, and to take the flak on our behalf. But in spite of our inferiority complex, not helped by recent public policy, we are still a force to be reckoned with. The Church both directly and indirectly has a huge amount of financial muscle, and how we use this influence really matters. My research has revealed that the Church centrally is rather happier to follow fashion economically rather than to lead it, but I think that this current period of economic uncertainty offers what might be considered a kairos moment for the Church to make the marketplace much more virtuous. Of course, the Church is already doing so, through ethical investment and social entrepreneurship, but these efforts needs to gather pace and scale to have real impact. As you'll have gathered from my survey of central church action in this sphere, progress is patchy, and this is too important a matter to leave it to our leaders to sort out. Ordinary church-goers also need to understand their power and responsibility to act, as consumers, employers, employees, investors, educators and pensioners. Christians are estimated to control $10 trillion around the world, and 6% of the world's investment capital is in the hands of religious bodies. In the UK alone, local churches collectively spend £800 million every year, and give £45 million to charities other than the Church. UK church-goers offer 278.4 million hours of volunteer service every year, and 1 million children are taught by the Church of England, who run 1 in 4 of the UK's primary schools. Each Sunday, a million people listen to a sermon at a Church of England church. Politically, 26 bishops sit in the House of Lords as Lords Spiritual, and there are 26,000 clergy working at the coalface in communities throughout the UK. And while we must await the results of this census to see whether there has been any change, in the last census, 7 in 10 people in England still considered themselves 'Christian' (that's 35.7 million people), with half of the population identifying themselves as belonging to the Church of England (that's 25.5 million people). To put that number into perspective, one of the most powerful lobbies in the world, the US National Rifle Association, only claims to have 4 million members. We beat them hands down, particularly if you factor in worldwide membership of the Anglican Communion.

And remember, every time you spend money, you are essentially voting. Your money sends information into the market about what you and consumers like you value, and this information is used to generate feedback to deliver more of this value. I wonder what kind of market you are creating with your money? Is it Kingdom-shaped? Here are my 7 theses which combine to argue for more action from all of us.

1. In a globalized world, capitalism reaches communities more quickly than diplomacy or aid does, and brings more money into the community
2. Trade as a common language is more universally agreed than any ideology so may well be the quickest way to address global warming
3. A market run by angels would be perfect, so it is we who need changing, not the marketplace
4. At the moment, rich people's 'votes' are prevailing, but the magic of a complex system is that it is susceptible to individual nudges
5. In evolutionary biology and in game theory, co-operative strategies out-perform competitive ones, and convert them over time…
6. Businesses stay in business if they keep their customers happy, so:
7. We need to vote our cash to make the market more Kingdom-shaped.

But how? Well, I promised to end by giving you three ways to change the world.

We're used to talking about 'the market' and 'capitalism' as thought they were 'out there' and nothing much to do with us. But whenever we work, we earn, we spend, we save, we invest, or we lend, we send signals about supply and demand out into the marketplace, where they find friends and create ebbs and flows that result in the system we currently have, for good or ill. When we change these signals, the market shifts, subtly, sometimes imperceptibly; but slowly, over time, the market morphs and changes to match supply with demand accordingly.

One example familiar to many parishes is the heart-warming story of the Fair Trade movement. While there have been fair trade goods around for some time, in 1998 the market in the UK was worth a mere £17million annually. Thanks to strong support from Christians – from people like you buying fair trade products from the back of the church at the end of the Sunday service - over the next decade the market multiplied exponentially to reach the £1billion mark last year. Indeed, Traidcraft became a victim of its own success when Marks and Spencers bought up the entire Fair Trade cotton crop a few years ago, then Cadbury switched to fairly traded chocolate, destroying Traidcraft's own market for these goods. Now, the UK coffee market is about 15% fair trade, which shows that it doesn't really take that long to transform a whole sector by creating an entirely new segment.

We live in a democracy, but we only get to vote in elections every four years or so, which is a long time to wait to make your voice heard. However, in terms of the kind of economy we want in our society, we vote every time we spend money or switch brands. The repeated votes of the rich have created a marketplace that doesn't seem to cater for the poor very much, who would struggle to understand the allure of phone charms or collar stiffeners. The alignment of supply and demand has naturally over time come to favour those of us with the most money and therefore the most votes to cast into the marketplace. While one of the roles of the state is to cast proxy votes for those who cannot speak for themselves, this is too important a Christian responsibility for us to leave it to the government, particularly given our own influence as consumers.

Now I am not for a moment suggesting that you shouldn't go to Ascot this year, or that you must never treat yourself again. What I am saying is that we are all lucky enough to have an amount of discretionary expenditure, which may not be large, but it is significant if we add all of our mites together. This does mean checking where your clothes were made, and asking difficult questions about the supply chain and the provenance of your meat, and taking an interest in how your pension is invested. So here are the three things I think you should do, to do your bit to change the world. I should warn you, they are really hard things, like buying flowers, going to the pub, and annoying people.

First, buy local. Research by the New Economics Foundation has found that every £1 spent with a local supplier is worth £1.76 to the local economy, but only 36p if it is spent in a national chain-store. While I like chain-stores too, I love the approach to buying locally that I saw in Cape Cod last Autumn. Their community campaign asked you to identify three local enterprises that you really liked having around, and pledge to spend $50 a month with each of them. This 'use it or lose it' philosophy means that the next time you admire a flower stall on the High Street, you should support it financially too, lest too many people just admire it, but buy their flowers from Waitrose instead, until it is driven out of business.

I asked you to take up going to the pub, too. Other than the churches, the local pub is now one of the few places where people mix across the social divide. Even in Northchurch! But like the churches, many are in decline. However, studies have shown that it may only take between 9 and 12 regulars to keep a pub open. So while it is cheaper to buy your Pinot Noir in the supermarket, do pop into your local from time to time, if you want it still to be there in the future, even if it's just to do the crossword in peace.

I could use the same argument to tell you to support your local church, but given your attendance at this lecture I imagine I'd be preaching to the converted. Instead, my third thing is to ask you to annoy a few people. Specifically, those people who invest your ISA or your pension for you, or these companies in which you hold shares. How close an interest do you take in decisions being made in your name? Do you know where your money is invested, and are you confident that your portfolio is clean? You may not be able to launch a full-blown shareholder revolt about executive pay from your living room, but you can ask awkward questions about what ethical criteria are applied to any funds you hold, and how performance is monitored. And as a shareholder you can ask the Board to account to you about the decisions they take, to deliver 'shareholder value' that is to your liking.

And while you are plotting shareholder activism, over a local pint, before buying those flowers on the way home, take heart. The maths is in your favour. You may have heard about 'game theory' and all the experiments that have been done to try and work out the best strategies for winning. Game theory is now used to model everything from public auctions and new product launches to trade negotiations and conflict resolution. And when 'nice' players and 'nasty' players were pitted together, in a grand international and inter-disciplinary tournament, which iterated over time, it turned out that it only took about 10% of the players to be resolutely nice for them to convert the rest of the population over time. You are the salt and the light. And I think it was Margaret Mead who said: 'never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.'

Eve Poole BA MBA PhD
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