

THE RESTORATIVE ECONOMY

COMPLETING OUR UNFINISHED MILLENNIUM JUBILEE

'And your ancient ruins shall be rebuilt; you shall raise up the foundations of many generations; you shall be called the repairer of the breach, the restorer of streets to dwell in.' Isaiah 58:12 (ESV)



Photo: Warren Allott/Tearfund

The best of times, the worst of times

In 2050, when we – or our children – look back on the kind of world that we have shaped over our lifetime and bequeathed to those who follow us, what will we see?

In many ways we are living in a golden age. The last 25 years have seen what the economist Branko Milanovic calls 'probably the profoundest reshuffle of people's economic positions since the Industrial Revolution'.¹

Millions of families around the world have made a 'great escape' from poverty. Life expectancy is increasing, diseases such as malaria and measles are retreating, and more children are in school than ever before. The global population is stabilising, due to progress in areas such as reproductive health services, women's rights and girls' education. And the number of children who die each day has halved since 1990: that's 17,000 more children, every single day, who will now live to realise their potential.²

More and more women and men now have the chance to provide for their families, pursue their dreams and experience lives free from poverty. Millions of businesses have started and new jobs have been created, as an ever-increasing number

of people have become able to fulfil their creative potential. At Tearfund, we've had the privilege of walking with millions of these families, sharing their troubles and celebrating their successes with them.

But this golden age does not yet extend to everyone. A billion people remain trapped at the bottom, predominantly in the world's war zones and ungoverned spaces, where the ascent out of poverty is harder than ever.³ That climb remains perilous and precarious, and large numbers of those who have recently made this ascent remain vulnerable: one slip or crisis can plunge them back into poverty. And we are also seeing increasing vulnerability in developed countries, as safety nets are eroded and wages stagnate.

Most fundamentally, the future extension of this golden age – to our children and grandchildren's generation – cannot be taken for granted. In fact, we think it is at greater risk today than it has been for many years.

This is because of a paradox: in our current model, the more we succeed in economic development, the more we fail on environmental sustainability. The earth's life support systems are now being stretched to breaking point. The Stockholm Resilience Centre recently concluded that the environmental changes we have seen in the last 60 years (from shifts in land use to nitrogen pollution to water use to climate change) are without precedent in the previous 10,000 years. We are in fact in the midst of the sixth mass extinction event in the earth's history – the first to be caused by a single species.⁴

At Tearfund, we are already seeing the consequences for those whom we work with. Worldwide, more than a billion people live in water basins where human water use exceeds sustainable limits, and millions more are subject to increasingly erratic rainfall as climate change gathers pace.⁵

We are also aware that shortages in key resources – such as water or food – are often exacerbated by disparities in purchasing power and political power. Many of us are using far more than our fair share of water, land, energy and other resources, sometimes pricing poor people out of the market for these essential goods. Recent research shows that the richest one per cent of the world's population now own about as much wealth as the rest of humanity put together.⁶ If this growing inequality translates into differences in purchasing power and political power – rather than stimulating increased generosity – it will make life much harder for many of the world's poorest people.

We believe that the present golden age can be extended to everyone, and to future generations. But our present path will not take us there: instead, it will lead ultimately to the collapse of planet earth's life support systems with countries and communities fragmenting. Unless we change course, we will undo all that we at Tearfund, our supporters, our partners and, above all, poor people across the world have worked so hard to achieve.



Nairobi's ever-changing skyline reflects economic growth, creating jobs and helping people to escape poverty. Photo: WL Davies/iStock

The human cost of climate change

Tearfund partner United Mission to Nepal (UMN) has been working with poor people in rural areas for 60 years, helping them improve agricultural yields. However, the changing climate has made this increasingly challenging.

Until recently Bageshori and Gobardhan Joshi grew staple crops on their small plot in Bajhang district but ever-more erratic monsoons left them barely able to feed their family for seven months of the year. UMN has been able to help the couple earn a living and feed their family by switching to vegetable cultivation and managing their water use.

However, even small changes in temperature and rainfall patterns can have a big impact on poor farmers, so further climate change could have a devastating impact on Bageshori and Gobardhan – and millions like them.



The town of Basey in Samar, the Philippines, was destroyed by typhoon Haiyan in 2013. Photo: Marcus Perkins/Tearfund

How change happens

But there is an alternative. Another, narrower path leads to a place where poverty is eliminated, where catastrophic climate change is averted, and where all human beings – indeed, all of the species with which we share this world – have the chance to flourish.

At present, that alternative path cannot be chosen for us by our elected leaders. Too much inertia carries us along our current path. There are too many vested interests with an incentive to block change. Our governance systems are not well adapted to dealing with the interconnected problems that we now face. Perhaps most fundamentally, many of us remain unconvinced of the need for radical change.

“Another, narrower path leads to a place where all human beings have the chance to flourish”

This is a moment when Tolstoy’s observation in *War and Peace* rings true, that ‘more often, the ship of state alters course only because tides are vastly shifting underneath’.⁷

Looking back at key moments in history, it’s clear that the tides often turn because of the emergence of a movement for change. Right now, we need such a movement, one that follows in the footsteps of the anti-slavery campaigners, the US civil rights movement and all the other examples of ordinary heroes – Christians, people of all faiths, people of none – who together achieved the impossible. These movements faced almost insurmountable odds, but they overcame.

Each of these movements centred on a higher set of values: the steadfast belief that no human being should be the property of another, or that all men and women were created equal. And they grounded these values in both personal action and concrete demands for government policy – often taking advantage of the opportunities that come after economic, social or environmental shocks.

What gave the most successful movements the motivation and courage they needed to take on the vested interests and sometimes hostile public that opposed change? Above all, we believe, it was a *resonant story*.

What we need are stories that help people and societies to make sense of where they are, how they got there, where they are trying to get to and how to achieve change. Stories that define our worldview and have the potential to *create* our reality as much as they describe it. Stories like Jesus' parables or the ones that Churchill told Britain in 1940. Stories that marry unflinching realism, a profoundly hopeful vision of the future and, above all, a deeply energising view of what people are capable of.



Debt campaigners take to the streets of London with *Jubilee 2000*. Photo: Richard Hanson/Tearfund

Today, we need stories that help us to think in terms of a *larger us* – one that moves from 'people like us' to simply 'people – like us'. A *longer future* – beyond the next news cycle, the next financial quarter, the next election – looking out instead for generations to come. And a *better 'good life'* – an understanding that security, consumption and well-being are not three words that all mean the same thing.

A different story

We believe that we can find just such a story in the biblical concept of jubilee: a story that has provided a source of hope and inspiration for generations of campaigners, and continues to do so today.

The *Jubilee 2000* campaign was based on this story. It achieved extraordinary things, with low-income countries' debt falling from nearly 75 per cent of their national income in 2000 to just over 25 per cent today. And it showed how the biblical idea of jubilee had the power to bring together Christians, people of different faiths and people of none.

But the idea of jubilee goes far beyond debt cancellation.

“Jubilee: a story that has provided a source of hope and inspiration for generations”

It speaks of *environmental restoration*. Each jubilee year was also a sabbath year – a time of 'solemn rest for the land'. Jubilees were about sufficiency, recognition of limits, the need for God's creation to rest. They recognised that the land, and by extension the rest of natural creation, belongs to all of us and ultimately to God (Leviticus 25:23; Psalm 24:1). As theologian Chris Wright says, 'The jubilee laws of Israel regulated the Israelites' ownership and use of the land so that it was sustainable and so that shalom might exist in the community.'⁸

The idea of jubilee also emphasises *rest for those living in poverty*. Liberty was proclaimed throughout the land; everyone, slaves included, was free to go home. No one was to lend money at interest to those in need, or sell them food for profit. While markets and trade were allowed, the jubilee principles aimed to ensure that human welfare was not made subservient to these markets. And if these principles were followed correctly, then 'there need be no poor people among you' (Deuteronomy 15:4), just as there were no needs left unmet in the community described in Acts 4.

Finally, the idea of jubilee proclaims the need for *fair allocation of wealth*. God tells Moses, 'The land must not be sold permanently, because the land is mine and you reside in my land as foreigners and strangers. Throughout the land that you hold as a possession, you must provide for the redemption of the land' (Leviticus 25: 23–24). This meant a managed reset of land ownership: as author Kim Tan puts it, 'Every fifty years each family had an opportunity to start afresh – free of debt and in possession of their own land.'⁹

The idea of jubilee is intimately bound up with the restoration of right relationships between God, people and creation.

When humans act with wisdom, on the basis of steadfast love and justice, they act in ways that accord with the unity and wholeness of creation (shalom). But the bonds of this crucial web of relationships can unravel as a result of what the Bible calls 'iniquity' – for example, through idolatry (worshipping things rather than God), injustice or ignorance. When that happens, the result is catastrophic damage: as Isaiah puts it, 'The earth dries up and withers' (Isaiah 24:4).

The overarching story of the Bible – from the fall in Genesis, through Jesus' death and resurrection, to the arrival of God's kingdom on earth in Revelation – is a story about mending broken relationships through the process of *atonement*.

Atonement is the central element of Jesus' ministry – an act of self-sacrifice that was both intended to deal with sin and usher in 'his kingdom come' on earth. It is about reuniting relationships that have been torn asunder, about healing, reconciliation and peace in the fullest sense.

Atonement is also a very practical idea that finds its political and economic expression in jubilee. Jubilees, and the closely linked idea of sabbaths (every seven days and every seven years), set out concrete procedures for how to correct economic, social and environmental imbalances – in effect, providing an instruction manual for how to build and maintain a *restorative economy*.

The restorative economy

All of this makes us wonder: what might it look like to organise our 21st-century economy around the idea of jubilee? We argue that a restorative economy will:

- **Ensure we live within environmental limits** – so that our economy works with, rather than against, the creation that God has given us. We believe that the abundance of the earth belongs to *all* of us, and ultimately to God. And that comes with responsibilities to steward it carefully and also to share the proceeds of that natural wealth *fairly*, just as jubilees reset land ownership on an equal per capita basis.
- **Ensure everyone is able to meet their basic needs** – providing an enabling environment and basic floor of economic security and protection to each and every one of the world's 7 billion people, so that every human being can flourish and realise their full potential.
- **Keep inequality within reasonable limits** – including both income inequality and wealth inequality, at both national and international level. A restorative economy will also pay particular attention to the fact that *natural* wealth (such as land, or the atmosphere's capacity to store emissions) represents a shared inheritance from God – and that all of us should therefore share in its benefits.

More broadly, a *restorative economy* depends on restorative living – with the whole of society engaged in repairing creation, taking opportunities to be producers rather than just passive consumers, building resilient communities that are creative and fun to be part of, and restoring bonds of fellowship and friendship.

Many of the changes required involve sacrifice – but also, paradoxically, offer us the chance to live more fully, in the same way that following Paul's call for us to be 'living sacrifices' brings opportunity for transformation (Romans 12:1). To live like this, we need to choose not to conform with the lifestyle patterns around us and to raise our voices in witness to the injustices that we see all around us – those breaches of right relationship with God, each other and creation. In short, we need to model a fresh approach. If we can rise to the challenge, then the force of our actions and words will have real prophetic power.



Maguhudze and his nephew Lucky are profiting from increased crop yields thanks to simple conservation and sustainable farming techniques they have learnt through Tearfund partner River of Life in Zimbabwe. Photo: Eleanor Bental/Tearfund

Change starts with our lifestyles

The lesson to be drawn from previous movements for change is that government policies and social norms only reflect fresh values when these are exemplified in the demands – and lifestyles – of a passionate movement. So in practice, we think there are five areas each of us needs to look at in our own life.

1. **Live within our fair share of the world's resources and environmental limits** – especially in four key areas: *food* (the diet we eat and the food we throw away), *travel* (whether we use a car or public transport, and how much we fly), our *homes* (where our power and heat comes from, and our home's energy efficiency), and finally *stuff* (where we need to refute the idea that 'we are what we buy' and instead just consume less).
2. **Respond to poverty and inequality with radical generosity** – Many people already tithe their income, but we believe that ultimately we should aspire to a higher standard, even giving away *all* income above the level that we actually need, as well as ensuring that we pay our taxes in full. With wealth comes responsibility: as Jesus said, 'From everyone who has been given much, much will be demanded' (Luke 12:48).
3. **Speak out prophetically** – Christians have often been adept at harnessing the power of positive protest, from anti-slavery campaigners in the 18th and 19th centuries, to the US civil rights movement in the 1950s and 1960s, and *Jubilee 2000* which helped force the issue of developing world debt relief onto the political agenda more recently. We can continue this tradition today in many ways, such as 'shareholder activism', boycotting companies or using worship as a form of witness against injustice.
4. **Use our power as a voter, a citizen and a consumer** – Politicians often assume that most of us vote on the basis of narrow self-interest. But if a critical mass of people are vocal and visible in demonstrating higher values, change *will* follow. At the same time, there's much that we can achieve through the power we exert when we make decisions about what to buy and how to invest.
5. **Live restoratively and prioritise relationships** – One of the deepest forms of poverty is a marred sense of identity (how we come to see ourselves), something that can be healed only through *relationship*. Each of us can use our time to huge restorative effect in this regard, whether as foster parents, mentors for young people, friends for older people or in thousands of other ways in which we can become the 'living sacrifices' that God wants us to be (Romans 12:1).



Flooding from the Thames in Lower Sunbury in February 2014 – Britain's wettest winter for more than 200 years. Photo: Margaret Chandler/Tearfund

Ten transformational policy ideas

Here are ten examples of transformative policy ideas of the kind that we think could help to bring about a restorative economy in line with jubilee principles. We focus primarily on what we can do in the UK, as an illustration of the sort of changes that we believe should be made around the world:

1. **Create a circular economy** – through powerful incentives for resource efficiency, ensuring that nothing goes to landfill and that instead everything is reused over and over again, in keeping with God's design principles.
2. **Double food production and halve resource intensity with a 21st-century Green Revolution** – above all in Africa, where crop yields are far lower than the rest of the world. Make the sustainable increase of agricultural productivity a top priority in Britain's international aid programme.
3. **Accelerate the shift to a 'zero-carbon' economy** – in particular by banning coal-fired power generation by the early 2020s, ending fossil fuel subsidies (including the reduced rate of VAT for electricity and gas), and introducing mandatory carbon stress-testing for pension funds and institutional investors.
4. **Agree a carbon jubilee** by defining a safe global emissions budget which ensures that global average warming over the long term does not exceed 1.5°C. This budget should be shared between countries in proportion to their populations, on a per capita basis – recognising that the sky belongs to God, not us, and that this will create a major new source of development finance – from trade, not aid.
5. **Allow poor people everywhere to meet their basic needs by introducing a global social protection floor**, including healthcare, education, nutrition and basic income security. In the case of the poorest or most fragile countries, the funding for this will need to be raised internationally.
6. **Make the UK a world leader in ensuring markets work for poor people around the world.** While maintaining the UK's commitment to spending 0.7 per cent of national income on aid, buttress this with a stronger focus on helping developing countries create environments where the private sector can flourish.
7. **Go much further in tackling international tax avoidance** – increasing developing countries' capacity to finance their own development from their own tax revenue, and doing much more to help them recover stolen assets from abroad.
8. **Adopt a jubilee stance on inequality**, by implementing measures that give modern-day expression to the principles behind the jubilee reset of land ownership. For example, this could be through stronger and fairer taxation of property (via a land value tax) and of wealth transfers (via replacing traditional inheritance tax with a wealth receipts tax).
9. **Ensure that the financial sector contributes to shared prosperity** – and does not jeopardise it. In particular, we need to reduce the capacity for unsustainable levels of debt (or leverage) to build up, for example by radically raising reserve requirements for banks, or creating a new maximum leverage target for the financial system as a whole.
10. **Rebalance the tax system in line with jubilee principles**, by shifting more of the burden of taxation onto activities we want to *discourage* (such as carbon emissions, pollution, waste or the excessive concentration of wealth), and away from those activities we want to encourage (such as work).

These ideas are our first contribution. Some are new, but many build on existing thinking and best practice from around the world. We will be developing them further as our work in this area progresses – in particular, working with our country offices, local partner organisations and allies to unpack what jubilee principles might mean for policy and practice.

And we recognise with humility that ideas such as these will only ever be implemented if they become the rallying cry of a passionate movement for change. A group of people prepared to organise their lives around jubilee values in the hope that others will follow, just as generations of activists have done before us.

So this is our invitation to you. We all face the temptation to avoid these issues and escape into the distractions that the modern world offers. Instead, we urge you to take these issues to heart – to debate them around the dinner table, in church, at work, over coffee.

We think that the triple challenges of poverty, environmental sustainability and inequality are the defining issues of our time, and our response to them should guide how we live, how we vote, what we buy and how we pray. We have tried to sketch out what is at stake, how we can change our future, a theological basis for thinking about our extraordinary moment in history, and a set of practical ideas for a restorative economy: one governed by the jubilee principles.

Where we go next is up to all of us: we hope you'll join us on this journey.



Photo: Chris Boyd/Tearfund

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Read the full report at tearfund.org/economy

This paper is intended to help catalyse a much needed debate about how we shape the future of our society and of our world. The ideas encapsulated in it are bold and radical, and deliberately so. We recognise that some readers may find some of this report's recommendations unpalatable; others may yet prove unworkable. The details are open to discussion, but we believe it's time to start the conversation around these vital issues.

Tearfund staff, volunteers, partners and trustees have all contributed to this report and support its overall principles and objectives. However, this is a discussion paper, designed to be challenging and push the boundaries. As a result everyone involved in its development will hold their own views on individual aspects and are in the process of thinking through their personal responses.

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