

THE CENTRE FOR ENTERPRISE, MARKETS AND ETHICS

ENTERPRISE AND VALUES SERIES

THE CHALLENGE OF SOCIAL WELFARE: SEEKING A NEW CONSENSUS

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THE CENTRE FOR ENTERPRISE, MARKETS AND ETHICS

We are a think tank based in Oxford that seeks to promote an enterprise, market economy built on ethical foundations.

We undertake research on the interface of Christian theology, economics and business.

Our aim is to argue the case for an economy that generates wealth, employment, innovation and enterprise within a framework of calling, integrity, values and ethical behaviour leading to the transformation of the business enterprise and contributing to the relief of poverty.

We publish a range of material, hold events and conferences, undertake research projects and speak and teach in the areas with which we are concerned.

We are independent and a registered charity entirely dependent on donations for our work.

Our website is www.theceme.org.

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PREFACE

In July 2015 the Centre for Enterprise, Markets and Ethics, an independent think tank dedicated to research into enterprise and the economy from an ethical perspective for the good of society, held a symposium at the House of Lords.

The purpose was to ask questions about how we might seek a new consensus in the areas of welfare and social justice. The contributors were deliberately diverse. However, our conviction was that something had gone wrong in the debates about welfare that was preventing collaboration towards solutions. We were united in our conviction that poverty was not acceptable in a civilised society. However, we also felt that new ideas, new thinking, some hard but honest questions about morality and responsibility needed to be brought to the table. Similarly we felt that business and enterprise were part of the solution to the equation, but that new models of approach and structure were needed.

The essays that follow have been gathered together by the Centre's Director, Richard Turnbull. Two of them, those by Maurice Glasman and James Perry, represent their contributions on the day. Brian Griffiths has added some further reflections to his work and Richard Turnbull has contributed a piece putting the debate into context.

We are very grateful indeed for the support of CCLA Investment Management Limited for their sponsorship of the original event and this publication.

CONTRIBUTORS

Lord Griffiths of Fforestfach

Lord Griffiths taught at the London School of Economics, was Professor of Banking and International Finance at the City University and Dean of the City University Business School. He was a director of the Bank of England from 1983 to 1985. He served at No. 10 Downing Street as Head of the Prime Minister's Policy Unit from 1985 to 1990. Since then, Lord Griffiths has been Vice Chairman of Goldman Sachs International and an international advisor to Goldman Sachs. He is currently a non-executive director of Times Newspaper Holdings Ltd.

Brian Griffiths has written and lectured extensively on economic issues and the relationship of the Christian faith to economies and business, and has published various books on monetary policy and Christian ethics.

Lord Glasman of Stoke Newington

Lord Glasman has been a Labour member of the House of Lords since 2011. He was brought up in a Jewish family. He studied at the University of York and then undertook a PhD in Florence on the German social market economy. Lord Glasman was Reader in Political Theory at London Metropolitan University, where he was also Director of the Faith and Citizenship Programme. Maurice Glasman pioneered the development of 'blue labour', emphasising the conservative and communitarian values of the Labour Party.

James Perry

James Perry co-founded Cook Food, which now employs around 650 people and is committed to the role of business in creating social value. Through the Panahpur foundation James has also led an extensive programme of social impact investment and finance. James also sits on the Advisory Council of Big Society Capital. He is also co-founder of B Lab UK, the charity co-ordinating 'B corp' activity in the UK – the movement that seeks to encourage business to incorporate social objectives into their constitutional documents.

Revd Dr Richard Turnbull

Richard is the Director of the Centre for Enterprise, Markets and Ethics. He studied economics and then spent eight years as a chartered accountant with Ernst and Young. He holds a first-class honours degree and a PhD in Theology from the University of Durham. Ordained in the Church of England, Richard has served as a member of the Archbishops' Council, the Chairman of the Synod's Business Committee and has chaired church working parties. Richard served as a minister for ten years and was Principal of Wycliffe Hall, a Permanent Private Hall of the University of Oxford from 2005 to 2012. He has authored several books (including an acclaimed biography of the social reformer Lord Shaftesbury), is a member of the Faculty of Theology of the University of Oxford, Visiting Scholar at Campion Hall and a Fellow of the Royal Historical Society.

CHAPTER 1

MORAL QUESTIONS

RICHARD TURNBULL

INTRODUCTION

Poverty is a scar on humanity.

Samuel Johnson, a high Tory, claimed in 1770 that ‘decent provision for the poor is the true test of civilization.’¹ For R. H. Tawney, a socialist, there is nothing that ‘reveals the true character of a social philosophy more clearly than the spirit in which it regards the misfortunes of those of its members who fall by the way’.² Another Tory, Lord Shaftesbury, described the continued cruelty, oppression and indeed deaths of child sweeps as ‘a disgrace to England’.³

**‘Poverty is
a scar on
humanity.’**

Today the same agreement on the unacceptability of poverty would cross party, think-tank, academic and faith divides. However, any accord is largely limited to the problem itself. This is a shift historically and potentially damaging to the quest for genuine solutions. The collapse of the consensus over poverty focuses around three questions, although the underlying problem is a deeper one.

First, the debate about *measurement*. How should poverty be measured? A concern about poverty in an absolute sense (adequacy of food, clothing, housing) may focus on safety nets and a richer role for voluntary societies, whereas an emphasis on relative poverty (the bottom 20 per cent) is more likely to see a greater role for government redistribution. Hence the debate moves from poverty to inequality. To this question we will return.

Second, the debate about the role and size of the *state*, specifically the *welfare state*. Tory utopianism in the nineteenth century masked the fact that voluntary charity provision was patchy. However, the provision of universal state benefits also has unintended negative consequences: