

Prosperity through Economic Empowerment:

Standing up to Big Business or Campaigning for Capitalism?

by Peter Heslam



There are valuable insights into the correct relationship between government and business in scripture. The Dutch theologian Abraham Kuyper developed these into a socio-political philosophy which appears to be close to the view of the new conservative leader, David Cameron. But closer analysis of Cameron's speeches appears to reveal some inconsistencies.

'Vote Blue, Go Green' was how Tory Leader David Cameron drew attention during his local election campaign to the Conservatives' agenda on the environment, which highlights, among other things, the role that business ought to play in saving the planet. Whether this emphasis reflects the assertion Mr Cameron made a few weeks earlier that a Conservative government would 'stand up to big business' is a moot point.

Equally disputable is whether this amounts to a fundamental change of direction at the top of the Conservative Party. While Margaret Thatcher was one of the first leading Western politicians to base policies on the findings of environmental science, the Conservative Party is generally associated with the 'free market', rather than with increasing regulation.

Whatever the case, Cameron's apparent willingness to get tough

with business raises a crucial question: What should be the relationship between government and business?

The Bible appears to suggest that distinctive 'spheres' within society - economic, military, religious, legal, domestic - should co-exist without being subsumed under an all-pervasive 'state'. This is reflected, for instance, in the dire warnings about the exercise of political power over the economic sphere at the institution of the kingship (1 Samuel 8), and in the increasing separation of the priestly, prophetic and kingly roles.

These insights, together with the New Testament principle that political power has no authority over religious matters (Acts 4.19-20), have influenced a school of thought, emanating most notably from the politician and theologian Dutch Abraham Kuyper, which maintains that the power of the state is to be strictly limited.

Whereas we tend to focus, today, on the dichotomy between state and market, this school argues that human culture is made up of a plethora of institutions, or 'mediating structures' - such as families, schools, hospitals, religious bodies, businesses, voluntary associations - each responsible, in its own way, for serving the common good. The state does have the right to intervene when there are conflicts of interest between the spheres, and, in the economic sphere, to prevent monopolies. But apart from such exceptions, each sphere is to enjoy freedom from government control.

This kind of social philosophy lay in part behind Mrs Thatcher's widely misinterpreted claim that 'There is no such thing as society' - a claim Cameron cunningly both dismissed and affirmed in the speech that is widely credited as having won him the Tory leadership at the 2005 party

conference: 'There is such a thing as society – it's just not the same thing as the state'.

But it's now Cameron's turn to get used to being misinterpreted. Despite the hullabaloo in the press, his statement about big business actually went like this: 'We should not only stand up for big business but stand up to big business when it's in the interests of Britain and the world.' As long as he sticks to both halves of this pledge there is little cause for concern. Should, however, he get to office, we must hold him to his words.

There may, however, be a genuine problem in doing so: Cameron isn't always consistent. This could partly explain why so much of the media got it wrong about Cameron 'taking aim at the brand bullies', as Naomi Klein posits the task of challenging big business in the subtitle of her best seller *No Logo*.

In an article in the *Mail on Sunday* at the start of 2006, David Cameron wrote: 'I don't believe in 'isms'. Words like communism, socialism, capitalism and republicanism all conjure up in my mind extremism. For politicians to stick rigidly to an ideology is to court disaster.'

Only two months earlier, however, in a speech given to the Centre for Policy Studies (CPS), he mounted a strong challenge to the 'cultural hostility to capitalism', citing Christian Aid's poster that compares free trade to a tsunami as a prime example. To counter such hostility, he declared, 'We need to campaign for capitalism. To promote profit.

To fight for free trade. To remind, indeed to educate, our citizens about the facts of economic life.'

Educating people in such 'facts', he went on to explain, involved winning 'the intellectual and cultural battle for open markets'. We in Britain must become, he insisted 'cheerleaders for free trade'.

The irony here is that in his *Mail on Sunday* article he wrote: 'I believe in being consistent' and



claimed that in his leadership campaign he had offered a 'consistent Conservatism'.

Well, we should perhaps be wary of allowing such 'consistent' inconsistencies to engender cynicism. Cameron is still the new kid on the block. While his relative youth, freshness and sex appeal may have helped his meteoric rise, it could be that he simply hasn't had the time to work out exactly where he stands on matters of economic philosophy.

One thing, however, is very clear about what manner of man this is. Despite his attack on Christian Aid, Cameron evidently shares with that organization a passion for addressing global poverty. In his CPS speech he declared: 'Poverty is an economic waste and a moral outrage. The elimination of poverty must therefore be a central component of the Conservative governing mission.' He was even prepared to dismiss the claim, often associated with the 'neo-liberal' economic outlook characteristic of his party, that 'a rising economic tide lifts all boats'.

It is on this issue that Cameron may have the makings of a big idea. While not entirely original, it appears to offer better chances of finding resonance, both among people in poverty and among potential voters, than a campaign for capitalism, given that the negative loading which the politically left-of-centre still tend to give to the word capitalism shows no sign of abating, even 140 years on from the publication of Marx's *Das Kapital*.

Cameron calls the idea 'economic empowerment'. It's about lifting people not so much out of poverty into prosperity - though that is clearly the intended result - but from dependency to self-sufficiency. In contrast to an emphasis on international aid, propounded, Cameron claims, by Jeffrey Sachs, 'the intellectual backbone of the Make Poverty History movement', economic empowerment highlights the infrastructure that is needed for poverty alleviation: property rights, the rule of law, the ability

to use assets as collateral for a loan to start a business and legally enforceable contracts.

Cameron has even got a specific policy proposal to match his idea – or at least one he'd like to 'investigate'. It's the establishment of a Property Rights Fund which would pay for the work needed to document and codify property rights in multiple locations simultaneously. This proposal, originating in the work of the Peruvian economist Hernando de Soto, aims to stimulate growth in the formal sector of low-income economies. A key advantage of the formal sector is generally taken for granted by Westerners: people are able to trade with those outside their immediate circle because they are given a legal environment in which they can trust one another.

Here we have, it seems, the rudiments of a model for the relationship between government and business that correlates with the notion of mediating structures underpinned by biblical and Kuyperian visions. The market is not allowed to subsume the legal sphere but neither is the state allowed to over-regulate business – to do so would be to compromise the relative autonomy of business and hamper its wealth-generating vocation. There are, therefore, strong theological grounds – stronger than he is likely to acknowledge – for Cameron's claim that 'No government can run businesses and create wealth. What governments can do is create the best possible conditions for wealth creation.'

Ensuring such conditions must surely be part of a Christian understanding of the calling of government. In development circles, economists call it 'capacity building' or 'good governance'. In Romans 13:1-4, the Apostle Paul calls it the work of 'God's servant for your good' because the rule of law is a terror to bad conduct, not to good. If in politics we're to call it 'economic empowerment', so be it. What



David Cameron, Conservative leader

matters is that, as the basis of wealth creation, it offers good prospects to the poor. ■

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Resources

The most decisive and influential critique of big business remains Naomi Klein's best-seller *No Logo*. Cameron may be amongst the millions who have read it. Its subtitle is 'Taking aim at the brand bullies'. The No Logo website can be found at www.nologo.org

For an article attacking Christian Aid's opposition to free trade,

written in the wake of David Cameron's criticism of Christian Aid, see

www.globalisationinstitute.org/blog/0511_will_the_real_christian_aid_pl.php

An exposition of Abraham Kuyper's socio-political philosophy, often referred to as 'sphere-sovereignty', is contained in Peter Heslam's book on Kuyper *Creating a Christian Worldview* (Eerdmans/Paternoster, 1998) or his article 'Prophet of the Third Way: The Shape of Kuyper's Socio-Political Vision', in *Markets and Morality*, available here - www.acton.org/publicat/m_and_m/2002_spring/heslam.html

For an attempt to apply 'sphere-sovereignty' to modern economic institutions see an article by Ray Pennings of the Work Research Foundation - <http://wrf.ca/comment/article.cfm?ID=35>

Excellent discussions of political theory from a Christian perspective informed by Kuyper's insights can be found in *Political Theory and Christian Vision*, edited by Jonathan Chaplin and Paul Marshall (University Press of America, 1994).

David Cameron's speech at the 2005 Conservative Party Conference can be found at http://www.conservatives.com/file.do?def=news.story.page&obj_id=125400&speeches=1

For Margaret Thatcher's later reflections on her 'There is no such thing as society' statement, see her memoirs *The Downing Street Years* (HarperCollins, 1993), p. 626.

Hernando de Soto's ground-breaking work on the role of property rights in economic development is *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (London: Bantam, 2000).