The Kirby Laing Institute For Christian Ethics Ethics in Brief

www.klice.co.uk

EU Referendum Series No. 1 (April 2016)

Brexit Unless... Three Fundamental Conditions for Staying in the EU Michael Schluter

This article sets out five biblical principles for political and economic life and finds that the EU currently breaches them significantly. It proposes three conditions for remaining within the EU but, in the absence of other EU countries supporting such conditions, argues that British people should vote for Brexit. The article represents the views of the author and not of KLICE.

Introduction

My starting point is that I would like Britain to remain in the EU. But under present circumstances, it would be contrary to my understanding of biblical teaching and practical wisdom to do so. My desire to remain is based partly on my background. Two of my four great-grandfathers came from Germany and one from Italy. Many close friends are from continental Europe. EU countries are friends, not foes; we are neighbours. It is in Britain's long-term interests to build deeper, more harmonious relationships with our European partners, and in their interests to do so too.

However, to remain in the EU 'club' with its present direction of travel involves inevitable and increasing sacrifice of democratic accountability and economic justice. Voting to remain will compromise important Christian political and economic values. The EU, for reasons given below, now has many internal tensions and contradictions. No one stays in a building which is on fire and in danger of collapsing unless there is some reasonable chance of rescuing others or preventing calamity.

Methodology

This paper draws on earlier *Cambridge Papers* written by Paul Mills and myself.¹ A Christian evaluation of continuing EU membership requires that we seek guiding principles from biblical teaching as a whole. As biblical law for the political and economic institutions of Israel is set in a specific historical and cultural context, use of principles is necessary to apply its teaching today to public policy rather than lifting precepts out of their context. Jesus himself used this 'principles approach' in tackling ethical questions in his own day.²

While Christians can and should agree about such principles, they may legitimately disagree about the appropriate action in the light of them. Principles are moral absolutes; policies are the practical means to apply those principles today. Principles are derived from biblical reflection; policies to apply those principles are a matter of pragmatic judgment. Listed below are five principles which are relevant to the issues addressed here. It is with recognition of my own limited vision and knowledge that I will then make an assessment of how they apply in our current context. The five principles are as follows:³

Principle 1: The identity of peoples and nation-states. Many today are sceptical about the significance of the nation state defined as a people identified by language and cultural affinity existing in an independent political entity. Throughout history there have been many realignments following invasions and colonization. In addition there is the danger of nationalism as a form of idolatry, and current trends are towards globalization. Despite these complexities, biblical teaching portrays national identities and diversity as ordained by God.⁴ Diversity of language is portrayed as a means of restraining evil.⁵ In both Old and New Testaments, people are differentiated by culture, language and national identity; this is seen positively as God's will, and thus we should not discard it lightly.

Principle 2: Solidarity of family and community. Much of biblical law is designed to protect and give function to the extended family and local community. For example, the Jubilee laws protected a family's roots in the local community, as well as in the wider ethnic group, through linking it to a specific locality as well as providing a long-term asset. Laws on debt and interest define relationships between lenders and borrowers, as well as protecting families from penury. Welfare was organized primarily through families which were expected to be self-sufficient. Jesus makes clear that although the demands of his kingdom must take precedence over family loyalties, nevertheless children still have obligations to honour and provide for their elderly parents.⁶ Paul also argues for the responsibility that every person has to care for their relatives, and especially their immediate family.⁷

Principle 3: Avoidance of concentration of political and economic power. This is a central theme of Israel's political and social design which was intended to teach not just normative principles but a coherent pattern or paradigm for social organisation.⁸ The law tightly controls the political, military and economic power of the king.⁹ The law also seeks to ensure diffusion of economic power through laws such as the Jubilee and the ban on interest which prevent property accumulation in the hand of elite and slow down individual accumulation of capital. This theme of a broad spread of power in political and economic resources, as well as recognition of the dangers of lack of accountability in the exercise of power given the reality of human fallenness, is to maximise every person's participation in political and economic decisions, and to prevent the state abrogating to itself glory that rightly belongs to God.

Principle 4: Effective stewardship of resources. The principle of stewardship is in part a matter of making the best possible use of the resources God has given us, so maximizing long-term economic growth, employment and wealth creation. However, it is also concerned with long-term sustainability of the growth process, and the duty of care we have to the environment over which God has given us responsibility.¹⁰

Principle 5: Equity in distribution of wealth and income. Every person is made in the image of God. From this stems the obligation to ensure fairness in access to land and property, and the welfare of every person, which in turn raises concerns about both absolute and relative levels of wealth and poverty. This principle is instantiated in the social and economic design which our relational God gave to enable Israel to establish a relational society, including the Jubilee laws for rural land and urban property, the ban on interest and the Sabbath-year laws for debt write-offs.¹¹

More principles could be added. However, for the sake of simplicity and brevity the Brexit debate will now be evaluated in terms of these five principles, understood against the background of the normative social paradigm given to Israel.¹² Rather than examining the wide spread of issues and disputed economic data, the approach here will be to take three primary questions and evaluate each in turn against the principles set out above.

Three conditions for staying in the EU

The three conditions set out below are rather more radical than those sought by David Cameron. This is because the opportunity which Britain has now to review its involvement in the EU, and the direction being taken by its leaders, is the first opportunity in 40 years to do so.

Condition 1: Dismantle the euro. As the EU has continued to strengthen single market rules and sought ever closer union, and then introduced the euro, economic decision-making has had to be increasingly centralized, taking responsibility away from national governments which are accountable to national electorates. But don't national electorates still influence collective decisions through the European Parliament? At best this accountability is weak. How many of us know the names of our local MEP? How much influence can each of us exercise over a parliament representing 500 million people? In such a context, democracy no longer means very much. A major factor in the desire of so many people across Europe to come out of the EU is driven by a sense that the central institutions of the EU are taking increasing power but without effective systems of accountability.

The euro itself violates Principles 1, 3 and 4 – in particular avoidance of the concentration of economic and political power. It is not possible to have a 'modern' functioning currency (with either the debts of the government or private banks constituting the vast preponderance of money in circulation) without a government to back it up. To give the euro any chance of remaining a viable currency is resulting in calls for harmonising taxation and fiscal

policy in addition to the 'banking' and 'government debt' unions that the European Central Bank (ECB) is currently putting in place following the euro crisis.

The euro also violates Principle 5, i.e. equity in the distribution of wealth and income. The financial benefit to Germany of the euro, which has in effect allowed a weakening of its currency relative to what it would have been as the deutschmark, may well exceed €1,500 billion.¹³ In contrast, nations in Southern Europe (Spain, Portugal, Greece) currently have levels of youth unemployment (ages 16-24) of close to 50% with no prospect of this being reduced within the foreseeable future due to both global recession and Europe's indebtedness. Unless the euro is dismantled to make possible devaluation for countries in Southern Europe, these unemployed young people may never have a paid job in their lifetime. What are the implications of this for their families and communities?

When the euro was put in place, no provision was made for countries wishing to exit the currency. Greece, for example, is locked into the currency and the key has been thrown away. It cannot return to the drachma so as to devalue its currency and increase levels of employment. Such on-going injustice, inequity and family disintegration will create long-term political instability in the EU as a whole, and means that Britain should not remain in 'the club' unless there is some realistic chance that the euro will be dismantled.

Condition 2: No internal market for factors of production. The EU started as a trading bloc. The aim was to build relationships through encouraging trade between member states as a long-term guarantee of peace. However, trade alone has not proved sufficient to build those relationships. In the Maastricht Treaty the EU completed the single market in goods and services by starting the process of ensuring an internal market for labour, capital and land (property).

The internal market for resources fails to take account of two factors. Firstly, it violates Principle 2, i.e. solidarity of family and local community, because it directly promotes capital and labour migration across the EU. Families and communities which are broken up in this way are not easily re-formed, and leave a major gap in terms of welfare provision in future years – a gap which can only be filled by the state.

Secondly, the internal market for resources violates Principle 3 in that it leads to further concentration of political and economic power. It will do this in several ways. Governments will have to take over greater welfare responsibilities when family and community have been weakened. Capital mobility will also lead to concentration of market power in larger companies; for example, large car manufacturers only needed to lobby in one place to control the 28-country market when they wanted emission limits to be extended. The global concentration of economic power will put some companies beyond national or even EU political accountability. Indirectly, therefore, the internal market will also threaten the identity of peoples and nation states (Principle 1), and will lead to greater income and wealth differentials, thus violating Principle 4.

Condition 3: Creation of a relational culture. Over the period that the EU has existed, the cultures of member states have increasingly promoted individualism which undermines the collective responsibility of EU nations for one another. Consequently little importance is now attached to building long-term consensus and understanding between peoples. Rather the focus is on using the EU as a vehicle for improving national economic performance, or even more selfishly, the decision to remain part of the EU is made on a personal evaluation of economic benefit. Arguably, individualism is incompatible with a national or international culture which looks beyond short-term self-interest to longer-term concerns about the wellbeing of the wider community and the sustainability of the political and economic system itself.

The individualism which is so destructive to the long-term integration of the EU is fed through three separate parts of the social, economic and political system. The first of these is the education system. As set out on the Relational Schools website,¹⁴ the goals, curriculum and assessment system of the UK, and of other EU countries, all contribute to children focusing on themselves during the education process, in competition with their fellow students, rather than being taught to recognize their responsibility to contribute to society as citizens, spouses, parents and employees.

Secondly, the economic system, based on the individualistic basis of spending, saving, investing, taxation, insurance and property ownership, as well as the allocation of capital through markets divorced from personal relationships, fails to build relationships through the way that resources are allocated and exchanged.¹⁵

Thirdly, the legal system through its extension of individual rights without adequate regard to their wider social consequences, undermines communities and families. This is particularly a problem in regard to how member states deal with migrants where there is no legal framework to balance the rights and interests of citizens against those of refugees and those claiming asylum. This is a particular problem when the numbers of migrants is so large, and job and housing availability for existing EU residents so limited.

The cultural problems identified above are contrary to Principle 1, relating to the identity of peoples and nation states, Principle 2, the solidarity of families and communities, and Principle 3, the avoidance of concentration of economic and political power. In the broader political and economic context described above, this cultural deficit will lead directly to the growth of extreme right-wing and left-wing parties, and the threat of totalitarian power. This will be especially a danger in the context of prolonged economic recession as a result of high levels of debt across Europe, and high levels of migration due to instability in the Middle East. Together with the violence of a small minority of Islamists, these are likely to lead to a toxic mix which will sweep away democratic freedoms across the EU. However, by being less involved in the economic and political turmoil induced by the euro and market integration in the EU, Britain may have a greater chance of avoiding the consequent social upheaval and the dangers of totalitarianism.

Conclusion

So while Britain should seek to build deeper and closer relationships with its European neighbours, I do not believe that this is best done through EU membership. Our ability to influence the policies of the EU is limited, as has been evident in the last 40 years. This is not only because we joined the EU late, but because we are relatively distant from where key decisions are made. Unless other EU countries demonstrate willingness to tackle the issues set out above, Christians should vote for Brexit.

Dr Michael Schluter CBE is Chief Executive of Relational Research. He has worked for the International Food Policy Research Institute and the World Bank and is now a social entrepreneur, having cofounded six non-profit organisations including Jubilee Centre (Christian think tank), Allia (alternative finance), Relationships Foundation (social policy), Relational Schools and the Relational Thinking Network. He has written widely on Relational Thinking. He writes here in a personal capacity.

The author is grateful for comments from Paul Mills and Prabhu Guptara on an earlier draft of this paper. The views expressed represent only those of the author.

¹ Paul Mills and Michael Schluter, 'Should Christians Support the Euro?', *Cambridge Paper*, December 1998; and Michael Schluter, 'How to Create a Relational Society: Foundations for a new social order', March 2007. See http://www.jubilee-centre.org/category/cambridge-papers/.

² See for example, Mark 3:1-6.

³ This section draws heavily on Mills and Schluter, 'Should Christians Support the Euro?'

⁴ Gen. 10; Acts 17.

⁵ Gen. 11.

⁶ Mark 7:9-13.

^{7 1} Tim. 5:3-8.

⁸ See Michael Schluter and John Ashcroft, eds, *Jubilee Manifesto* (IVP, 2005); and Christopher J.H. Wright, *Living as the People of God: The relevance of Old Testament ethics* (IVP, 1983).

⁹ Deut. 17:14-20; cf. 1 Sam. 8.

¹⁰ E.g. Lev. 25:1-7.

¹¹ Lev. 25:8-55; Deut. 23:19-20.

¹² For a brief overview of the biblical social paradigm, see Guy Brandon, *Jubilee Roadmap* (Jubilee Centre, 2012).

¹³ This is based on estimates of Germany's benefits from the euro of €165 billion, or 6.6 per cent of its GDP, in 2010. See

http://www.bloomberg.com/news/articles/2012-01-10/germany-reaped-most-economic-benefit-from-euro-mckinsey-2010-study-shows.

 $^{^{\}rm 14}$ www.relationalschools.org.

¹⁵ This is discussed in Paul Mills & Michael Schluter, After Capitalism: Rethinking Economic Relationships (Jubilee Centre, 2012).