

The Salvation Army and justice-seeking: A response to the financial crisis



Introduction

It barely needs to be stated that The Salvation Army has always embraced creative and practical ways to bring people out of poverty – The *Darkest England* project and the match factory, of course, but contemporary examples such as micro-credit and *Sally Ann* serve just as well. Combined with finding practical methods to combat poverty we have also had a strong and unerring message on the need to fight the root causes of poverty. The recent *Seeds of Exclusion* report would be a good recent example of which we are proud.

Quite rightly, the pragmatic Salvation Army response to the financial crisis in the UK is to consider what services we might offer to those who need assistance – therefore we put together a strategy for offering debt advice and employment services at a local level. However, it is necessary and consistent also to reflect on what we can do to tackle the issues that lead to debt and unemployment in the first place. This is the domain of ‘social justice’ and in the current climate of the financial downturn there are some very clear opportunities for The Salvation Army to lend its considerable voice at both a grassroots and a national level.

Political figures and Church leaders alike unanimously agree that there is a very serious moral dimension to the current financial crisis.¹ Financial institutions sought short-term gain at the expense of vulnerable individuals and with no moral check or accountability. Whilst bankers appear to be looking forward again to ‘business (and bonuses) as usual’ this is surely

¹ See appendix 1 ‘Bankers and Morality – churches turn on the modern moneylenders’ The Observer, Sunday 25th October 2009

a moment for the authentic and prophetic voice of the Church to speak up. And which other Christian church or institution can speak with the authority The Salvation Army has – for we in our social service centres and local community centres and corps know what it is to work directly with those suffering with financial difficulties? We have done this for one and a half centuries!

This very brief paper will outline two initiatives that are seizing the moment and out of the ashes of the financial crisis are constructing new and alternative futures for those living in poverty through campaigns for responsible lending and the London Living Wage.

Usury and the call for responsible lending

The word ‘usury’ has very much gone out of fashion but in very simple terms it refers to the lending of money at excessively high interest. In support of a renewed campaign on usury, Evangelical Christian scholar Dr Luke Bretherton of King’s College London has written a comprehensive and lucid paper on ‘Scripture, usury and the call for responsible lending.’² He demonstrates that there is nothing new about Christians and the church condemning the usurious practices of moneylenders. He asserts that Scripture emphatically condemns it: from the Israelite liberation from debt enslavement in Egypt; through the concept of Jubilee; to Jesus’ considerable teachings on the dangers of loving money above God; and the fellowship of believers in Acts 2 who held ‘everything in common’. The Church thinkers throughout the ages – patristic, scholastic and reformer - have taken Scripture seriously enough to consistently prohibit usury and to offer protection to the poor in money matters. Bretherton puts the challenge like this:

‘The questions confronting the church, past and present, is how to prevent unjust and extortionate interest rates, encourage responsible lending, and as Christians, point to a deeper reality and truer foundation for human life, one based on loving kindness and generosity not maximisation of profit and the private pursuit of selfish interests.’³

In the current UK context all of us can relate to the issue of debt amongst people in our corps, centres and communities. The magnitude of the situation has encouraged us as a territory to consider setting up debt advice through our local networks. We are all too aware of the letters, emails, phone calls that confront us daily – tempting us to borrow – and quite often at extortionate rates of interest. It is this irresponsible attitude towards lending that is usurious and must be curbed. This is why one alliance of voluntary and faith organisations - *London Citizens*⁴ - is leading a campaign to take on the banks and financial institutions over usury and to present a call for responsible lending. The 160 member communities of *London Citizens*, including Stepney and Stratford Corps, have developed a specific and pragmatic proposal from a period of listening to their grassroots membership about the issue of usury:

‘For Her Majesty’s Government to follow the example of France, Germany, Italy and Poland by protecting its citizens by acting to curb exploitative lending (usury); by:

- Introducing a maximum limit/cap of 20 per cent on all interest charged on unsecured personal loans by financial institutions (e.g. credit card companies, store cards, doorstep lending).
- Major high street banks taking a lead immediately and introducing low-interest credit cards.

² See appendix 2 ‘Neither a Borrower or a Lender be: Scripture, Usury and the Call for Responsible Lending’, Luke Bretherton, 2009

³ Bretherton, 2009: 8

⁴ LONDON CITIZENS is the UK’s largest and most diverse civic alliance. ‘We exist to strengthen civil society by building relationships between community-based organisations and interest groups, in order to improve the governance of this great city. We are known more by our actions than any particular ideology – we believe in and use democracy as the tool of inclusion, ownership and decision-making. We raise our own money to employ our own professional Organisers who teach and agitate us into public relationships. We prefer to be ‘for’ things rather than ‘against’ and enjoy initiating rather than reacting. We are ‘for’ strong communities and families; ‘for’ participating and informed citizens; ‘for’ schools and universities that serve their communities’ interests; ‘for’ a public and business sector which respects the vital role civil society must play in forging a politics of the common good. We therefore act together ‘for’ better wages, ‘for’ cheaper family housing, ‘for’ respect for the stranger, ‘for’ safer streets, ‘for’ strong and informed young citizens and ‘for’ a vibrant and well organised civil society which demands a place at the table on decisions which affect us and determine our future. We organise and lead because we see our participation as a necessary condition of a healthy democracy, a revitalised politics and a dignified life.’ www.londoncitizens.org.uk

- The banks presently benefiting from the recent 'bail out' with public funds (RBS; Lloyds TSB/Northern Rock) taking a lead on this proposal and competing with low interest credit arrangements and customer friendly practice.

A series of events are planned to take this campaign forward, involving church and faith leaders, politicians and bankers. On 25th November at the Barbican Centre in the heart of the City of London high profile church and faith leaders⁵, including Lt Col. Mike Parker, endorsed their support for the campaign for responsible lending and presented their ideas to leading politicians and financiers in front of 2000 diverse citizens of London. The grassroots development of this proposal demonstrates how a local response can resonate with global issues – this is a prime example of 'glocal' action. The ongoing work around this campaign is proving to be an opportunity for the Salvation Army in London and beyond to consider what fighting for social justice means in response to the financial crisis.

The London Living Wage

'A fair day's pay for a fair day's work' - a political soundbite or a justice-seeking truth? Either way President Roosevelt's words have subsequently prompted many nations to adopt a 'minimum wage' in an effort to provide a minimum acceptable standard of living for citizens alike. Unfortunately, in London in the 21st century, the 'minimum wage' does not represent a fair day's pay.

According to *London's Poverty Profile*⁶ while 'London is by far and away the richest part of Britain, it has the highest child, working-age and pensioner poverty rates of any region in England.'⁷ In seeking to respond to the recent economic crisis, this troubling paradox has prompted *London Citizens* to call for a deepening and broadening of the Living Wage. Unlike the term 'minimum wage', which is an economic category, the notion of a 'living wage' has a moral connotation. Behind it is a simple but powerful premise, namely that anyone who works fulltime for a living should not have to raise a family in poverty.

Since poverty is widely defined in terms of household incomes amounting to 60% or less of the national average (median) income, in London that means anyone being paid less than £6.65 an hour will be living in poverty, even after benefits and tax credits are taken into account. As the 2009 *Seeds of Exclusion* report astutely observes 'financial issues as a contributing factor (to social exclusion) were significantly higher in London (38%) than in other parts of the UK and Ireland.'⁸ In London the current National Minimum Wage (£5.73ph) perpetuates poverty. In London we need a Living Wage.

In outlining the biblical perspective on a living wage the theologian Walter Brueggemann maintains that 'every strand of biblical faith shows God to be deeply engaged in and passionately concerned for economic issues. It does seem that the God of the Bible – contrary to much popular religion – cares a great deal about debts, mortgages, wages and interest, and is preoccupied with the well-being of the poor.'⁹

As the Mayor of London recognises, paying the London Living Wage is 'not only morally right, but makes good business sense too. What may appear to a company to be an unaffordable cost in a highly competitive market should more often be viewed as a sound investment decision. I believe that paying decent wages reduces staff turnover and produces a more motivated and productive workforce.'¹⁰ While perhaps more costly (currently £7.60 per hour) paying the Living Wage is not only economically viable, but socially desirable, and morally imperative.

No stranger to such campaigns, The Salvation Army is ideally placed within communities across London to join the call for a Living Wage for all low paid workers in London as the best

⁵ Monsignor John Armitage (Vicar General of Brentwood Diocese); Rev Erial Kirby (Lead Chair of the London Methodist District), Dr Abdul Bari (Muslim Council of Britain); Rabbi Jonathan Wittenberg (Senior Rabbi of the Masorti Synagogues)

⁶ *London's Poverty Profile* is the first independent, comprehensive source of information about poverty and inequality in the capital. It has been created by one of London's largest charitable trusts, the City Parochial Foundation, and the independent think-tank, New Policy Institute.

⁷ <http://www.londonpovertyprofile.org.uk/about/>

⁸ *Seeds of Exclusion*, 2009: 2

⁹ See Appendix 4 'Entitled neighbors: a biblical perspective on living wage' by Walter Brueggemann

¹⁰ http://www.london.gov.uk/mayor/economic_unit/docs/living-wage-2009.pdf

strategy against poverty and debt and for the dignity in work. Building upon The Salvation Army's involvement with the *Put People First*¹¹ and *Get Fair*¹² coalitions, London Citizens' proposal represents a fair trade initiative for London.

As with our match-making forebears, the London Living Wage campaign provides a unique and urgent opportunity to tackle not only the effects of poverty but also the causes. After all, 'a minimum standard of living includes, but is more than just, food, clothes, and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society'.¹³ In other words it is about social justice.

Conclusion

The *Seeds of Exclusion* 2008 report cites 'speaking out for marginalized people' as one of its five deliverables and in particular to 'continue to speak out on behalf of voiceless and marginalised people seeking a longer-term approach to addressing the root causes of the issues they face...'¹⁴ In the face of the financial downturn and recession it is clear that it would be utterly wrong to return to 'business as usual'. The gap between rich and poor will continue to grow if we cannot find creative and pragmatic ways to lift people out of poverty and to do so with dignity. The two opportunities outlined in this paper – a call for responsible lending and the living wage provision – are more than simply speaking out. They are realistic, measurable and achievable goals that can be reached with the backing of powerful and credible organizations like The Salvation Army. Calling for a curb on usury is today's equivalent of setting up The Salvation Army Bank, now Reliance. Fighting for the living wage is our modern day match factory. Let us now grasp this moment in history when financial turmoil seeks to lead more people into poverty and demonstrate that there is an alternative that speaks of liberation and freedom from debt, both from money and ultimately of sin through Jesus Christ.

¹¹ *Put People First* is a coalition of development charities, trade unions, faith groups, environmentalists and other organisations, formed in response to call for a fair, sustainable route out of recession.

¹² *Get Fair* is a national coalition calling for an end to poverty in the UK by 2020.

¹³ <http://www.minimumincomestandard.org/>

¹⁴ *Seeds of Exclusion*, 2008: 78-79