

# On Entrepreneurship, Poverty and Insights from Abraham Kuyper and John Wesley

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**An Interview between Peter Heslam and Joseph E. Gorra**

**I**n this wide ranging and engaging interview with Peter Heslam, we discuss his Cambridge multidisciplinary project, “Transforming Business,” the value of entrepreneurship, thinking about enterprise solutions to poverty, and the wisdom of Abraham Kuyper and John Wesley when helping us think about the current economic crisis and recovery in light of the value of thrift, magnanimity and magnificence. We close our conversation with him offering some encouragement for emerging scholar types concerning how they might think about their academic pursuits 'beyond' *academe*.

**At the University of Cambridge, you direct an innovative and very interesting research and development project, called “Transforming Business.” Why don’t you tell us about that endeavor, how it came about and why it’s at Cambridge?**

Transforming Business analyzes and catalyzes the contribution of Christianity and entrepreneurship to human flourishing. Our focus is on enterprise solutions to poverty - ‘what works?’ In finding answers to this question, we pay particular attention to the role of faith in building social capital – the institutional, relational, moral and spiritual aspects of society.

**The role of faith in building social capital is fascinating.**

Social scientists increasingly agree that social capital is fundamental to business success, economic development and wellbeing and that Christianity is one of its key contributors.

Through innovative research and instruction we aim to channel the rising concern about global poverty in fresh directions that will deliver tangible improvement and genuine opportunities for people in poverty, based on biblical, holistic approach to what it means to be human.

We use robust, creative and multidisciplinary thinking, along with practical models and case studies, to discover and disseminate the most effective means by which Christians integrate faith with enterprise to provide sustainable routes out of poverty.

### **Are there advantages for Transforming Business to be at Cambridge?**

By being based at the University of Cambridge we have the advantages of a globally recognized research institution. Its multi-disciplinary make-up and close associations with other spheres are also important to us, as the project crosses such disparate fields as divinity and economics and has strong links with the real worlds of church and business, both locally and globally.

In finding and advancing effective ways for Christian faith to combine with business enterprise in the fight against poverty, we draw not only on the best ideas but also on best practice. This reflects our determination to equip and inspire the rapidly growing numbers of Christian entrepreneurs, business leaders and opinion formers worldwide with research-based resources that help maximize their impact, for the good of all.

Surrounding the project is a growing international network of business ethicists, economists, practitioners, consultants, psychologists, educators, theologians and thought leaders. They are united by a passion to integrate their faith with their knowledge and skills in order to address the most pressing social, economic, and moral challenge of our time: the elimination of poverty within the constraints of finite natural resources.

### **What are some of your research questions?**

The current global entrepreneurial revolution and rapid rise of Christianity ensure that these questions are of crucial importance to the future of the planet and its people: How does the convergence of Christian faith and enterprise help tackle poverty? How do Christian business leaders understand their vocation and how can they inspire and equip those considering a call to business? What would a theology of entrepreneurship look like and what is its practical value? How does Christian belief help foster innovation, integrity, responsible risk-taking, and entrepreneurial aspiration?

## On Poverty and Corporate Social Responsibility

**You have written on the significance of Catholic social teaching for the role of business in the eradication of poverty. Integral to your analysis are themes like human dignity, solidarity, rights and responsibilities and the spirit of enterprise. How might responsible corporations tackle poverty simply by executing their core business rather than adopting ‘corporate social responsibility’ projects?**

We aim to offer best practice frameworks that help entrepreneurs, company directors and business strategists make decisions that will be successful both in terms of profit and in terms of reducing poverty. The focus is on core business activities, rather than on Corporate Social Responsibility (CSR) projects. This is partly because there has been disproportionately little informed debate about what the opportunities, rather than responsibilities, of companies are in addressing the scourge of poverty.

### How so?

Often it is assumed - if business is thought to have any positive role to play – that its key contribution to development lies in activities outside its sphere of competence, such as CSR programmes or initiatives sponsored through ‘corporate philanthropy’. However, expenditure on CSR projects by the largest companies is only around \$13.5 billion per annum in the US and \$1.5 billion in the UK. While these are sizeable sums, they almost pale into insignificance compared to the capital investment and turnover of these companies. The resulting irony is that the positive impact business could have on poverty through its core activities, which is generally much greater than that through its CSR initiatives, is overlooked.

The companies in which we’re most interested tend not to consider their social role primarily in terms of CSR. Generally their contribution to human and environmental flourishing occurs through their bringing together of a humanitarian vision with business opportunities. Our primary interest is in companies performing their core business in ways that reflect Christian insights (which include those from Catholic Social Teaching), even though this may operate implicitly.

### What is the focus of research for Transforming Business?

In the research we do in developing and emerging economies, our case studies tend to focus on companies that are relatively small by western standards. The potential of small to medium sized companies (SMEs) in the socio-economic development of low-income countries should not, however, be underestimated, because entrepreneurs are the foremost creators of new jobs, wealth and opportunity in the world today. Even in as developed an economy as the US, small businesses provide the majority of new growth (from 1990 to 1997, US small businesses added more than 75% of all new jobs in the country's economy). This trend is even more pronounced in economically underdeveloped countries where the informal, small business sector can be 90% of a country's Gross Domestic Product.

## On The Significance of Abraham Kuyper

**You are known for your work on Dutch theologian and social activist Abraham Kuyper. Your book on the Stone Lectures at Princeton on Calvinism has helped increase international interest in his achievements and ideas.<sup>1</sup> Although he was accomplished in his theology work, he was far from being an academic confined to an ivory tower. What most impresses you about his contribution?**

You're right. Kuyper dominated the religious and political life of the Netherlands for nearly half a century, and during his career he achieved positions of eminence in a number of different fields. As a scholar he established himself early in his career as an academic theologian and provided the chief impetus towards the founding of the Free University, a university in Amsterdam with a Christian constitution. As a journalist he founded a daily newspaper, and remained its chief editor for almost fifty years. As a politician he organized the Anti-Revolutionary Party, a Christian-based popular people's party, and remained its leader for some forty years, during which time he served a four-year term as Prime Minister. As a writer of devotional and religious literature he launched a weekly religious journal, and published scores of meditations and works of applied and pastoral theology. As a church reformer he led a revival of orthodox faith within the national church and later established a new confederation of Reformed Churches, which has vast numbers of sister churches all over the world.

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<sup>1</sup> Peter Heslam wishes to acknowledge that the material on Kuyper in this interview draws on his book *Creating a Christian Worldview: Abraham Kuyper's Lectures on Calvinism*, published by Eerdmans.

## **Collectively, what do you see as striking about Kuyper's accomplishments?**

Taken together, his achievements indicate that he enjoyed a distinguished and multi-faceted career. But what is most striking about his career is that in virtually every area of his activity he sparked off new developments. His establishment, for instance, of the Anti-Revolutionary Party in 1879 along modern, democratic lines, signalled the end of liberal domination in Dutch politics and helped to make way for the rise of a more democratic and representative form of government based on modern party organization. Likewise, his founding of the Free University the following year, stimulated the proliferation of a great number of social and educational institutions founded on Christian principles.

## **Did these endeavours have a long-term effect?**

Indeed, they encouraged the development of two very significant socio-political phenomena: 'pillarization' or 'social pluralism'; and Christian Democracy. Pillarization was a mode of social organization whereby the principal differences in society were vertical (that is, ideological) rather than horizontal (socio-economic). Each ideological group in Dutch society, such as Catholic, Protestant, Liberal, and Socialist, organized and developed its own social and political institutions with minimal government interference and in accordance with its own religious or ideological persuasions. Society was thus divided into vertical 'pillars' based on common ideologies rather than on class interests, the leaders of each pillar coming together in government. This model characterized the social structure of the Netherlands for the greater part of the twentieth century (1920-1960), and because of its uniqueness - it exists in no other country - it attracts a great deal of attention from social scientists. Kuyper's socio-political movement is invariably regarded as the chief factor in its development.

## **Could Kuyper's movement be described as some form of 'cultural progressivism,' given how he sought to reshape society?**

Yes, some of Kuyper's significance lies in the fact that he represents an unusual blend of theological orthodoxy and cultural progressiveness. Although he sought a revival of traditional Calvinistic religion, he did not advocate a return to pre-Enlightenment conditions in the hope that this would help the cause of Christian civilization. He offered, rather, an alternative programme for cultural and political renewal to that offered by the Enlightenment - an Enlightenment,

he believed, that was having a damaging effect on European society at every level. With his persistent agitation for greater educational, social and political freedoms for minority social groups, Kuyper was a progressive and innovative leader. He was not content to confine himself to sideline issues of private and public morality (issues that so often pre-occupy organized Christian political involvement in Britain and the United States) but he sought to shape the actual structure of the socio-political order. This in itself challenges the validity of the stigma often borne by Calvinism, that it represents an other-worldly, backward-looking way of life of little relevance to contemporary society. It also challenges the currently prevailing bias in historical studies - a bias that has roots in the Weber thesis - that modernization always goes hand-in-hand with secularization. Kuyper's anti-revolutionary movement is particularly striking evidence that, although modernization and secularization may accompany each other, they may also move in opposite directions.

### **Are Kuyper's accomplishments noticed by non-Kuyperian scholars?**

His remarkable success in realizing his objectives is matched by his success in establishing a school of thought that has carried his ideas forward. Professor Michael Fogarty, the British Catholic historian of Christian Democracy, wrote in *Christian Democracy in Western Europe* (1957) that 'Dutch Protestants have built up over the last century one of the most successful, and in many ways the most instructive political, economic, and social movements to be found anywhere in the Christian world'. When Kuyper began his public career in the early 1870s he became the leader of a marginalized minority group. But less than ten years later, due in large part to his tireless activities, this same group was in possession of powerful journalistic organs, a socio-political programme, a political party and a university. Ten years after that it found itself in the seat of power, taking part with Catholics in the first confessional cabinet in the Netherlands (1888-1891).

**Over the past century, it does appear that the influence of Kuyper's ideas has continued unabated through the existence of a Kuyperian, or 'neo-Calvinistic', school of thought that extends well beyond the Netherlands.**

Organizations and individuals that reflect the impact of this school can be found all over the world. The Christian Peoples Alliance in the UK, as well as the Center for Public Justice in the United States, and the Citizens for Public Justice in Canada, for instance, draw guidance from the Dutch Christian Democratic tradition for their own political visions.

Groups concerned with Christian education, not only in Britain and North America, but (increasingly) in emerging economies, espouse Kuyperian social theory as justification for the establishment of Christian schools, colleges and research institutions. The same is true for a host of higher education institutions in the United States and Canada, including the Institute of Christian Studies in Toronto, which is at the forefront of critical engagement with contemporary philosophical thought from an orthodox Christian perspective.

Artistic and intellectual groups in Britain such as the Arts Centre Group in London, the L'Abri Fellowship centres in Ealing and Greatham, the London Institute for Contemporary Christianity, and the Kirby Laing Institute for Christian Ethics and the Jubilee Centre (both in Cambridge), owe much of their founding vision and continuing inspiration to the Kuyperian concept of a Christian worldview that encompasses the whole of life, including scholarship, public life, and the arts.

The ongoing vitality of this tradition is witnessed by the host of Christian leaders and thinkers around the world that have been influenced by it. Kuyper's historical significance is thus partly due to the fact that he is the originator of an international and influential school of thought concerned to articulate the relevance of a biblically-founded world-view to every area of life.

**What do you think is the unique contribution that Kuyper brings to the questions of economic development, poverty, welfare and state vs. society spheres (e.g., from *The Problem of Poverty*), which perhaps differs from other Christian social thought thinkers and ethicists.**

Kuyper maintained that neither enlightenment individualism nor the collectivism of state socialism offered viable solutions to the endemic poverty associated with the industrial revolution.. He denounced socialism for its revolutionary nature that rode roughshod over democratic freedoms and resulted merely in the replacement of one sort of tyranny with another. It also excluded any reference to a transcendent 'other', basing its political programme solely on human reason – which is fallen. A third problem he found with socialism was its secular materialism, which reduced humanity to the realm of nature, robbing human beings of the dignity they have by virtue of being created in the image of God. For Kuyper, the world only has meaning because of its contingent relationship with a sovereign creator. And hope for the future

doesn't reside in a socialist utopia but in faith in the Lord of history. This did not mean, for Kuyper, that piety or charity were any more the solution to poverty than socialism. As he wrote in the publication you refer to of 1891:

If you do not acknowledge this and think that social evil can be exorcised through an increase in piety, or through friendlier treatment or more generous charity, then you may believe we face a religious question or possibly a philanthropic question, but you will not recognize the social question. This question does not exist for you until you exercise an *architectonic critique* of human society, which leads to the desire for a different arrangement of the social order.

**Perhaps Kuyper as political theorist is best known for his notion of 'sphere sovereignty'. Do you think it's of any relevance today?**

I would indeed. Whereas Christian integralism tends to restrict civil liberties, as it allows the state to dominate the other spheres of society, promotes religious freedom and a flourishing civil society without the need to secularize the public square. This is because of its belief that society is made up of autonomous spheres that are all directly accountable to God, rather than to the state.

This is key to Kuyper's notion of sphere-sovereignty and I believe it is of some considerable importance to the way Christianity develops in the developing and emerging world in the coming decades. Christians in those parts of the world, as in ours, need to work out what an 'architectonic critique' of society based on sphere-sovereignty would look like today. From Kuyper's attempt to do that in his day, we can learn that this needs to be *passionate* in its pursuit of justice and the fight against poverty; *determined* in seeking freedom for the poor from the patronising hegemony of the rich, so that initiative and hard work are properly rewarded; *unrelenting* in its foundational critique of secularism and libertarianism; and *rigorous* in its propounding of freedom for the various spheres of society, with all the rights and responsibilities such freedom entails. While we cannot draw blueprints from Kuyper's thought and work, these elements do provide rich sources of inspiration and reflection.

## On Kuyper and the 'Protestant Work Ethic'

**Kuyper's theology of common grace is noteworthy. Do you think it was a contributing factor toward the development of a "Protestant work ethic"? If so, how and why?**

Kuyper claimed that there had been a long-standing tendency in Christian teaching to concentrate so heavily on so-called spiritual or eternal things that the temporal realm had suffered from sore neglect. The result had been a dualistic conception of regeneration, whereby Christ's redemption was conceived of only in terms of the salvation of the soul, its cosmic significance left disregarded. But Calvinism, Kuyper believed, had sought to emphasize 'the wide, comprehensive, cosmical meaning of the gospel', and had given honour and spiritual status to temporal things, such as science and the arts. It had liberated religion from the confines of the church and had provided a powerful impulse to the development of Western society. Kuyper was often keen to point out that it was in the seventeenth-century Netherlands, which had witnessed a flowering of Calvinism, that the telescope, the microscope and the thermometer were invented. It was also, he would point out, where the modern republic was born, and where great artists had been produced, such as Rembrandt and Vermeer. If he was visiting my hometown of Cambridge, he'd no doubt be keen to remind us that it was seventeenth-century Dutch engineers that drained the highly fertile agricultural land known as the Fens to the north of us!

**It sounds like Kuyper believed that common grace had very practical consequences.**

Yes, he felt common grace accounted for much of cultural impact of the Reformation.. He would have agreed with the eminent British historian Owen Chadwick, who wrote:

The Reformation made all secular life into a vocation of God. It was like a baptism of the secular world. It refused any longer to regard the specially religious calling of priest or monk as higher in the moral scale than the calling of cobbler or prince. Christian energy was turned away from the still and contemplative towards action. The man who would leave the world turned into the man who would change it.

In contrast to particular grace, whereby God imparts salvation, common grace was the means by which God restrains the corruption of the world caused by sin, and allows for the development of human life and culture. For Kuyper, this explained why thinkers such as Plato, Aristotle, and even Kant and Darwin, were able to shine as 'stars of the first magnitude'.

### **Did Kuyper see his theology of common grace as offering a critique against the 'privatization of religion'?**

That's right. In propounding his doctrine of common grace, Kuyper's argument was not so much with medieval asceticism as with modern religious philosophy. He was critical of what he regarded as its attempt to ban religion from the field of the human intellect and to confine it to the emotions and the will, in order to exclude religion from science and from public life.

For Kuyper, this attempt threatened to undermine the potential of the Calvinistic worldview based on common grace. It was indeed this worldview that, for Kuyper, accounted for the 'Protestant ethic' that, as Max Weber argued, had a dramatic effect on work and the economy. Weber maintained, in a similar way to Kuyper, that Calvinism propounded beliefs, attitudes and behaviours that had great economic significance: hard work, honesty, diligence, a sense of calling, discipline and the rational and productive stewardship of resources.

### **Given the Kuyperian contribution, how might we think about the relationship between Protestantism and capitalism?**

Kuyper and Weber did not maintain that Protestantism deliberately invented capitalism but that it expounded and endorsed an ethic of everyday conduct that was conducive to the rise of invention and innovation. Capitalism and the wealth it generated were, if you like, by-products, rather than goals, of certain belief-driven behaviours. They contended that the creativity and industry of Calvinists sprang not from the love of money but from their determination to please a holy God and fulfil their worldly calling.

It is not necessary to agree with Kuyper or Weber to observe that the recent wide-scale deliverance from abject poverty has occurred simultaneously with the rise of capitalism and Protestantism in developing and emerging economies – it highlights the ongoing relevance of Kuyper and Weber's work, despite their many differences. Because it lies at the heart of culture, religion inevitably has

profound economic consequences, even though these are generally overlooked. The complex matrix of beliefs, values, traditions, norms, attitudes and institutions that religion engenders can, and often does, radically affect the way people see the world and the way they behave in the world – despite their differences, Kuyper and Weber were right about this.

## A ‘Kuyperian’ and ‘Wesleyan’ Contribution to a Discernment of the Contemporary Economic Crisis

**Is there some wisdom that Kuyper might have for us regarding how to think about and respond to the current economic crisis?**

First, Kuyper called for an ‘architectonic’ critique of society, as I mentioned earlier. By this he meant that Christian principles need to be applied in a *fundamental* way to society and culture. Dealing piece-meal with individual ethical issues had some value for Kuyper but the thrust of what he stood for was *radical* Christian engagement. I’m using here the true meaning of radical – concerned with the roots.

**How so?**

For Kuyper, the foundational truths of Christianity needed to be brought into lively and vigorous engagement with the foundational worldviews and presuppositions of contemporary society. In the current economic crisis, much Christian energy has been spent arguing that the state needs to impose new taxes and tighter regulation on the finance sector. While recognizing the importance of good legislation, a truly Kuyperian engagement would ask more searching questions about the deeper underlying cultural and spiritual factors that played a role in the crisis and would focus on addressing these.

**What does he mean by ‘critique’?**

It would involve both sides – positive and negative – that is implied in the proper use of the word ‘critique’. Affirming the positive aspects of the contemporary economy was aided by Kuyper’s doctrine of common grace. Confrontation and challenge, on the other hand, was facilitated by his doctrine of the antithesis.

**So, what did he mean by the antithesis?**

Well, for Kuyper there was a fundamental conflict between Christian and non-Christian presuppositions, manifesting itself in society between those who believed the cosmos to be in an ‘abnormal’ (that is, fallen) state and those who believed it to be in a ‘normal’ (or unfallen) state. Whereas if there had been no fall, human consciousness would have operated in the same way for all people, the intervention of sin and the need for regeneration had resulted in two kinds of consciousness - that of the regenerate and that of the unregenerate, the former of which held to the abnormal state of things and the latter to the normal. Now, if human consciousness is the starting-point of all knowledge, it must also be the starting-point from which all cultural activity proceeds, and due to the twofold division in consciousness, the cultures of normalists and the abnormalists must be fundamentally different from each other. As he once put it, the ‘two kinds of people’ that existed by reason of the divine act of regeneration represented an irreconcilable division in human consciousness, and therefore inevitably produced, in the academy, ‘two kinds of scholarship’.

### **What was Kuyper’s view of wealth?**

Although Kuyper wasn’t hostile to wealth, he was opposed to its accumulation at the expense of the poor, such as through usury and exploitation. Indeed, he sometimes stressed God’s ‘bias for the poor’ in ways that sound the liberation theologians of the 1960s: ‘When rich and poor stood opposed to one another, he [Jesus] never took his place with the wealthier but always with the poorer.’ He frequently pointed out that Jesus had more in common with the homeless and those on the margins of society than with the wealthy and the powerful.

### **Is there a concern that motivates Kuyper’s view of the poor?**

Indeed, Kuyper’s worry was that the ideals of the French Revolution and enlightenment rationality amounted to a bias *against* the poor. For him, rationality, utility, pragmatism, secularism, and moral relativism helped *increase* injustice and inequality.

### **This is interesting contextualization. What did he think was distinctive about the Christian view?**

The Christian worldview maintained that ‘authority and freedom are bound together by the deeper principle that everything in creation is subject to God.’ Without this starting-point, individual free will threatened to become the

foundation of society. This, Kuyper believed, would allow pride, license, egoism, and material consumption free reign, as reflected in the French Revolution, which ‘left nothing but the monotonous, self-seeking individual asserting his own self-sufficiency.’

**Sounds like an identification of societal problems in our own day.**

Precisely, and Kuyper also attacks the French Revolution with other phrases that have contemporary resonance:

It [the French Revolution] compelled men to seek happiness on earth, in earthly things, and thus created a sphere of lower pressures in which money was the standard of value, so that everything was sacrificed for money. Now add the demolition of all social organization, followed by proclamation of the mercantile gospel of *laissez faire*, and you can understand how the ‘struggle for life’ was ushered in by the ‘struggle for money.’

While today’s crisis is far removed from the tyranny of eighteenth century French aristocrats, Kuyper dismissed both the individualism of libertarianism and the collectivism of state socialism as the answer to the problems caused by the industrial revolution. He sought to develop a ‘third way’ based on Christian principles.

**All very interesting, Peter. I now want to bring in some of your own unique work here. As a response to the economic crisis, you have said in the *Faith in Business Quarterly Journal* that we should promote the restoration of thrift and of the virtues of magnanimity and magnificence. Can you explain why these three, how they are significant? Are you seeing these at work in any cases?**

A Christian perspective provides a much richer understanding of thrift than the one assumed in mainstream economics, which is generally limited to financial saving. Some of that richer understanding is laid out in my short 32-page book *Transforming Capitalism: Entrepreneurship and the Renewal of Thrift* (Grove 2010), on which what I say about thrift in this interview is based.

**Okay. First, what’s some of your background to this topic?**

The relevance of thrift to the contemporary economy first struck me with force during two lecture tours I undertook in the United States in 2008, at the height of the financial crisis. Both included academic and business audiences and both involved addressing gatherings attended by senior business and banking executives in New York.

Preparing for these tours against the backdrop of the collapse of the UK bank Northern Rock in September 2007, I decided to include in my lectures and discussions a focus on thrift, the economic significance of which I had first come to appreciate through my studies of the social and cultural dimensions of Calvinism. I did so with some trepidation, knowing that I would be discussing this theme with those who presided over aspects of contemporary finance that had largely been shrouded from public view but were suddenly beginning to attract public scrutiny, including mortgage-backed securities, collateralized debt obligations, excessive bonuses, sub-prime lending and short selling.

As it turned out, my apprehension was unfounded. The enthusiasm, interest and engagement that this theme generated were overwhelming. At the end of one event, a senior executive in a large global investment bank told me how relevant he thought thrift was to the ways in which the thinking and practices of contemporary banking and business needed to develop, which were being held captive by a culture of debt and excess. A few days later, the name of his bank was all over the global media, in reports of its spectacular collapse. Since then, the stream of invitations I have received to address and discuss the subject of thrift with economists and business leaders has confirmed how piquant and timely his comments were.

### **What do you surmise from this experience about the importance of thrift?**

This experience confirmed to me that thrift needs to be discussed in relation to business and entrepreneurship, not only because business is capitalism's core institution and entrepreneurship its core dynamic, but because the discussions of thrift that have recently started to feature in the media tend to assume that it has little to offer to those who lead, advise and support those involved in the commercial sphere. Business leaders are presumed to be uninterested in thrift becoming a widespread habit because their focus is inevitably on selling products, which requires people to spend rather than save – however ingeniously marketers try to disguise buying as saving. In this context, thrift is emerging as the new anti-capitalism, a means to stand up to the encroachments

of the capitalist bogeyman who has been caught with his hand in the till and threatens to bring social, environmental and moral mayhem on us all.

### **Why is thrift often disassociated with discussions on business?**

One reason why the relevance of thrift to business is generally overlooked is because, despite the positive traction thrift has started to gain as a purported antidote to capitalism, the rise of consumerism over recent decades has ensured that thrift has generally come to be associated with dull sobriety and an overly-cautious attitude to risk.

### **Thrift has a PR problem?**

Too right! A thrifty person is not only imagined as dour but small-minded, uncreative and risk-averse, obsessed with material accumulation but chiefly as a way to insure themselves against a dark and foreboding future. Thrift has become, in other words, a synonym for miserliness, or ‘niggardliness’, of the sort so masterfully depicted in Shakespeare’s Shylock and Dickens’s Ebenezer Scrooge.

### **So what is thrift really all about?**

Thrift is about the flourishing of human beings and the world they inhabit. Derived from an Old Norse word meaning ‘to thrive’, thrift literally means ‘prosperity’ or ‘well-being’ in the sense of wholeness. These meanings are encompassed not only in the Latin *integer* but also in the Hebrew notion of *shalom*, which embodies the broader understanding of wealth referred to above and which is central to the scriptural theme of redemption.

### **Can you further expand on this theological understanding of thrift?**

While thrift has too often been associated with saving, rather than with investing, the connotation thrift has with redemption is made clearer still when we consider that aspect of thrift which does have to do with saving, in the sense of saving *from waste* – because of the biblical notion that God saves human beings from the destructive waste of human waywardness.

### **Do you have an example?**

One way thrift is able to work redemptively is in preserving resources so that they can meet human needs and thus saving the environment from the destructive wastefulness of carelessness and over-consumption. While profligacy wastes resources on misdirected desires and meanness fails to use resources to meet genuine need, thrift is an amalgam of attitudes and habits that help people thrive because it involves the wise and grateful stewardship of the resources with which human beings are entrusted, for the good of all. It is a form of well-being that leads to the human flourishing and happiness characterized by fulfilment rather than by hedonistic pleasure.

### **How has ‘consumerism’ shaped thrift’s PR problem?**

Consumerism undermines the positive and world-affirming virtue of thrift and makes this virtue appear world-denying, rather than world-enhancing. It reflects how easy it is for thrift to be perverted when it is not held in tension with other virtues, particularly generosity, without which it can descend into the very meanness and miserliness with which it is so often confused.

### **Who has helped to ‘locate’ thrift in view of other virtues?**

In recent times, the great entrepreneur investor and philanthropist Sir John Templeton (1912–2009) has been foremost in insisting that thrift and generosity should be held closely together. This has provided inspiration for his son, Dr John Templeton, and one of his son’s associates, Dr Theodore Roosevelt Malloch, to write books on these themes and for the founding of the Templeton Center for Thrift and Generosity. But it is the words and example of the founder of Methodism, John Wesley, that brought these virtues together in a way that has inspired generations of his followers and admirers over the past 250 years.

### **How does Wesley integrate these virtues?**

In a sermon he preached in 1760 entitled ‘The Use of Money’, John Wesley used a phrase that became famous: ‘Having, first, gained all you can, and, secondly, saved all you can, then give all you can.’ When these words are cited, it is often assumed that by ‘saving’ Wesley was referring to the accumulation of spare income in bank accounts. But this would make his injunction inconsistent – how is it possible to save all you can if you are also to give all you can? From the sermon itself it is clear, however, that Wesley meant ‘saving’ in the sense referred to above – saving *from waste* – the poignancy of which to

environmental health he could, of course, never have anticipated. He is, in fact, critical of saving in the sense of accumulating spare money – it is wasteful because it denies that money the good to which it could be put if it were given away. In a passage directly preceding Wesley’s famous quote, he declares:

A man [cannot] properly be said to save anything, if he only lays it up. You may as well throw your money into the sea, as bury it in the earth. And you may as well bury it in the earth, as in your chest, or in the Bank of England. Not to use, is effectually to throw it away.

### **Is this how Wesley lived?**

From what we know of Wesley’s life, this was no empty rhetoric. When he began earning a salary, as an Oxford Fellow, he earned £30 a year, lived on £28 and gave away £2. Although his annual income increased substantially over the years, he continued to live on £28 and to give the rest away. In 1744 he wrote: ‘When I die if I leave behind me ten pounds ... you and all mankind can bear witness against me, that I have lived and died a thief and a robber.’ When, in 1791, he did die, the only money he left behind was the miscellaneous coins found in his pockets and dresser drawers. Except for what he needed to meet his meagre expenses, the roughly £30,000 he had earned during his lifetime had all been given away.

Arguably, Wesley could have had far more money to give away had he invested his spare income in productive enterprise that created jobs and livelihoods for the poor people his donations were designed to help. But this does not detract from the point that for thrift to be kept from descending into stinginess, earning and saving need to be closely tied to the third strand in Wesley’s threefold cord – generosity.

### **Was Wesley seeking to recover earlier views on thrift and generosity?**

Combining thrift and generosity highlights the importance of the point made in ancient Greek philosophy, and in the work of Augustine and Aquinas, that the all the virtues form a unity and need to be practised *together* for any one of them to reach its full potential. It also reflects the argument propounded most notably by Aristotle, that every virtue occupies an intermediate position, a

‘golden mean’, between a deficiency and an excess, which in the case of thrift are stinginess and extravagance respectively.

### **Can you offer an example of this ‘golden mean’ at work?**

Thrift applies, as already noted, to production as well as to consumption, but to highlight how the golden mean has practical value in ordinary consumer decisions, let us consider the following scenario:

The parents of three young children need to replace their washing machine because their old one has broken down beyond repair. They decide to postpone buying one, despite the inconvenience and expense of using a laundrette, until they have put enough money aside for a new one, thereby avoiding interest charges. When they eventually have the money and view the store display of available machines, they decide to avoid the models at the top and bottom ends of the price range. The cheapest model is fragile, environmentally unfriendly and made by a company with unethical employment policies, while the most expensive one is filled with elaborate but superfluous programmes. They decide, even though they can now afford the most expensive one, to go for one in the middle price range which has excellent green credentials and is made by a reputable company known for its responsible employment practices and excellent customer service.

### **An interesting example – tell me what it illustrates.**

First, thrift is not about tight-fistedness but about a positive decision to spend with prudence and moderation – the parents spend less money than they can afford but more than necessary to meet a need. The result is a family with a reliable washing machine that uses less water and electricity than its previous one, meaning it saves on home utility bills. But the parents’ choice also encourages companies to make the necessary investments to produce good quality and durable appliances that are socially and environmentally responsible. Thrift is relevant, therefore, not only to saving, investment and conservation but also to consumer decisions that stimulate the kind of production that fulfils the purpose of business – to promote the flourishing of human beings and of their social and natural environment.

## **So, how might we think about the distinction between ‘consumption’ and ‘consumerism’?**

Although most of us cannot function effectively in contemporary society without certain ‘consumer items’, like washing machines, this does not mean we have to capitulate to the culture of consumerism. Consumption is an unavoidable fact of life – we deplete the planet’s resources with every breath we take, as we turn oxygen into carbon dioxide. But in those aspects of consumption over which we do have a choice, we can either exercise thrift, characterized by prudence and moderation (or ‘temperance’), or fall prey to the all-pervasive culture of consumerism, driven by an addiction to debt and excess.

## **So, did capitalism cause the contemporary, economic downfall?**

Many things have contributed to the recent financial crisis, not least government policies that encouraged irresponsible borrowing and lending. But as culture of consumerism that demanded instant gratification was fundamental to all this. Consumerism, not capitalism itself, caused the downfall of commercial institutions previously thought too big to fail, triggering the worst recession in living memory.

## **So, the contrast would be that thrift entails sustainability?**

Thrift can help underpin a sustainable economy that serves human beings and the world around them far better than the unsustainable one in place before the 2007–9 crises. For it to do so, however, it needs to be embodied not only in consumers but also in producers, such as entrepreneurs.

## **Any final word on the value of thrift?**

In summary we could say, if you’ll forgive the pun, that *thrift is thriving*, or it should be, because that is what it means!

## **So thrift must be part of our economic ‘recovery’ package.**

Yes. Despite the painful full-out from the current economic crisis, entrepreneurs are made for such a time as this. During the Great Depression, when declining patent applications reflected a widespread reluctance to invest

in new technologies, the company DuPont continued to develop neoprene, a synthetic rubber. By 1939, just two years after the company launched it, every US manufactured car and airplane contained neoprene. DuPont's entrepreneurship ensured it reaped the benefits of the kind of future-mindedness and responsible risk-taking that lie at the heart of thrift.

**Peter, you've offered some really helpful thoughts on thrift. How about the need for magnanimity?**

Yes. In this crisis there are two other virtues that are as overlooked and as ripe for recovery as thrift: magnanimity and magnificence. Both can be found in the tradition of virtue ethics represented by such thinkers as Aristotle and Aquinas.

Magnanimity is about greatness of soul. It denotes nobility of character in the face of adversity; its chief opposing vice is timidity or faintheartedness. We are magnanimous when, for instance, we are gracious towards a colleague who becomes a rival by stealing our ideas and seeking the support of those prepared to invest in them.

**I am seeing a connection between magnanimity (who we are) and magnificence (what we do).**

The virtue of magnificence is about making and doing great things, not to win esteem or to frustrate unscrupulous rivals, but because they are noble tasks that need to be done. An opposing vice is meanness or stinginess, which in the commercial sphere often involves the love of money and aversion to risk that thwart entrepreneurial venture. The first two servants in Jesus' Parable of the Talents exemplify magnificence by using their master's deposits to trade, whereas the third servant, by burying his deposit in the ground, resembles a miser who grasps hold of money as a form of security (Mt 25:14-30).

**Can you offer some examples?**

Contemporary examples of magnanimity and magnificence are evident amongst those that are founding small entrepreneurial finance institutions based on more relational models of investment.

Others are finding entirely new vocations that draw on their experience. One of them is the bright young Eton- and Oxford- educated Tetsuya Ishikawa.

During a career within some of the world's major banks, he structured and sold subprime securities to global investors. But after being made redundant in 2008, he turned his hand to writing and has just published a novel based on his insider knowledge of the banking world that is taking the bestseller lists by storm.

### **He's written a book, hasn't he?**

The title of his book, *How I Caused the Credit Crunch*, is as intriguing as its contents. Too often during the current financial crisis the emphasis has been on technical problems of risk management, and on what technical fixes now need to be imposed. Ishikawa's book provides, in contrast, a vivid reminder that financial markets are not the workings of cold mechanical forces, but of warm flesh and blood. Resulting from human choices, they reflect human morality.

### **This underscores the morality of the market.**

Indeed, the attempt to understand and to operate in markets through the suspension of moral judgement forces economics and business into a moral vacuum that eventually stifles them. Because they are essentially about relationships, markets require moral virtue to survive. The credit crunch is as much a wakeup call to the destructiveness that can occur when morality goes wrong as 9/11 was to the destructiveness that can occur when religion goes wrong.

But attempts to use bad morals as an excuse to eliminate the operation of virtue from markets – whether through the imposition of amoral worldviews or of mechanical fixes - will be as futile and counterproductive as current attempts to use examples of bad religion as grounds for banishing of religion from public life.

### **Here, religion has an important role to play in our public life.**

For most people in the world, religion is the magnetic field in which they set their moral compass. It is the context in which they perceive and pursue visions of what a virtuous life looks like, stimulated by the sense of personal moral responsibility that religion tends to engender.

This is what inspired Mel Gibson to ask the camera crew of his blockbuster *The Passion* to film his hand as that of the centurion holding the nails that were driven through Jesus' wrists. Gibson's act reflects a mindset that Ishikawa's book can help stimulate. For while his spotlight is on bankers, Ishikawa insists that 'we are all responsible in our small way' and that 'the arrogance of the [banking] industry has gone out. There is a greater sense of humility'.

Were we all to embrace such humility, and the magnanimity and magnificence Ishikawa shows towards his former colleagues in highlighting it, in owning up to his mistakes, and in turning redundancy into a launch pad for a new career as a best-selling novelist, the green shoots of recovery would be sooner to appear. For the recovery of forgotten virtues helps form entrepreneurial leaders who are great in both soul and deed.

### On Encouraging the Work of Emerging Scholars

**As we conclude our interview, I'd love for you to encourage Christian graduate students in philosophy and ethics, who think that a career in such areas must amount to doing just quintessential academic work: be a professor and publish. Of course, some are, indeed, called to do that. But can you speak to the broader purpose of academic pursuit? Many academic discussions are often fraught with over-specialization. How would you encourage scholars to avoid myopic thinking?**

Central to Protestantism is the notion of calling. In the first instance, this is a calling to Christ and to his church but this leads to a further calling, to serve Christ in the various spheres of 'secular' life. That includes the academy. So the challenge for a Christian in the scholarly world is the same as that for a Christian in any other sphere of life – to use our gifts for the glory of God and for the service of humanity. This will inevitably mean our scholarship is infused with a sense of higher purpose. While this may not take explicit form, my experience is that people feel the difference - all the more so with the increasing emphasis on academic detachment, specialization and empiricism.

**Can you offer a personal example?**

I try to make sure that, for every piece I write for academic peer review, I produce at least one piece for the general reader and one for the business leader. This discipline helps ensure I don't lose the bigger picture – how my research serves wider humanity (however modestly), rather than simply my peers.

From what I said earlier about Kuyper, it's perhaps not surprising that I find him an inspiration in this quest. Given his early scholarly achievements, the young Kuyper would have had the prospect of a glittering academic career. Yet he was determined to serve the wider ends of intellectual pursuit and to lead and inspire ordinary people. He wrote many learned books but most began not in scholarly journal articles but as newspaper columns. And as founder and rector of the Free University he succeeded in forming a group of more narrowly-focused academics around him, such as Herman Bavinck, who gave Kuyper's ideas a deeper and more rigorous scholarly outworking than Kuyper himself provided.

Few Christian academics who aspire to be public intellectuals today find they can fulfill this aspiration while also meeting the exacting demands of the academic peer-review process. But they should be encouraged to devote at least some of their time and energy to discussing their ideas and findings with those outside the academy, for mutual benefit. Organizations like the Acton Institute provide great opportunities for such cross-fertilization between specialists and non-specialists in various fields of Christian engagement. The best ideas are rooted in practice and the best practice is rooted in ideas.

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widely, including his book on Abraham Kuyper noted in the footnote above. He is a prolific writer, speaker, researcher and commentator on the role of business in economic and social development and his recent publications include his short book *Transforming Capitalism: Entrepreneurship and the Renewal of Thrift*.