

## **East of England Faiths Council**

**St John's Innovation Centre Cambridge, 17 September 2009**

I'm delighted to be here. It is good to see so many of you. The work of this Council provides real evidence of the valuable contribution – in my view, an increasingly valuable contribution – that faith communities are making in modern Britain.

I was due to visit on a previous occasion. I apologise that I was unable in the end to fulfil that commitment. You graciously accepted my apologies then, but I am particularly relieved to have made it today! And special thanks to Jenny for her forbearance.

Many people argue you shouldn't mix faith and politics. That if you do mix them, you are asking for trouble. I don't agree with that. In fact, my view is the opposite: that faith is a great starting point for politics. Because faith is the source of decent values: honesty, responsibility, generosity, solidarity, strong families, support for peace, anger at injustice and poverty. Those are the very values that we need in our politics - and in the way we manage our society, and our economy.

People sometimes suggest the major faiths are all really the same. That's not true. There are major differences between

them, and we shouldn't pretend that there aren't. That kind of dishonesty helps nobody. But what is true is that there is a great deal in common between the faiths in the values that believers hold. That was clear, for example, when faith leaders gathered together to issue a joint statement at the Millennium. And it's clear to me when I visit churches, mosques, temples, gurdwaras and synagogues. And those shared values provide a very firm foundation for co-operation on these questions of how our society should be run.

Faith was my starting point in politics. As a student in this city thirty years ago, I took part in a church mission in East London. I had never been anywhere like that in my life before. Those two weeks made a big impact on me. When I graduated, I moved to the area and became involved in the local community - as party activist, then local councillor, later as Leader of the Council and now as local MP.

In 2007, Gordon Brown appointed me as a Government adviser and Party Vice Chair for Faith Groups. I want the Government and the Labour Party to listen and learn more from faith groups. More and more people in Britain are wanting to help build our society from a starting point of faith. I want to help ensure those contributions are successful.

## Faith and the Financial Crisis

As a Treasury minister, my focus today is on the global financial crisis. And let's start by acknowledging that faith communities are in the front line in tackling poverty – within the UK and around the world. Action and advocacy that arise from faith – on behalf of those who often do not otherwise have a voice – is welcome and impressive.

And that work is a good basis for faith groups to comment on the economic crisis. The world economy has been hit by a financial crisis, resulting in the worst global economic downturn for 60 years. The effects will be with us for a long time yet, and those who are already poor could be the hardest hit. As world leaders prepared for the G20 London summit earlier this year, Oxfam and other NGOs quoted the IMF projecting that *'growth rates for Africa will fall by nearly 3 percent in 2009. This, according to the World Bank could push an additional 53 million people into poverty.'*

A communiqué from religious leaders ahead of the summit called on political leaders to consider the moral issues at the root of the crisis, and to pay special attention to the needs of the most vulnerable people. *"To forget their needs,"* they pointed out,

*“would be to compound regrettable past failures with needless future injustices”.*

These contributions including the discussion starter sent to me by Paul Trathen of this Council and based upon the paper by *Faiths in London’s Economy*, were very welcome. We need to hear your voices and your values in all areas of public life and in particular on the economy. How we raise our resources as a nation; how we spend our resources; these are essential topics where people of faith must be heard.

I want to focus on two aspects of Paul’s paper – the emphasis on work and the emphasis on transparency.

### Work

The paper is right to highlight how the faiths value work – how: *“The work ethic is seen as a noble endeavour in many faiths.”*

As Minister for Work last year, I saw faith-based projects doing a great job in supporting people back into work – and the lives of those people being transformed as a result. The experiences of those people vindicate the conviction that work is a gift from God. That conviction has been an

important influence on the present Government. The Report by the Churches *'Unemployment and the Future of Work'* just before the 1997 election made that point, and argued that the Government had a responsibility to act.

It set out the moral case that, in our prosperous society, it was wrong to be depriving large numbers of people for long periods of the means to earn a living. It was a response to the earlier argument that unemployment was "*a price worth paying*". And the Government did act, in introducing the New Deal programme which has helped so many people back into work over the past eleven years. The voice of faith was key. And one of the results has been that – as the downturn has bitten in the last few months and many have lost their jobs – the number of people getting off Jobseekers Allowance has actually been going up as well.

I was at the G20 London Summit in April. Protecting employment has been central to our action. Effective international cooperation – which we didn't get in the 1930s – has averted a repeat of the 1930's depression. Coordinated action internationally has complemented measures we have taken at home.

People of all ages are suffering in this downturn, but unemployment can damage young people for the rest of their working lives. So we are giving young people as much help as possible to gain the experience and confidence they need. We won't abandon a generation of young people to long-term unemployment – we are still suffering the consequences of when that was done before.

The Government is providing over 300,000 additional jobs, training, college or school places for young people this year. And there will be a guaranteed job, work placement or training place for all those aged 18-24 who have been out of work for 10 months. We want young people to have the opportunities they need.

During this downturn, Government has invested £5bn in providing Real Help Now for people, and in supporting employment. Unemployment continues to rise – as we saw in the figures published yesterday. We will never be able to save every job, but we can support those looking for jobs. We have done that by investing in resources for JobCentre Plus. And 1.8m people have come off Jobseeker's Allowance since November.

I have noted your comment also that *'not all work is appropriate or ethical'*. I'm not sure this is what you meant, but of course we have seen questions fairly raised about the social value of some of what senior bankers were doing in the run up to the crisis.

### Transparency & relationships

Another area in your paper is what you describe as the *'breakdown in the relational aspects of the economy'*. You say *'many faiths reflect on transparency and the hidden (often in terms of the imagaery of light and dark') suggesting that where actions can be hidden, injustice and wrongdoing often occur'*.

Rowan Williams said earlier this year: *"our faith depends on the action of a God who is to be trusted; God keeps promises."*

I think you're right. *Hiddenness*, and a lack of transparency, has been one of the causes of this crisis. A recurring theme of the G20 communiqués has been the need for greater transparency and accountability. Opaqueness developed in some transactions in the financial markets that led to uncertainty, a loss of trust, and then to catastrophe.

In response, G20 leaders have strengthened the membership and mandate of the Financial Stability Board and the Global Forum

for Tax and Exchange of Information. When Gordon Brown and the Prime Minister of Australia, Kevin Rudd, spoke at St Paul's Cathedral on the eve of the G20 summit, they titled that event "*My Word is My Bond*". What your paper points out is that that has not always been the case – and that we have lost out as a result.

The Prime Minister put it like this: "*Most people want a market that is free, but never values-free, a society that is fair but not laissez faire. And so, across the world, our task is to agree global economic rules that reflect our own enduring values.*"

That means rules that make transparent the risks that banks take, that bring hedge funds and shadow banking inside the regulatory net, that require global banks to hold sufficient capital and safeguard their liquidity, boards to understand their businesses and take responsibility for their decisions, and systems of pay and bonuses that reward people for long-term value and not short-term risk-taking.

One result has been our work on tackling Tax Havens. Jurisdictions where banking secrecy has been allowed to offer an opportunity to hide money from tax authorities. The result has been serious damage to both developed and developing countries. Christian Aid has argued that developing countries

lose more from tax evasion and avoidance than the total they receive in aid. I commend their influential work in this area, including their theological work.

Progress through the G20 has been encouraging. Since November last year more Tax Information Exchange Agreements have been signed than in the previous ten years put together. But there is still a good deal more to do, including on ensuring the poorest countries get their full share of the benefits.

So in this financial crisis, we have seen world leaders responding to the perspectives coming from a starting point of faith. Themes of transparency and accountability must continue to be worked out in practice. A globalised market is here to stay, with all the opportunities that presents for reducing world poverty. But more transparency, more truthfulness, will make it work better.

### In conclusion

I have spoken today about economic policy, but I don't see any policy areas that should be off limits from the reflection of people whose starting point is faith. The Psalmist argues that *"the earth is the Lords and everything in it"*. And in

Government we are interested to listen to perspectives on any topic which come from a starting point of faith.

R.H. Tawney, the economic historian, argued that the division between social morality and the pursuit of economic wealth was one that ought to be closed. Faith groups, non-government organisations and Trade Unions have all been among those calling for social justice, stability and a sustainable recovery, helping raise the right questions and contributing to identifying solutions.

The Government invited faith communities to participate in the debate around the G20 London Summit. The Foreign Office's official G20 London Summit website contains a faith section, for perspectives from a starting point of faith, alongside sections for economists, lawyers and academics. Lambeth Palace coordinated a response from a wide group of faith voices. I appreciated the opportunity to take part, just before the G20 summit, in a seminar organised by the Christian Muslim Forum.

We need more of that kind of reflection – thoughtful, principled, with no factional axe to grind. We can look to people of faith to provide us with that – and we certainly need it in times like these. We need to hear more voices, more perspectives from a starting point of faith being applied to hard economic questions.

So thank you for your engagement in these and other issues – and for work on other parts of the Government’s programme. You know about the Department for Communities and Local Government’s ‘Face to Face and Side by Side’ faith strategy document, and I’m glad Warwick Hawkins from the DCLG team is here today, reflecting the Government’s commitment to support your work.

Thank you for what you are doing. Let’s keep working together for the kind of society that all of us want to see.

Thank you.