

Reformed Theology in Africa Series
Volume 3

**Christian ethics and
political economy**
Markers for a developing South Africa



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Reformed Theology in Africa Series
Volume 3

Christian ethics and political economy

Markers for a developing South Africa

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Research Justification

Values tell us what is good – they are the things we strive for, desire and seek to protect. Principles tell us what is right – outlining how we may or may not achieve our values. Purpose is your reason for being – it gives life to your values and principles. Ethics is the process of questioning, discovering and defending our values, principles and purpose. Therefore, the main thesis of this book is that of a normative, value-driven ethical perspective on South Africa's modern political-economic issues. Here political economy means the social science that studies production, trade, and their relationship with the law and the government – and in the case of this book, ethics and religion. This leads to a text that provides a moral perspective on issues in the current South African political economy, but also issues that transcend time such as poverty, wealth and human rights. The research results which manifest in the book are innovative. Very few scholars adapt the normative and value-driven approach to political economy, but rather give way to a socialist, capitalist or a neo-realist perspective. The book contributes to the fields of political sciences, ethics, economics and philosophy. Its target audience is specialists in the field of religious studies, ethics, political sciences and economy who are interested in a scientific discourse that is value laden and normative instead of secular and relativistic. The field of political economy is the study of how economic theories such as capitalism or communism play out in the real world. Those who study political economy seek to understand how history, culture and customs impact an economic system. Global political economy studies how political forces shape global economic interactions. The methodologies utilised in this book are fundamental (forming a necessary base or core) and utilise qualitative aspects, which means that the research is more epistemological, focussing on the dynamic and evolving nature of social reality rather than only on that which can be counted. The book's qualitative data collection methods are mainly focussed on gaining insights, reasoning, and motivations behind actions. The editors and authors declare that no material in this book has been previously published and as pro forma that 50% substantial reworking of authors' formerly published material was done. The editors and authors declare that no incidents of plagiarism occurred during the writing of this book.

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Abbreviations Appearing in the Text and Notes

List of Abbreviations

AFM	Apostolic Faith Mission
ANC	African National Congress
CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
D&I	Diversity and Inclusiveness
DBSA	Development Bank of Southern Africa
EBIT	Earnings Before Interest and Tax
ESG	Environmental, Social and Governance
GARP	Gender-appreciative Recruitment Practice
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution
GNP	Gross National Product
ILO	International Labour Organization
IMF	International Monetary Fund
JSE	Johannesburg Stock Exchange
KM	Knowledge Management
KPI	Key Performance Indicators
NGO	Non-governmental Organisations
OECD	Organisation for Economic Co-operation and Development
PBP	Pastoral Banking Practice
PPP	Public-private Partnerships
PUI	Poverty, Unemployment and Inequality
RIP	Reoriented Investment Protocol

Abbreviations Appearing in the Text and Notes

SIT	Social Identity Theory
STEM	Science, Technology, Engineering and Mathematics
UBPL	Upper-bound Poverty Line
UN	United Nations
WEF	World Economic Forum

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Preface

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The editors would like to express their gratitude to the contributing authors for their time and energy, which they so graciously bestowed upon this project. They are particularly pleased to have received contributions from authors with such a diverse background – culturally, scholarly and geographically. In fact, authors from three continents are involved. This is particularly appreciated by the editors, as the demographical makeup of South Africa is such that without considering diversity on multiple levels the aims of this book project would not be met.

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Introduction

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When the topic of the research is ‘Christian ethics and political economy as potential markers for a developing South Africa’, it is evident that the scope for the contributing authors needs to be broad. More than two decades since the inception of the current political dispensation in South Africa, South African society is still in a state of becoming. Diversity across cultural, ethnic and religious divides is still perceived more as grounds for challenges than as scope for opportunities. However, as this book shows, there are opportunities to develop South African society benignly and by way of wide-ranging applied ethics. The contributions to this book cover a wide range of ethical thought, originating from a broad scholarship base, as represented by authors from three

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continents. For the reader, it will be clear that there is not one single way to develop the South African society, but that several different moral trajectories may serve as conduits for cultural, political and economic evolution.

The contributions herein are presented as if in dialogue, and not in opposition or in contrast. It will be the task of the reader to decipher the different proposals made, and hopefully, this will create a new cognitive basis from which practical applications of ethical thought may be synthesised. The discourse on how to develop the South African society is still in its early stages, and as in any other society, the many participating voices are appreciated, and the discourse is an ongoing one.

The chapter “‘Blessed are you who are poor’”: Political economy under the reign of God’ examines the guiding principle in biblical ethics regarding economy and the implications of this principle for the ethic of the political economy in present-day South Africa. The intention is not to propose a political-economic blueprint or policy, because such an endeavour is not the task of theology. Political-economic policies and plans should be drafted by specialists in this field, and we hope that this publication can assist them in doing so. The central theoretical argument of the study in this chapter is that Luke’s version of the Sermon on the Plain exposes this guiding economic principle when the passage in Luke is read within the framework of the totality of the biblical revelation. Luke’s preaching about the poor flows from his comment: ‘Blessed are you who are poor, for yours is the kingdom of God’ (Lk 6:20). Luke 6:20–38 will be investigated within the framework of the classic Reformed hermeneutics of revelation, which entails that biblical perspectives should be developed, taking into account the recent interpretations of the cultural-historical contexts of the biblical material, the recognition of the different literary genres in Scripture, the ongoing revelation of God in biblical history, the thematic and systematic expositions of biblical theology in the classic text (*tota scriptura*), the grammatical exegesis of passages within these broad perspectives and the implications of the context of the modern

reader. Following this investigation, the implications of this teaching of Jesus for Christians in present-day South Africa are outlined. Vorster argues that Christians, in all spheres of society, should be the blessing for the poor in South Africa, not only with an attitude of compassion and care but with intense commitment to be dedicated moral agents struggling for justice for the poor in all social and political planning. We sincerely hope that this publication will serve this cause.

In Morten Bøsterud's 'Capital use in South Africa: A Christian ethical banking alternative', he explains that when developing the South African economy for the benefit of the many, the use of capital will play a pivotal role in forming the future. He outlines how such capital use may be in the form of equity investment or third-party financing, and based on previous experiences from both developing and developed nations, it will be argued that such capital utilisation cannot be morally neutral. On the contrary, he argues that utilising capital will always carry moral value, and that there is a choice as to whether to use capital in a societally benign manner, as opposed to in an unchecked fashion, where the worst excesses of capitalism and market economy may represent a perpetuation of social differences and poverty. It is further explained how the role of banking and investments in South Africa may benefit from the scripturally based systematic of Christian banking, by way of pastoral banking practice (PBP) and reoriented investment protocol (RIP). It is argued how PBP and RIP would aid a morally benign form of economic growth in South Africa based on Christian ethical and pastoral principles, and how this would not only encourage a sustainable growth but also promote its fair distribution among South African citizens and residents.

In 'Capitalism: An assessment from recent Catholic social teaching', Elena Álvarez outlines the Catholic position on capitalism, as this has been developed taking into consideration the substantial political changes of 1989. She explains how before 1989, the Catholic Church made several pronouncements about the dangers of totalitarianisms in general, and communism in

particular, and how to some, the fall of the Berlin Wall that year in a sense proved the triumph of the capitalist way of life. Following these events, it became clear how creating an ideology from an economic system may be perilous, and the Catholic Church therefore warned that the consequences could be an impoverishment of human values, such as the desire for spiritual goods, and the possibility of losing the meaning of life, which is to be found in the spiritual values of the human person. Álvarez explains how the pronouncements of Benedict XVI and Francis imply a rethinking of the capitalist paradigm, in order to address the distribution of goods, labour practices, migration and the environment. Álvarez explains that the Catholic Church does not give solutions to technical problems connected to capitalism and the market, but that its concern is with the well-being of the human family, mainly spiritually; however, such spiritual good presupposes equity and justice. Furthermore, the aim of the church is not to blame capitalism but to teach people to live in justice.

In 'Gender equality in corporate South Africa: A Christian ethical approach', Christin E. Bøsterud outlines that to develop the South African society towards a state of increased equality, the focus on gender balance connected to different positions of authority needs to be particularly considered. She argues that without gender balance in leading positions in society, social coherence may be thwarted, and reaching a goal of true inclusion for all may prove impossible. To reach this goal, she maintains that a scripturally based systematic pertaining to recruitment in private corporations and public agencies may be followed, such as gender-appreciative recruitment practice (GARP), which may contribute to increasing equality within top management in organisational life in South Africa. It is argued that if such practices are allowed to permeate all levels of organisational life when developing new structures as well as when renewing the existing structures, then GARP would support gender equality and female liberation, whilst aiding morally advantageous economic development in South Africa based on Christian ethical norms. Such development will also link

to the concept of sustainable growth and the promotion of perceived fairness amongst the people of South Africa because GARP is scripturally founded, and such values will be expected to flow from its practical application.

In 'Christian ethics and entrepreneurship in an interventionist economy', Lucas G. Freire articulates a Christian view of entrepreneurship from a normative perspective within the framework of the reformational tradition. Firstly, he looks at the concept of entrepreneurship and where it belongs in terms of the reformational view of society. To that end, the idea of normative structural pluralism ('sphere sovereignty') is employed. Entrepreneurship has a constructive role to play in positivising the economic sphere where that sphere is functioning normally. Unfortunately, though, there are other kinds of entrepreneurship that tend to emerge in economic settings where state intervention is heavy, distorting the economic sphere. The chapter conceptualises 'heavy interventionism' in dialogue with recent economic literature on state intervention and then proceeds to analyse the different types of destructive entrepreneurship as economic activity that depends on extractive institutions and policies (e.g. capitalism in regulatory states and capitalism in welfare states). Entrepreneurship has a certain structure as such, and it can be used in many directions. From a Christian perspective, entrepreneurship as alertness to opportunity in the market process is better directed if it operates within a normative, institutional and political framework that recognises that the market is sovereign in its own domain.

In 'Prosperity ethics: Setting the poor free', Johann Walters expounds on the reasons why ethics need to be invited back into the economic discourse in order to fight poverty and encourage economic growth. This is particularly true in the South African society, as the world's most unequal nation is further entrenched by the prevalent ethical and trust deficit that emanated from the unethical burden of the past, coupled with the myopic way of transforming the post-apartheid society. The prevalent ethical and trust deficit underlies the low level of productive investment;

high level of unproductiveness; corruption; wastage and lack of frugality; parsimony; and industriousness. Given the heterogenic and polycentric character of the South African society, the article searches for a shared ethical paradigm for economic prosperity founded on classical values and virtues.

In 'Pentecostals confronting structural poverty: An ecclesiastical strategy to make a difference in the lives of poor people in sub-Saharan Africa', Marius Nel explains how the classical Pentecostal movement originated amongst the poor and was eventually dispossessed for several historical reasons. However, it succeeded in supporting and encouraging its early members with its version of the gospel message to eventually become the mobile middle class of the next generation, with important implications for the development of the movement and its hermeneutics as such. In the chapter, the early Pentecostal strategy of social upliftment of the poor is defined and discussed, its shortcomings identified, and recommendations made from the discussion for the effective involvement of the contemporary movement in the eradication of poverty and inequality. Although the movement's initial eschatological expectations prevented its participation in the secular drive towards social justice, Pentecostals were inspired with an entrepreneurial spirit. The assumption underlying the chapter is that the Christian church has a significant contribution of its own to make towards the alleviation of poverty and inequality in Africa, a continent of religions, and especially in sub-Saharan Africa.

In 'Prosperity ethics: Ethics for a postsecular economy', Johann Walters delineates that the modern, secular doctrine with the ultra-liberalists as the main drivers has advanced to a point that the neo-liberal consumerism has had a controlling influence on the economic household in Western societies. This secular, consumer-oriented trend that promoted and advanced the doctrine of consumer sovereignty and unfettered consumerism has now failed. A new paradigm is evolving, which is critical about positivism, humanism and secularism as doctrines

to guide the economic household. In this chapter, the classical ethics of Adam Smith, the father of the market economy, are examined in terms of eight *posteriori* criteria and conditions of the new, postsecular paradigm. The purpose was to determine whether Smith's ethics could effectively address the conditions and narratives of a postsecular paradigm and be the best point of departure from which an ethic for the postsecular economy could be developed further.

In Morten Bøsterud's 'Social identity: An organisational barrier and opportunity for developing the South African economy', it is revealed that when assessing opportunities and barriers for a benign development of the South African economy, the matter of diversity and group allegiance may play a role in how intergroup co-operation can be used in a beneficial manner. It is explained via sources from the realm of social psychology that social identity theory (SIT) informs that we as humans may define ourselves and others based on group constituency, in in-groups and out-groups, and that this may lead to hostility, discrimination and outright extremism; also, SIT may reveal avenues towards the opposite. When appreciating that group cognition may have these effects, it is pertinent to investigate how Christian ethical and pastoral norms instruct the direction of development with regard to utilising the diversity of the current South African society. It is argued that within the Reformed paradigm, we are morally obligated to contribute to intergroup co-operation and unity, not least through the creation of new in-group perceptions and multigroup constituency. This is both within the larger society as well as within the narrower economic realm. By connecting the concept of SIT with organisational theory on knowledge management, Bøsterud demonstrates how intra-organisational knowledge-sharing initiatives may instil a benign attitude amongst organisational constituents with diverse backgrounds, and that this may have positive spill-over effects into the wider South African society.

‘Blessed are you who are poor’: Political economy under the reign of God

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■ Introduction

An attempt to say anything about Christian morality and the ethic of political economy needs a clarification on two issues right at the outset. Firstly, a paradigm for the understanding of the moral role of the Christian community (instituted church and

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Christians in society) should be outlined. Secondly, the limitations of this moral role should be indicated. Regarding the first clarification: Jesus preached the coming of the Kingdom of God. He used the metaphor 'Kingdom' to describe the coming of a new reality in the history of humankind. This concept denotes the inauguration of the reign of God in a troubled world, which will steer humankind in a new direction.¹ The reign of God is spiritual and real, it is future and present, it is both eschatological and historical and it has its own justice, culture and ethic. In his prophetic teachings in Matthew 24–25, Luke 21:3–37 and Mark 13, and in his Sermon on the Mount in Matthew 5–7 and in the applicable passages in the other gospels, Jesus explained the immense revolutionary character and the world-changing power of the Kingdom, 'which is near' (Mt 4:17). Using various parables and performing miracles, he explained the reality, the future and the core characteristics of the coming Kingdom. The realisation of the reign of God unfolds in visible signs everywhere where Christ is revered as Lord, Saviour and King. Foremost of these

1. The theology of the kingdom of God has become an important paradigm in recent Reformed theological research. This development is evident in many publications in ethics, missiology, ecclesiology, and practical theology. This research departs from the notion that the concept of the kingdom can be regarded as one of the central issues in the biblical revelation. This point of departure is founded on the study of Bright. In his well-known book on the topic as it is unfolded in the biblical revelation, Bright (1973:7) goes as far as to say: 'For the kingdom of God is in a real sense the total message of the Bible'. Although this statement is open for criticism, it nevertheless indicates at least how fundamental the idea of the kingdom of God in the history of salvation and biblical theology is. This development was owing to the initial influence of theologians such as Kuyper and Bavinck and the Calvinistic philosophy of the idea of the law that was developed in the Netherlands. Over and against the idea of the realised eschatology of the Schweitzer school, new impetus in the research about the Kingdom was given by the Bible scientists Ridderbos (1950) and Van der Walt (1962). The kingdom theology also influenced the Reformed thinking in the United States and other parts of the world where this theology took root (see for example Ladd 1961; Lindijer 1962; Bright 1973; and Beasley-Murray 1987). In the Roman Catholic tradition, Küng (1992, 1997) utilised kingdom theology in his critique on Roman Catholic ecclesiology. The interest in research about the concept Kingdom of God in the South African theological discourse was inspired by the developments in the Netherlands and the research was taken further by Van der Walt (1962). Heyns (1977) also developed his influential ecclesiology within the framework of this paradigm.

signs are the covenantal marriage, family, instituted church and, flowing from these institutions, other signs that are established by the actions of Christians as moral agents in society. Where Christian moral standards are promoted and established as an ethic for politics, economy and civil life, the Kingdom becomes visible.

The stimulating power in the formation of these signs is the instituted church with a prophetic calling. The instituted church is the holy community of believers in Christ, which manifests itself in visible local congregations. The instituted church fulfils its prophetic calling by way of the official ministry of the Word and the sacraments in local congregations where believers are equipped not only to be holy but also to be the moral agents in society. As moral agents in society, they are called to set up signs of the Kingdom by seeking the 'justice of the Kingdom'. The instituted church is in this way the 'spearpoint' of the Kingdom, and it may never sacrifice this calling to become the custodian of ideologies such as colonialism, nationalism or other political movements or economic policies. The church is in service of the Kingdom and the Kingdom alone.

This view of the Kingdom and the signs of the Kingdom does not entail that Christians should be an isolated community of strangers, as Hauerwas and Van de Beek argue. Hauerwas (1995) defined the church as a colony, an island of one culture in the middle of another. When believers are baptised, citizenship is transferred from one dominion to another, and they become resident aliens in whatever culture they find themselves in. Hauerwas (2002:341) thus tended to limit the prophetic calling of the church by maintaining that the main task of the church is to act as a body with social ethics – an alternative story. The 'church does not have a social ethic but is a social ethic' (Vorster 2015). Van de Beek (2005:517, 2012:13 as cited in Vorster 2015) described the Christian community as 'pilgrims and strangers' with no social concern. Whilst Hauerwas and Van de Beek are rightly concerned that a church with 'an ulterior motive' can become part of the political power play in society and can easily become secularised

itself, they inhibit the role of Christians from being the salt and the light of the world. The Kingdom is a present reality, and Christians the world over are responsible for contributing to the development of the common good. They can fulfil this task by introducing the ethic of the Kingdom. Furthermore, they can do this in co-operation with other moral agents who believe in similar ideals.

Regarding the second clarification, biblical ethics do not provide blueprints for economic systems and political policies. Attempts in the past to translate and to implement biblical ethics into economic and political programmes led not only to immense distortion of the gospel and deformation of the church but also to a deep-rooted suspicion of the motives of Christians in the eyes of the global community (see Finn 2013:329). Whilst Christians are moral agents and have the calling to promote biblical morality, they should be aware of proposing partisan systems and programmes applicable to all contexts and situations. Biblical ethics provide moral principles but not political policies or economic blueprints. Christians in society should attempt, in dialogue with other role players in the civil society, to apply these principles in a given situation, in order to serve the common good of the community they serve.

This research attempts to reveal the guiding principle in biblical ethics regarding economy and the implications of this principle in the ethic of the political economy in South Africa today. The intention of this chapter is not to propose a political-economic blueprint or policy, because, as said earlier, such an endeavour is not the task of theology. Political-economic policies and plans should be drafted by specialists in this field, and we hope that this publication can assist them in doing so. The central theoretical argument of the study in this chapter is that Luke's version of the Sermon on the Plain exposes this guiding economic principle when the passage is read within the framework of the totality of the biblical revelation. Luke's preaching about the poor flows from his comment: 'Blessed are you who are poor, for yours is the kingdom of God' (Lk 6:20). Battle (2009:50) rightly said

that this decree in the Sermon on the Mount challenges political ethics of today. The passage Luke 6:20–38 will be investigated within the framework of the classic Reformed hermeneutics of revelation, which entails that biblical perspectives should be developed, taking into account the recent interpretations of the cultural–historical contexts of the biblical material, the recognition of the different literary genres in Scripture, the ongoing revelation of God in biblical history, the thematic and systematic expositions of biblical theology in the classic text (*tota scriptura*), the grammatical exegesis of passages within these broad perspectives and the implications of the context of the modern reader. Following this investigation, several norms will be deduced from this guiding principle and presented for consideration in the current ethics of the political economy.

■ The poor under the reign of God

Luke’s version of the Sermon on the Plain should be understood within the broad delineations of his Christology. How should his Christology be explained? Christologies indeed have a long history of development. It is impossible to speak of the Christian Christology or even the Reformed Christology. The historical survey of Ford and Higton (2002) and Welker (2013:55ff) introduced the scholar to the vast array of conceptions about the person, work and relevance of Jesus of Nazareth over the centuries and in modern-day theology. Regarding the modern-day views on Christology, Van de Beek (2002:165) explained that although all Christologies claim to know God, in the deepest sense of the word, in Jesus, and that the Christian faith stands or succumbs by this notion, two very broad movements can be identified, namely ‘high’ Christology, which speaks of Jesus as God, and ‘low’ Christology, which focusses on his humanity. The former emphasises the salvation and eschatological relevance of Christ as the Redeemer of humankind by way of the cross and the resurrection. The latter focusses on the historical Jesus and his relevance for social justice and politics. A close reading of the work of Ford and Hilton (2002) revealed that it is the latter that

became very popular in the age of modernism and postmodernism with the influence of public theologies that depart from a liberationist reading of the biblical text (see Johnson-Hill 2008:86).

The first question that should be answered when dealing with Luke's portrayal of Jesus is whether he presents a 'high' or a 'low' Christology. The answer to this question is essential for the understanding of Luke's view of the blessing of the poor in Luke 6:20-24. In his discussion of the Christology of the Dutch theologian Noordmans, Theron (2000:193) warned against the notion of a 'low' Christology. He explained that Jesus was not merely a social reformer, for he is the crucified King himself on God's heavenly throne. He also warns against an overestimation of the secular relevance of the church, for the church is a 'sphere of faith' and nothing more (Theron 2004:712). In the plan of redemption, the suffering, crucifixion, resurrection and ascension of Jesus are essential elements, as these events are described in the gospels. So is his relation to the Holy Spirit. Dingemans (2002:69) entertained the same point of view and is of the opinion that the authors of the New Testament were interested in this Jesus and not only in a mere spiritual, or historical or political Jesus as proposed by several modern-day Christologies. These warnings of Theron and Dingemans are indeed valid and should be paid attention to in the wake of emerging public theologies that focus only on the social relevance of the historic pre-Easter Jesus and his ideas of social revolution.

However, taking into account the well-founded reservations posed by Theron, it is also reasonable to state that this broad Christology of the theological union of the pre-Easter Jesus and the post-Easter Christ is, amongst others, also directed at the transforming actions in all spheres of God's creation. These transforming actions become evident in the 'Kingdom of God' language, which picks up on the messianic expectations in the prophets. The Kingdom is a future and present reality with clear consequences for the world here and now. In his message, Jesus was not only concerned with spiritual redemption but also called

for a paradigm shift of colossal proportions in the present society (Green 1997:266). A new Kingdom (reign) has come, demonstrably if not fully in the life, ministry and work of Jesus (Matz 2017:53). The people needed not only salvation but also a healer, a protector and a voice on behalf of the vulnerable and the new kingdom fulfilled this need. Consequently, Jesus connected with people whose experience of life was not good and who needed spiritual and social healing. 'Thus, the experience of God's grace, mercy and compassion for the lowly, the hungry, the poor, and the outcast is constitutive of this kingdom of God' (Matz 2017:53). By each deed, Jesus revealed something of the realised Kingdom of God: when he decried injustice, he proclaimed a kingdom of justice; when he healed, he proclaimed a kingdom without suffering; when he drove out demons, he proclaimed a kingdom free from deception; when he forgave people their sins, he proclaimed a kingdom of peace with God; when he rose from the dead, he revealed a kingdom of eternal life which included everyone who believes. All these proclamations were also relevant to social life under the reign of God. McKenna (2009) explained the relation between the eschatological kingdom and the realised kingdom by saying that the kingdom has arrived with the birth, life and death of Jesus, and that since the resurrection, the kingdom is wherever Jesus is found in the testimony of believers and in their lives and actions. 'The Son of Justice lights the way of the kingdom as it spreads out across the earth like the rays of the sun' (McKenna 2009:n.p.). The kingdom is about the salvation of sinners, but it is just as surely about economics, politics and social relations. 'It is about history redeemed and it is found first in the poor of the earth, the poor who seem to be everywhere' (McKenna 2009:50).

The central theme in the Christological narrative theology of Luke is God's purpose to bring salvation to all. The salvation he describes embraces the totality of creation and embodied life. Humanity will be liberated from the deep destructive influences of sin according to the promises in the Old Testament. The purpose of the coming of Jesus was to change a corrupt world

according to God's plan of redemption and to steer reality towards the final consummation when a new heaven and earth will arise ('high' Christology). However, he also introduced the implications of salvation for the present dispensation ('low' Christology). In his own preaching, Jesus describes in the Lukan text the comprehensive salvation by referring to his vocation according to the prophecy in Isaiah 61:1-2. Luke 4 reads:

The Spirit of the Lord is on me, because he has anointed me to proclaim the good news to the poor. He has sent me to proclaim freedom for the prisoners and recovery of the sight of the blind, to set the oppressed free. (vv. 19-19)

Stassen (1999:154) and Co (2014:78) indicated in their grammatical-historical research of the prophecy in Isaiah, and its relation to Luke 4:18, that Luke broadened the scope of the prophecy. Isaiah had salvation in mind whilst Luke refers to the materially poor. The mission of Jesus is, besides salvation, also to relieve the suffering and oppression of those most ignored, rejected and persecuted (Lk 4:16-30). In many passages in his gospel, he refers to the poor (Lk 4:18; 6:20; 7:22; 14:13, 21; 16:20, 22; 18:22; 19:8; 21:23). The song of Mary in Luke 1:50-53 describes his mission in socio-economic terms and entails the following:

- Jesus will bring down those with wealth and power who oppress others
- justice is to be restored to the earth
- God's mercy is coming to the righteous
- God's love for the lowly and the poor.

Furthermore, this focus also becomes apparent in the difference between the description of the 'poor' in Luke's version of the Sermon on the Plain and Matthew's version of the Sermon on the Mount (Mt 5-7). The Sermon on the Mount in Matthew 5:1-16 provides a broad view, which begins with 'humility' (the poor in spirit) and then expands this virtue to a passionate search for God's righteousness and then culminates in reconciliation and peace-making (Gill 2013:622). In the Sermon on the Plain, Jesus turns his attention to a more specific problem and focusses on

the materially poor represented by his disciples (Gill 2013:62; Stassen 1999:154). Other than Matthew, he draws particular attention to the social implications of the redeeming work of Christ (Marshall 1978:243). Although Jesus's vision is eschatological, it cannot be relegated only to the future (Green 1997:265). What matters to him, first of all, is his relationship with the Father and salvation of sinners, and as a consequence thereof, the release of captives and the end of oppression (Finn 2013:53). Within this context, the Sermons on the Mount and the Plain should be explained. When these sermons are approached in view of the kingdom language and what it entails as mentioned above, they can be described as the constitution of the realised Kingdom of God.

According to Luke's version, Jesus came down the mountain with his disciples and found the people. He addresses his disciples and the people, in other words, his followers. Speaking to 'great crowds', 'all' who will hear, the 'multitude', the outcasts and the 'enemies', including Gentiles from outside the Jewish region, from Tyrus and Sidon, is a central theme in Luke's gospel. Within these communities, he establishes a new kind of community that embraces foreigners, outcasts and the marginalised, and overpasses all the social divides (Stassen 1999:158). This new community is an alternative community. Within the overarching theme of a 'high' Christology, he designed an ethic encompassing many areas of life, and essential in this ethic is the conduct of his followers when it comes to privilege, power and property ('low' Christology) (Miller 2014:416). Luke consequently presents a Christology with more than one dimension, picturing Jesus as a Redeemer of sinners but also as a social transformer. Christ's plan of renewal is therefore not only a renewal of the human heart and spirit but also embodies the whole of creation and includes history and social life (Green 1997:21). Luke thus presents both a 'high' and a 'low' Christology - a Christology of a comprehensive, transforming Jesus and his reign (see Vorster 2013:318).

He commenced his sermon with a portrayal of the destiny of two kinds of people: the poor and oppressed and the rich

and popular. Who are these people? Topel (2001:67ff) conducted a thorough research on the Greek word *ptogos* (the poor). He argued that a semantic overview of the word in Greek, a comparison with Old Testament terms, the Old Testament conception of poverty, the proclamation of YHWH as the protector of the poor, the poor in the prophecy of Isaiah to which Luke refers in 4:18-19, the socio-economic analysis of poor people, Luke's usage of the term and his other references to poverty in his writings, that the *ptogos* is the desperately poor in material terms. Luke refers to the person who is so poor that he or she has to beg – one who is completely destitute. The poor are those who are literally poor or those who share the outlook of the poor and occupy a pitiable position in the eyes of the world. The poor refers to all those who have been oppressed and marginalised in the larger world, whether on the basis of economic or other parameters. They are poor, they are hungry, they have no comfort and they are hated, despised and avoided by society (Lk 6:20-22). They are perceived to be a scandal in society (Stassen 1999:154). Jesus is speaking here about the same people, not about different groups, but about poor people who experience all these forms of suffering (Co 2014:74; McKenna 2009:59). They are people living with no dignity.

However, how will this blessing be brought to fruition? Under the reign of God, the blessing will be fashioned by the followers of Jesus. The blessing for the poor is that they become part of a new community of people – a caring and compassionate community. The character of this community is their love of Christ and the sign of their love of Christ is their love for, and commitment to, fellow human beings, especially the poor and the destitute. Jesus elaborates on this principle in his sermon on the signs of the end of this age (Mt 24-25; Mk 13). The true sign of the righteous is the way they served him by deeds of compassion to the poor, the hungry, the sick and the captives. He commended them for their humaneness to him. They will ask (Mt 25):

Lord, when did we see you hungry and feed you, or thirsty and give you something to drink? When did we see you a stranger and invite

you in, or needing clothes and clothe you? When did we see you sick and in prison and go to visit you? The King will reply: 'I tell you the truth, whatever you did for one of the least of these brothers of mine, you did for me'. (vv. 37-40)

To serve Christ is to help the weak in their concrete situation of misery. In Acts 20:35, the apostle reiterates this principle by saying that the work of the followers of Jesus should be aimed at helping the weak. These testimonies reveal that the core ethos of the realised kingdom is love, and that love and compassion are the foundations of the new community in Christ. The love for the poor flowing from the love of Christ is more than just a new relation or a mystical virtue. The Hellenistic meaning of this concept of love was to see to the interest of others (De Heer 2006:90). It entails the attitude of compassion and humaneness that flows into actual deeds aimed towards the alleviation of the plight of the poor. To serve Christ is to see to the plight of the poor. This compassion and action of the followers of Jesus are the blessing for the poor in the realised kingdom. The poor are blessed because they will no longer be exploited by the community; instead, they will be nourished, clothed and comforted by the followers of Jesus, as the new community of the realised kingdom.

The teaching of Jesus in this regard is not something new. His teaching can be seen as a radicalisation of the Torah in the Old Testament where the people of God were instructed to care for the vulnerable as part of their life of obedience to God. The civil institutions in ancient Israel as well as the ceremonial laws provided opportunities to take care of the vulnerable because (Dt 15):

[7]here should be no poor among you, for in the land of the Lord your God is giving you to possess as your inheritance, he will richly bless you, if only you fully obey the Lord your God and are careful to follow all these commands I am giving you today. (vv. 4-5)

In the early days of the settlement, all the Israelites enjoyed almost the same standard of living (De Vaux 1988:72). The poor did not form a separate social class in early biblical society.

The early Israelite community in Old Testament times largely enjoyed a good standard of living. The nomadic and semi-nomadic mode of life of the Israelite tribes prior to the conquest knew no sharp or rigid distinction between the rich and the poor. Members of the tribe had approximately equal rights and statuses as the defenders of the community (Bammel 1968:889). But even then, God gave explicit commands in this regard.

Exploitation of the poor fellow countryman is forbidden (Ex 22:24). Yahweh is against the oppression of the poor in the courts (Ex 23:6). Already in the fundamental laws – which on the one side, at least for the seventh year, restore the normal state of Yahweh's own exclusive right to the land, and on the other grant lasting protection to the poor – Yahweh, unlike the Greek gods, is the protector of the poor; a thought which was to endure throughout the history of Israel (Bammel 1968:890).

However, in the time of the monarchy, a class of officials developed who drew a profit from their posts and the favours granted to them by the king. A class of landlords also developed who exploited the poor. How these actions ran against the core values of Old Testament religion becomes clear in the prophets' protests against social injustice. Isaiah condemns the luxurious lifestyle of his contemporaries (Is 5:8). The rich landlords would speculate and defraud others (Am 8:5; Mi 2:1), the judges took bribes (Is 1:23; Jr 2:28; Mi 3:11; 7:3) and the creditors knew no pity (Am 2:6–8; 8:6) (De Vaux 1988:73). The prophets called the kings, the officials and the rich people to repentance because they oppressed the poor. They demanded social justice and founded their demands in the justice of God and his concern for the vulnerable and the destitute.

In his Sermon on the Plain, Jesus reiterates the Old Testament ethic of compassion, which must flow into the deeds and laws of justice for the poor and the destitute. He frames the parameters of a Christian approach to poverty. Every aspect of Jesus' life deepens our insights into the dignity of persons and the different socio-ethical themes. Jesus invites his followers to think in an

entirely new way about how they may relate to God and live in harmony with others, and how social structures could be reconfigured to further both (Matz 2017:40). Followers of Jesus must take a stand against poverty and all the political dispensations and economic policies that cause, harbour and promote poverty in all its forms. His preference for the plight of the poor in the exploitive social structures of the Jewish society was reiterated by the apostles. God's care for the poor is also explained in the rest of the New Testament. The same concern is discernible in Paul's preaching. He rejects any form of possible social distinction between the rich and the poor in the Christian community (Ga 3:27; Col 3:11). The letter of James contains a running attack on the rich, both inside and outside the Christian community. A reason for this attack on the wealthy is that God has chosen the poor before the world. Has God not chosen those who are poor in the eyes of the world to be rich in faith and to inherit the kingdom he promised those who love him (Ja 2:5-13)? The New Testament message was indeed directed at the social stratification of the Jewish and Roman communities of that period.

For the poor to become part of the caring community of the followers of Jesus is a blessing. They will be accepted as human beings with dignity. They will share in the material gifts of the community. They will be nourished and loved. The community will be their voice in the world. The community will act on their behalf in an environment of exploitation and despair. Their plight will be prioritised in all forms of economic and political planning.

Over and against the blessing to the poor, Jesus predicted misfortune (woe) to the rich (Lk 6:24-26). Who are they? Does the judgement include all affluent people? Does the kingdom exclude prosperity? Will this principle entail that a Christian ethic should oppose affluence and that rich people should be viewed as transgressors under the reign of God? These questions will be dealt with in the following section in view of the anguishes asserted by the rich in Luke 6:24-26.

■ The rich under the reign of God

The Greek word used for the rich in Luke 6:24 is *plusiois*. Topel (2001:115) indicated in his thorough semantic study that this word is used 180 times in the Septuagint (LXX), translating a variety of Hebrew roots but mostly 'šr. In the Old Testament, 'ašîr referred to people who were economically rich. Their wealth was perceived as a blessing in the covenant theology of retribution as well as in the Wisdom literature but also as something deceptive which can turn one from God. In the times of social displacement, the prophets attacked the rich because they impoverished the many. Luke used the word group more than the other evangelists but in a mixed sense — positive and negative. He describes that Jesus condemned them but also associated with them. So did the community of his followers, which incorporated the rich who continued to hold their private possessions. Jesus did not reject affluence as such. He even mixed with the leaders (Lk 7:36; 14:1). However, in his Sermon on the Plain, Jesus speaks about wealth in a negative sense, namely as a condition that was accomplished at the expense of the poor and is used for a self-centred standard of living. He refers to the economically rich people who think that they are totally self-sufficient and do not need others.

Luke refers to the rich in this sense also in Luke 1:51–53; 12:16–21; 16:19–31. In other words, they are the people related to issues of privilege and power with arrogant self-security apart from God. They are well-fed, laughing because of the pleasures of life and love, and because they are respected by society. They despise the poor. These people use their power and privileged positions to uphold and continue their beneficial status and enhance the inferior position of the poor (Oosterhuis & Van Heusden 2007:62). He therefore rejected affluence, which featured at the cost of the poor, and he reprimanded the rich who neglected the poor and despised and exploited them. Their focus on their own wealth and their boasting about their special status and importance in the eyes of society becomes an unsurmountable obstacle to entering the reign of God and understanding what

this reign is all about (Stassen 1999:155; Topel 2001:116). Their reward is their affluence, which will wither, and their grief (woe) will be enduring the absence of the love of the community, of the followers of Jesus under the reign of God.

The actual relevance of Jesus' admonition of the rich becomes apparent when the socio-historical conditions of the ancient Roman world are examined. In this regard, Kaufman (2013:26) disclosed, in his research, that the poor in the Roman world was probably 68% to over 90% of the population. War, slavery, injury, exile and epidemics were realities of life, as were poverty and hunger. Miller (2014:419) reached the same conclusion about the Greek-East, where Luke's gospel was circulated, and indicated that the majority of people in these cities were poor non-elites: peasants, artisans, slaves, day labourers, beggars and other 'expendables'. Elitism, the order of the day, was practised by officials who constituted a very small minority of the societies. The social stratification in the Roman Empire penetrated Galilee. The Jewish society in the time of Jesus was marked by class differences and exploitation. A significant portion of the Jerusalem church lived in extreme poverty (Houlden 2004:90). Furthermore, Galilee was a small, poor region of the Roman Empire. Herod and his four sons were corrupt and so were several of the appointed officials. Matz (2017:51) explained how the religious leaders oppressed these common people, for example, with their corrupt practices when selling animals and by exchange rates during festivals. Festivals were meant to remind people of God's favour towards them and should have been joyful events. Instead, they became stressful because of the quest for the right animal and the money involved, as well as fear of breaking one of the many laws. Therefore, it is not surprising that Jesus' ministry included attacks on the political and economic status quo of Galilee. He went so far as to turn over the tables of the money exchangers (Mt 21:13; Mk 11:17; Lk 19:46).

In the 3 years of his public ministry, Jesus constantly criticised the hypocrisy of the rich religious leaders (Mt 23:1-7, 12-15) and therefore also challenged the repressive religious, political and

economic social structures holding back the common people. Matz (2017:42-52) summarised the problems Jesus had with the religious leaders of his time as follows:

- They oppressed the people with far more laws than God intended. They thought that more laws would ensure that the people did not break the Mosaic Law like in the past. According to Jesus, no one would love a God who restricted them with so many laws and could so easily find so many faults in a person.
- Jesus dismantled the system by giving only two laws: love God and love thy neighbour. He has given the Torah its full meaning. This great command is the essential meaning of the Mosaic Law, and the fulfilment of this command inspired a renewed joy in the relationship with God.
- Jesus taught in the Sermon on the Mount that it was less about external, legalistic and rigid behaviour than about the internal condition of the heart. He repeatedly said: 'You have heard, but I say'. It is not about the letter of the law but about the spirit of the law; for example, to refrain from murder is to refrain from harbouring anger towards others. In that way, obedience to the law takes care of itself.
- With their rigid legalism, the religious leaders were destroying people's love for God. Such an attitude should be opposed because it oppressed the people and tarnished true obedience to God, loving your neighbour and showing compassion to the poor.

On the other hand, Jesus also elaborated on the responsibilities of the rich. Under the reign of God, the rich in the community of the followers of Jesus have a special calling. They also are expected to be caring and compassionate. This point of view is well developed in the thorough scholarly research of Co (2014:84-86). She unfolded her viewpoint with the following pattern of reasoning: various references to the writings of Luke in his gospel and in Acts point out that one of Luke's solutions to the problem of poverty and relationship in his community is for the rich to share their possessions. The sharing is not only a matter of benevolence to the poor but a challenge to establish

a condition in the community of the followers of Jesus that will enable the poor to live a dignified life according to their inherent human dignity. Besides the teaching on abandonment, Luke's gospel contains several parables and dictums on having and using possessions. Co (2014:85) referred in this respect to examples in the gospel of people who used their possessions to benefit others. The women in Jesus' company provided communally for each other's needs out of their own respective resources (Lk 8:1-3). Furthermore, Zacchaeus decided to part with his possessions (Lk 19:1-9), and the Samaritan who attended to the needs of the man who fell amongst robbers (Lk 10:29-35) is an example of using one's possessions to help the needy (Lk 10:33-35). She also referred to the parable of the dishonest steward (Lk 16:1-8), which illustrates, in her opinion, how followers of Jesus should deal with their possessions with the aim of securing their immediate future and conveying the message that there is a way of dealing with possessions as a result of living under the reign of God. On the other hand, a negative example is given in the parable of the rich man and Lazarus (Lk 16:19-31). The rich man's neglect of his responsibility towards the poor and his failure to attend to the need of Lazarus who was just there at his door leads to the rich man's anguish. The parable contains a serious warning to the rich who only think of this life and themselves with no compassion for the poor. In Luke's view, followers of Jesus, as a new community, need to learn how to deal with wealth and possessions, as these can be obstacles to living under the realised reign of God and its blessings. Jesus' teachings on poverty, renunciation and the use of wealth and possessions are thus related to the reign of God.

Co (2014:86) continued to explain the obligations of the rich under the reign of God and argued that in the first Christian community, followers of Jesus, both rich and poor, sold their possessions and goods and distributed them to all, as was needed (Lk 2:45). This practice was a moral guideline for the rich. They lived their community life in joyful table fellowship, prayer, and

fasting to the teaching of the apostles. Luke points out that the sharing of goods comes from an inner disposition of each believer who lives under the reign of God (Ac 2):

Now the company of those who believed were of one heart and soul, and no one said that any of the things which he possessed was his own, but they had everything in common. (v. 44)

Here, Luke presents a compelling picture of the complete unanimity and profound unity amongst the believers – the rich and the poor. The basis of their unity and harmony is their common faith and love. The union of heart and soul is further described as ingrained in a basic attitude of unselfishness, particularly concerning material possessions. No one makes an egoistic claim, even to what is rightfully theirs. Their sharing of temporal goods is an external manifestation of the union of heart and soul, an outflow of their interior disposition of openness, detachment from material possessions and freedom from self-seeking interests. The sale of possessions and distribution amongst the poor resulted in a situation where 'there was not a needy person among them' (Ac 4:34), an echo of Deuteronomy 15:4. In Acts 2:42ff. and 4:32ff., Luke pictures an ideal community inspired by the first group of Jesus' disciples who lived with Jesus and shared his life of poverty. Luke thus displays an ideal portrait of a Christian community that is permeated by the spirit of self-giving and generosity. The life of the new community of believers is a lesson to the rich as to what it means for an affluent person to live under the reign of God. This formed the basis for the argument of Co (2014) concerning the obligations of the rich in the writings of Luke.

On the other hand, the rich who exploit the poor and put their trust and life fulfilment in their affluence and comfortable life, will face misery and hunger because with such an attitude, they cannot live under the reign of God and share in the blessings of the new community. They will mourn and cry just as the people who laughed at the prophets of yore who reprimanded the oppressors of the poor. Jesus does not reject privilege and prosperity as such but reacts against those rich and privileged

people who do not look beyond the satisfaction of their own desires and have no interest in the plight of the poor.

What can be learnt from the teaching of Jesus in Luke 6:20 in the context of a modern and developing society? Does this teaching have any bearing on modern political economy? What we learn from the teaching of Jesus is, to my mind, to opt for economic justice to the poor in every attempt of social planning in any applicable domain in society. The ethic of the Sermon on the Plain boils down to one fundamental principle and that is that the option for the poor should be a leading guideline in the formation of plans, policies and the construction of social structures. The poor must be prioritised (Battle 2009:54). Christians, as the followers of Jesus, and living under his reign, should be the voice of the poor in the world and the moral agents who will take up the responsibility to see to it that the poor are blessed in every dispensation at hand. The next section evaluates the current condition of the poor in South Africa and the way poverty was treated by successive policies. Then, we ask the question: how can Christians in South Africa observe the dictate of Jesus in Luke 6:20?

■ Are the poor in South Africa blessed?

Currently, South Africa is a country with alarming social inequality and high levels of poverty and unemployment. In another article, I referred to Statistics South Africa's recent thorough survey of poverty in South Africa for the period 2006–2015 (Vorster 2019). The essence of this survey will be discussed in this chapter also to indicate the urgent need for economic and political planning that would prioritise the poor and to make a case for a Christian ethical contribution in this regard. Statistics South Africa (2017:14) found that in spite of the general decline in poverty from 2006 to 2011, poverty levels rose in 2015.

When applying the upper-bound poverty line (UBPL) (R992 per person per month on 2015 prices), we see that more than one out of every two South Africans were poor in 2015, with a

poverty headcount increasing to 55.5% from a series low of 53.2% in 2011. This translates into over 30.4 million South Africans living in poverty in 2015. Whilst the recent increase in the headcount is unfortunate, we are still better off compared to the country's poverty situation from a decade earlier, when it was estimated that two out of every three people (66.6% or roughly 31.6 million people) were living below the UBPL in 2006 (Statistics South Africa 2017:14). In spite of the minor fluctuations, these findings illustrate that the rate of poverty is extremely high.

The report shares the following findings on individual poverty: By 2015, approximately 30.3 million people in South Africa were living below the UBPL – an increase of 3.1 million from 2011. Women are still more disadvantaged than men, consistently recording a higher headcount, poverty gap and severity measures at each point in time. However, the difference between the sexes is narrowing. Approximately 64.2% of black Africans were living below the UBPL in 2015. This group has consistently recorded a much higher headcount, poverty gap and severity measures than the other population groups. The higher poverty gap and severity measures showed that poor people living in rural areas were not only further away from the poverty line on average, but the poorest of the poor in those were are significantly worse off than their poor counterparts living in urban areas. Whilst substantial gains have been made in reducing poverty across all age cohorts between 2006 and 2011, by 2015, poverty had increased amongst all age groups. Levels of poverty differ significantly across provinces, with the Eastern Cape (72.9%), Limpopo (72.4%) and KwaZulu-Natal (68.1%) recording the highest levels of poverty in 2015, whilst the Western Cape (37.1%) and Gauteng (33.3%) had the lowest levels. An individual's educational level is closely related to poverty; 79.2% of individuals with no formal education were poor, compared to only 8.4% of individuals who had a post-matric qualification in 2015 (Statistics South Africa 2017:69).

The status of household poverty in 2015 was as follows: approximately 6.7 million households in South Africa were living below the UBPL, up from 5.6 million households in 2011. Households headed by women remain more disadvantaged than those headed by men, consistently recording higher incidence, poverty gap and severity measures at each point in time. Above 70% of households headed by individuals with no education were in poverty, compared to less than 7% of households headed by individuals with a higher degree. More than three out of every five (65.6%) rural households were living below the UBPL, which was significantly higher than the approximately one out of every three (29.2%) households in urban areas (a 36.4% difference). The most populous provinces (Gauteng and KwaZulu-Natal) contributed the largest share to household poverty nationally at 19% and 20.6%, respectively, whilst the least populous province (the Northern Cape) contributed the lowest share at 2.4%. Both child-headed households and those headed by the elderly are still affected more heavily by poverty than those headed by the other age cohorts. Unlike individual poverty, where Indian- or Asian-headed households experienced a decline between 2011 and 2015, there was an increase in all the poverty measures (the incidence, poverty gap and severity of poverty) (Statistics South Africa 2017:90).

The above-mentioned statistics indicate that the South African society still has a huge divide between the rich and the poor, and that the levels of poverty are far above the average experienced by economies of the same kind elsewhere. This is the urgency of the situation the political economy should deal with in South Africa today in the effort to prioritise the poor. Economic planning up to now has clearly not succeeded in alleviating poverty and has even contributed to the growth of inequality. In 1994, the African National Congress (ANC) became the first post-apartheid government. They inherited a highly unequal society with large pockets of poor black communities. Initially, the ANC entertained socialist plans for the economy,

but they shifted to neo-liberalist ideas on the advice of financial institutions abroad and in South Africa. In an attempt to address the poverty, they focussed on social development with the Reconstruction and Development Plan, which was part of their election manifesto in 1994 (Breakfast 2015:763). The adoption of this policy was accompanied by high hopes of radical changes that would bring about a fundamental transformation of the character of South African capitalism and society (Seekings & Natrass 2015:8).

This ideal was not realised, and the policy was abolished in 1996. A new policy, named the Growth, Employment and Redistribution (GEAR) strategy, was adopted. Aspects of the neo-liberal theory of economics were introduced with the launch of GEAR. Terreblanche (2002:419) called it 'South Africa's version of neo-liberal democratic capitalism'. The GEAR strategy implemented more neo-liberal economic principles (Breakfast 2015:764). The programme emphasised trade liberalisation, the privatisation of state-owned enterprises, fiscal austerity and labour market policy reform aimed at appealing to investors. Tshitereke (2006) remarked:

Despite its weaknesses, GEAR has managed to resuscitate the economy by reducing the fiscal deficit and national debt, bringing down inflation as well as lifting trade barriers, removing tariffs and import duties, and generally winning praise largely from mainstream economists and business interests, for establishing a sound macro-economic base on which future prosperity can be built. (p. 178)

However, in the short term, there was deindustrialisation, falling rates of formal employment and increasing poverty (Seekings & Natrass 2015:9). The decline was intensified by the global economic crisis of 2008. According to Tshitereke (2006:182), GEAR worked for the capitalists and middle class, but social issues remain contentious. The failure of GEAR, with its neo-liberal foundation, evoked growing protests from the South African Communist Party, labour unions and civil societies in poor communities.

This economic planning according to the core principles of neo-liberalism was executed but with little success. The philosophy of neo-liberalism undoubtedly resulted in remarkable economic growth in developed countries. The upward curve in the South African economy during the first decade after the introduction of democracy in 1994 can also be attributed to the partial application of this philosophy by the Mandela and Mbeki administrations. However, the question can be asked whether the philosophy really brought immediate relief in developing countries with large-scale poverty. South Africa proves the contrary, as the statistics of poverty in the country indicate. Although the economy has grown to some extent, it has not really contributed to poverty alleviation over the last 10 years. The biggest problem, namely high unemployment, was not addressed (Seekings & Natrass 2015:104). Poverty was not alleviated to an extent worth mentioning, and unemployment has not decreased. Furthermore, economic inequality prevailed (Davis 2012:391; Terreblanche 2012:101). It became clear that the attempted neo-liberal economic planning did not alleviate poverty adequately.

Owing to the critique against the neo-liberal approach and its apparent failure to prioritise the poor, Terreblanche (2002:439) made an appeal for a paradigm shift towards a philosophy of social democracy. To some extent, there has been such a shift in the form of new policies in South Africa since 2006. How did these policies affect the plight of the poor? The statistics mentioned earlier indicate that the policies since then have not improved the desperate situation of perennial poverty in South Africa. As in the case of the initial neo-liberal approach, the implementation of essential social democratic ideas did not really relieve the predicament of the poor in South Africa. During the Zuma administration (2009 – 2018), unemployment grew to alarming levels and the growth rate of the economy declined significantly. In spite of the shift to a new plan, the economy remained in a state of disrepair, partly because the plan has not been implemented effectively as a result of

incompetent management and the absence of a professional bureaucracy that is capable and connected to industry. Although the country experienced slight economic growth, this growth is not sufficient to curb the waves of unemployment and extreme poverty.

The period 2010–2018 will indeed be remembered as an era in which corruption in the public sector escalated (see Public Protector of South Africa 2016). Martin and Solomon (2016:31) found in their research that corruption has become institutionalised within the ANC, with the president, Jacob Zuma, taking the lead. They reported that the institutionalisation of corruption was reflected in the fact that Zuma had appointed some of his most loyal accomplices in strategic state institutions, with the aim of suppressing their independence. The Premier League, as it is commonly referred to, supported the Zuma values in exchange for Zuma's support, and has in turn mismanaged state resources. The president had a deviant relationship with the Gupta family. The presence of the Guptas and their close relationship with President Zuma were highlighted in the report of the Public Protector (2016), with great discontent. It has become evident that this family has systematically benefited from Jacob Zuma's rule. Their own private interests significantly influenced the state's decision-making processes. This point speaks directly to the following incidents: appointing Zwane as the Minister of Mineral Resources; dismissing Nene and strategically replacing him with Van Rooyen; and promising cabinet positions to other individuals in the administration. The Guptas thus emerged as one of the latest capitalist oligarchies seeking to capture tenders in the state, especially in state-owned enterprises in the country. Behaviours such as cronyism and greed have trickled down to the municipal level. The phenomenon of institutionalised corruption as exposed by Martin and Solomon has inhibited the implementation of the noble ideals of the National Development Plan. At this point in time, the Zondo Commission is investigating the escalating corruption in the Zuma era.

Furthermore, the current dilapidated condition of the state-owned enterprises in South Africa proves that the government does not have the capability or expertise to manage large corporations. This fact is indeed a worldwide phenomenon. Private enterprises have been nationalised all over the world, with the aim of creating employment and alleviating poverty. However, socialist economies worldwide have failed dismally over the last five decades. Up to this point in time, South Africa's version of social democracy has not delivered the goods when judged from the perspective of poverty alleviation and justice – the essential normative condition advocated by a Christian ethical appraisal of the success of an economic system.

Neither the application of neo-liberal principles nor social democratic ideas have addressed the perennial poverty in South Africa satisfactorily. There may be many reasons, which experts can explain, but it seems that the version of neo-liberalism applied in South Africa lacked a clear vision for poverty alleviation, as part of economic policy and social democracy was inhibited by incompetent governmental institutions and corruption. A policy should be developed that can overcome the limitations of these two South African approaches to render justice to the poor. Up to this point in time, the poor in South Africa have not been blessed with a dispensation that liberates them from perennial suffering and a hopeless future. Economic policies and plans in South Africa have not succeeded in improving the predicament of the poor over the broad spectrum. In spite of some improvements and many good intentions of civil authorities, labour unions and other role players in policy-making, planning and implementation, the predicament of the many poor people in this country remains disastrous, and many young people and children have to live in dreadful conditions of despair and hopelessness.

■ Conclusion

As said in the 'Introduction' of this chapter, a blueprint for an economic system cannot be drawn from the teachings

of Scripture. Attempts by theologies in the past and public theologies of today to clothe economic systems such as feudalism, socialism, communism and capitalism with Christian moral principles have the ring of Christian morality, but without success to alleviate poverty and do justice to the poor. A Christian ethic should not venture to formulate an economic system that can be applied to contemporary societies in the developed, developing and non-developed countries.

However, churches must be the voice of the poor and Christians, in all spheres of society, should be the blessing to the poor in South Africa, not only with an attitude of compassion and care, but with intense commitment to be dedicated moral agents struggling for justice for the poor in all social and political planning. They can fulfil this vocation by being dedicated citizens in all the social spheres by prioritising the plight of the poor in their involvement in policy-making as civilians, planning, execution of their duties as citizens in the fields of labour, business, politics, and civil society and being the advocates of the poor in conditions of distress and suffering. And they should use their vote in politics to support the best policies for the alleviation of poverty above any other interest they deem important. We leave it to the financial experts to design policies and plans and to see to the execution of these and hold role players accountable, but we should continuously raise the question: are these policies a real 'blessing to the poor'? We sincerely hope that this publication will serve this cause.

Capital use in South Africa: A Christian ethical banking alternative

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■ Introduction

When considering how to transform and develop the South African society in a morally benign manner by introducing societally viable economic initiatives, it is worth noting that South Africa is amongst the most unequal countries in the world

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(World Bank n.d.) – this at least in strict financial and economic terms. With such a starting point of perceived inequality, it should be emphasised that equality is viewed from different vantage points by different onlookers, and with the increasing interest that is directed towards matters of inequality in the public and academic discourse, such differences may inform what strategies should be introduced for further development of the South African society (Joyce & Xu 2019). From this discourse, differences that occur could pertain merely to consequences of economical differences, such as different access to education, health services, social justice, justice or other typical indicators of societal equality, such as marginalisation based on race, gender, age or religion, to mention but a few. No matter how such perceptions on equality are viewed, there will typically be different modes of possible rectification proposed. To some, the government may be the best suited to rectify experienced social inequalities, and for others, private initiatives will be perceived as the best avenue when aiming at creating a more equal society. Both of these philosophies are typically at work in most countries, with the governmental agencies specialised at solving certain tasks working alongside private initiatives such as eleemosynary foundations, charities, non-governmental organisations (NGOs), public–private partnerships (PPPs) and other private structures (Börzel & Risse 2005). A notable development in the realm of private enterprise is that over the last decades, private corporations increasingly have been considering the interests of extra-organisational stakeholders, something that has been represented in the movements of corporate social responsibility (CSR) and through focussing on environmental, social and governance (ESG) values, to mention some extra-governmental movements (Pava 2008; PRI n.d.).

Whether or not a purely materialistic perspective is attained when assessing societal equality, there can be little doubt that how wealth and income is distributed and utilised within a society will greatly affect a wide range of topics that typically are connected to perceptions of equality. Thus, the application of capital in society will be relevant when considering equality.

In this chapter, it will be elaborated as to how capital use may influence the economic development of South Africa in a manner that will promote a benign and morally sound economic makeup of the wider society. Philosophies connected to capital use seen under the prism of banking and investments as performed in a historical perspective will be explained, and further, whether Christian ethical and pastoral principles can inform such a morally advantageous development of South Africa will be assessed. A Christian banking paradigm will be proposed, where both banking and investments can be performed according to Christian ethical and pastoral principles within the Reformed paradigm. It will become clear that capital utilisation will greatly influence the development of society on several levels, and that when used constructively, capital can develop society in concert with Christian moral norms, to the benefit of the many and not only a few. In this chapter, it will be understood that capital utilisation will not influence and assert change on every level of society, but, in spite of this, it will be assumed to be of great importance. Thus, the assumption in this chapter will be that through a morally sound use of capital, as informed by scripturally founded Christian ethical and pastoral principles, the South African society may be influenced towards a direction where more individuals will be able to lead dignified lives, with fair access to core societal goods.

■ The state of South Africa's economy

■ In relative terms

Although measuring and assessing the quality of the economic life of a country and its citizens may be difficult, there are statistical data available that will shed some light on questions related to economic differences amongst citizens. For example, the World Bank issues the so-called Gini index, through which the economic differences within a country may be illuminated. The Gini index measures how a country's income is divided, by stating a coefficient where a range is set from 0, a state where all incomes are perfectly divided amongst all households, to 1, where all

available incomes go to one single household in the country. According to this statistical tool, the closer to 0 the coefficient is, the better the state of income or economic equality will be in such a country. The index is generally expressed in percentage, so that 1 becomes 100% (World Bank n.d.). It should be noted that such an indexing tool will not be precise and that it consists of inputs based on the discretion of its creators as to what will be considered significant factors related to inequality (IFS n.d.; Lambert & Aronson 1993). It will be too comprehensive to represent the total list of countries of the Gini index; however, it will be of interest to note that according to the latest available statistics, the Gini coefficient for South Africa is 63%, whereas the coefficient for Norway is 27.5%, the United Kingdom is 33.2% and Mexico is 43.4% (World Bank n.d.).

It is important to note that the Gini index as given by the World Bank only states relative differences amongst groups in a certain country, but does not explain whether a population will have their needs met in real terms. A point here is that in countries with a high inequality coefficient, the poor may be well taken care of, and conversely, in countries with a low coefficient, the poorest may not receive their fair share. However this may be, the assumption here is that the Gini coefficient will say something about the real state of the countries' economic makeup, and how its constituents relate to each other with regard to needs satisfaction and distribution of income, wealth and opportunity. In addition to the relativisation that is found in the Gini systematics, statistics measuring absolute income and wealth of a country may as well shed valuable light on the context here. For instance, one way to measure this could be to measure the gross domestic product (GDP) divided by the number of citizens. Such GDP per capita measurements will cast light on whether a country is amongst the richer or the poorer countries but will not tell us whether the country has rich or poor people, or whether the lower income groups have their basic needs met and can live dignified lives. It will be of interest to note that according to the Central Intelligence Agency factbook, the GDP per capita per

year of South Africa is \$13600, for Norway it is \$72100, for the United Kingdom it is \$44300 and for Mexico it is \$19900 (CIA n.d.).

As the above statistical data relate only to domestic income relativity, and absolute income levels expressed in US dollars, they will only illuminate certain aspects of the economic conditions of the nation. It is also possible to measure the real cost of living for a population when both their average income and the average price level of the country are taken into consideration. As with other statistical representations, global measurements of cost of living will be based on different inputs based on discretion, but it is assumed here that the general picture shown will be roughly aligned with the experienced reality of citizens if only the bigger picture is sought. One such index is supplied by WorldData.info (n.d.), where an adjusted average cost of living index is created based on a basket of cost of goods and services, and the United States of America (USA) is set at an index value of 100. According to this measurement tool, an index score of more than 100 indicates a higher purchasing power average than the USA, and conversely, a lower score will indicate a lower purchasing power. According to this index, South Africa scores 53.3, with a registered monthly average income of \$4153; Norway scores 131.9, with an average monthly income of \$6347; the United Kingdom scores 99.6, with an average monthly income of \$3383; and Mexico scores 47.4, with an average monthly income of \$718 (WorldData.info n.d.).

■ Some South African specifics

□ Introduction

When focussing on South Africa, specifically with regard to how the state of the economy works at a domestic and individual level, valuable statistics are published by Statistics South Africa (Stats SA), and all references in this section will be taken from statistics published by this agency (Stats SA n.d.).

□ Food security

We start with the most basic indicator, namely food security; not all citizens in South Africa experience food security. Although the number of individuals experiencing hunger in South Africa had reduced from 13.5 million in 2002 to 6.8 million in 2017, still more than 10% of South Africa's population do not have food security. When not related directly to hunger, South Africa may be seen as food-secure on a national average level; however, when considered at a household level, as many as 20% of South African households in 2017 experienced inadequate food access. When extrapolated to the geographical level, Limpopo and Gauteng provinces had the highest share of households reporting good food access, whilst Northern Cape and North West had the lowest proportion of households with sufficient food access. Seen against the backdrop of ethnicity, households headed by black Africans and people of mixed race have the least adequate access to food as compared to households headed by white people or Indians or Asians.

□ Poverty

In South Africa, approximately half of the adult population live below the UBPL, defined at R1183 income per month. Adult women experience a higher level of poverty compared to adult men, regardless of which poverty line definition is in use. The provinces with the highest proportion of adult poverty are Limpopo (66.5%), Eastern Cape (67.3%), KwaZulu-Natal (60.7%) and North West (59.6%). Gauteng (29.3%) and Western Cape (33.2) have the lowest number of adults living in poverty. Overall, around 40% of the South African population live below the UBPL, and the poverty gap and the severity of poverty are more significant in female-headed households compared to male-headed ones, by a proportion of around 17%. Compared to the male-headed households, female-headed households have less electricity connection and access to water.

□ Interprovincial differences

As with any statistical data, when taken from too large a sample, important differences in parameters may be disguised. To assess economic activity in South Africa as a whole, statistics about the different provinces will shed light on how wealth and economic opportunity is distributed in South Africa, important when aiming at possible trajectories after which the economy as a whole may be developed. Statistics show that Gauteng is at the core of South African wealth creation. In fact, Gauteng contributes 30.4% of South African GDP per year. KwaZulu-Natal contributes 16% of GDP and is ranked second. On the other end of the spectrum, Northern Cape contributes a mere 2%, the Free State 5% and North West 6%. These numbers do not reflect the different population sizes amongst the provinces, but considering that the population of Gauteng is double that of the Eastern Cape, it becomes clear that the wealth creation as extrapolated to each individual citizen in Gauteng is double that of the Eastern Cape, which is the province that contributes the lowest GDP per capita in South Africa.

□ Employment rates

When measuring the economic temperature of a nation, employment rates are an important indicator of how the economy is faring, as well as what potentials are unlocked in the population. As of the second quarter of 2019, the overall unemployment rate in South Africa was 27.6%. This is a significant percentage, and the young population is affected most by unemployment, as the 15–24 years age group is experiencing an unemployment rate of 55.2%. In this age group, graduate unemployment rate is lower, at 31%, which indicates that education is an important tool in staving off unemployment. For the general age group of 15–34 years, the unemployment rate is 39.6%, and for the age group of 35–64 years, it is 18%.

The statistical information contained in this section by no means present a comprehensive picture of the state of the South African economy, or of how the South African citizens experience their economic daily life and future prospects. However, it is clear from the above that in the South African economy there are large differences amongst both individuals and regions, and that a substantial number of the general population live below the poverty line. Thus, the South African economy will benefit from further development, which would facilitate wealth creation and allow new groups to benefit from the opportunities South Africa offers. Also, the real economic state of the citizens may be largely influenced by factors other than those included in the statistical data, some that can be measured like demographical data, and others that cannot be measured accurately, such as unpaid work within the family and other societal institutions. For the purposes of this study, it will not be of interest to delve any deeper into the statistical data, but it will be assumed that South African society hosts vast economic differences and also that large sections of the population live under conditions where economic improvement is much needed.

■ Capitalism and the market economy

■ Capital and the market

When assessing prudent capital use in the South African society, it may be of interest to explain the commonly used terms ‘capitalism’ and ‘market economy’, as the two concepts are often confused and conflated in the popular media and general political and academic discourse. It is understandable that such a conflation can take place, as the two concepts are interlinked, but nonetheless they need to be defined for clarity of presentation, and for the said discourse to remain honest.

Capitalism can be explained as an economic and political system in which a country’s trade and industry are controlled by private owners, rather than by the state, and where, typically,

aggregates of capital provide income for its owners. *Laissez-faire* capitalism is the term given to the purest form of capitalism, in which the private owners can pursue their economic interests unrestricted by any governmental or other regulatory restrictions. A market economy can be explained as an economic and political system in which decisions on the allocation of resources and the fixing of prices are determined by the forces of supply and demand as acted out amongst the participating market actors. Typically, there would be no or minimal interference of government in the market mechanisms. A typical opposite of the capitalist and/or market-oriented economic and political systems would be the so-called command economy, where the government controls the capital, and where the government and not the market actors decides what and how much goods and services should be produced, and at what price (Downes & Goodman 2014; Investopedia n.d.). As will be inferred from the explanations of these central terms, they are indeed adjacent, as in most capitalist systems there will be a presupposed free market orientation, but it is not unthinkable that a system may occur where the government owns and controls most or all of the means of production, the capital, and where the prices are still set by free market forces. Most countries today practise a modified version of capitalism with a market economic orientation, where the government imposes some regulations on the private capital owners as they act out their economic interests (Investopedia n.d.).

In the modern Western and increasingly globalised economy, massive capital accumulations have been created by individuals who as private entrepreneurs have earned substantial wealth for society and themselves, from starting with little or no capital, through their use of the free market economies, where they have applied their skills. Notable and well-known examples here would be Jeff Bezos (1964-) of Amazon, Bill Gates (1955-) of Microsoft, Warren Buffet (1930-) of Berkshire Hathaway, George Soros (1930-) of the Quantum Group and Elon Musk (1971-) of PayPal and Tesla. Furthermore, it will be of interest to note that capital is

not only created and held by individuals but also by governments, NGOs, foundations, family offices and increasingly also by sovereign wealth funds and other investment management structures such as for pensions, et cetera.

■ Capital owners

To understand what capital means for society and its individual actors, little help will be provided by the popular media and politically driven discourse as typically represented in news and social media. In this discourse, an image of vast amounts of capital belonging to a small minority of the global citizenry is created, with overtones that this small group somehow will deprive the majority of what is rightfully theirs. Oftentimes, such contentions will be founded on market-based evaluations of different classes of assets, ranging from real property to stocks and bonds and onto more esoteric specialised financial products. Furthermore, in this discourse, little emphasis is placed on capital belonging to organisations and governments, as it somehow should be less problematic than capital belonging to, and controlled by, private interests and individuals. For example, the Norwegian sovereign wealth fund alone owns about 1.5% of all listed equities in the world, and is currently valued at approximately \$1.1 trillion. This fund belongs to the Government of Norway, a country with a population of less than 5.5 million, which represents not even one-thousandth of the global population of more than 7 billion (NBIM n.d.).

■ Enough for all?

The discourse on economic inequality is typically represented in a manner which will be based on a thinking that the world resources are scarce and limited, to an extent that if all should receive their due, the relatively poor will have to receive it from the relatively rich. This model of thinking is challenged by economic theorists, and the limited perspective it represents could be seen as an economical 'scarcity paradigm', where we

humans are deemed to fight amongst each other for our share of the world's resources. Those opposing such limited thinking proceeds to suggest that if seen against the needs of humanity, the world has more than enough for all humans' needs satisfaction and for every member of the human family to be able to live dignified lives. This expansive perception on what the world has to offer may be termed the 'sufficiency paradigm' (Bøsterud & Vorster 2017; Galbraith 1998).

When purported societal inequalities concerning material needs satisfaction are assessed, it would be of interest to understand whether the ownership of the few, governments and organisations included, in fact will have an adverse effect on those with little or nothing. For example, if we assess the private fortunes of the richest persons in the world, we will see that their wealth regularly is measured against the current share value of their main corporation, typically their life's main work. Such evaluations will regularly be a representation of the last traded shares multiplied by the total number of shares. Whether this gives a rightful picture of the evaluation can be discussed, and I for one seriously doubt it. If all capitalists were to sell at the same time, then who would be there to buy it? Even if someone would, for example the state, what would they be willing to pay?

What is of interest here is whether capital is represented by anything that may be measured in currency. For example, is there a difference between different categories of assets? We know from the typical financial nomenclature that there will be talk of real property, shares, derivatives and so forth. Does the term 'real property' imply that there is somehow 'real' property as opposed to 'unreal property'? And if so, what does this mean if accepted by all actors as capital? The point I am making here is that in evaluating for economic inequalities, it should be assessed whether they are real or not. For example, if a person goes hungry and is without shelter, how will this person be served by receiving shares in a listed corporation? Such shares cannot be eaten, worn or lived in, so their only value would be to sell for money. If sold, then the income could be used to cover the basic needs

mentioned, but when sold and spent, what then? And even more, if these shares will have any value at all, even as object of sale, we must presuppose that there will be another 'capitalist' in the market who will be willing and able to purchase the said shares. In another example, if a person saves his earnings, for instance, to buy a luxury item like an expensive watch or jewellery, will this person then have become richer or poorer? In some instances, the object may be of real use, such as for transportation if buying a car, but even then, there will be costs connected to ownership such as insurance upkeep, et cetera. These examples could indicate that in order to assess real inequalities in society, perhaps not everything should be measured in currency but rather considered against what is in reality capital, which may be used for the good of the citizens.

The concept of capitalism was duly considered by Karl Marx (1818-1883), who typically connected capital to means of production, not physical goods - in other words to assets that could somehow serve its owners and would be of interest also for other societal constituents' control. In contemporary Western society, production of services can be performed with little or no access to the traditional goods producing means of production as envisioned by Marx, as individuals increasingly possess marketable skills by way of education and trade knowledge, and in addition will have access to readily available technology that can distribute their produced services. Without delving too deeply into this matter, it will be prudent to understand how perceptions of inequality could be misrepresented in the main societal discourse, and that, when approaching a subject, we should view it from the perspective of needs satisfaction and actual utilisation as opposed to differences represented in artificial market-based valuations. It is my contention that it is extremely difficult to create a correct image of differences economically speaking amongst societal partakers, but as it is not difficult to notice that some individuals and groups are indeed lacking in the material means necessary for leading

dignified lives, it may be more interesting to attempt to rectify such poverty rather than fighting purported theoretical wealth amongst the few.

■ **Should it be divided?**

When societal equality is a theme, it should not be forgotten that absolute equality will be impossible to attain, and that for most this may not be a goal for which society should aim. One aspect to note here is that equality is difficult, if not impossible, to measure in any meaningful format as described in the above examples. Even if we could measure this, it will be assumed that differences still would occur, as individuals and groups will have different capabilities by way of personal talent, educational background, physical abilities, et cetera, so that when such differences are played out, the end result will invariably be a state of some form of inequality. Furthermore, it will be relevant how rectification of inequality is sought, as taking from those who have much and giving to those who have not, for example, may mean taking from those who have worked hard and giving to those who have not. If so, this may give rise to social tensions and feelings of unfair treatment. To take from the relatively richer and give to the relatively poorer has been tried in many societies, and as have been seen from attempts at socialism in practice such as in Soviet Union and the former Eastern Bloc, this method has not led to a society of equality, and for the most part, they have represented economic catastrophe for the individual citizens and the wider society. Insofar as material equality in society is a goal to aim for, how to attain it, or at least try to, is also relevant.

As will be explained in 'Christian banking', there are different philosophies connected to the organisation of societal economy, some of which have been tested by history, and others still being advocated as viable for solving equality issues in society and for procuring the best possible economic state for as many as possible. Flowing from Christian ethical and pastoral principles as

drawn from scriptural sources understood within the Reformed paradigm, there can be no doubt that social justice and fair access to societal goods and services are core values to be applied when assessing societal economy and the distribution of goods and services. As will be further elaborated in the following section, Christian values as reflected within the Reformed paradigm have no place for a socialist mode of taking wealth, in any form, from the rich or otherwise, without full compensation being rendered. Thus, within the Reformed paradigm, ownership of capital in private hands, or capitalism, is fully acceptable and represents a sought after state of freedom for the individual, and furthermore, a free market economy will be acceptable under this mode of Christian expression.

■ Modes of capital utilisation

■ Introduction

When assessing how to utilise capital in South Africa, it will be of interest to note that the use of capital will be by way of equity investments or through third-party financing, whether this be by way of direct loans to the end user, or through the utilisation of banking products such as bank deposits, bond issuance, certificates, treasury bills or other financial instruments for the distribution and utilisation of capital. Within the realm of capital markets, all such capital-use initiatives will be seen as falling under the all-encompassing term of 'banking', and in this chapter, I will use the term 'banking' in its widest sense, so that all use of capital in South Africa that is not used for mere consumption will be seen from the banking vantage point. There will be different modes of banking available according to the basic political market philosophy in use, and this will vary with historical and religious affiliations that may guide in choosing the apt banking system for use in society. In the following sections, I will briefly elaborate on some such banking paradigms, which all could be applied in a South African context.

■ Unregulated model

For the modern-day citizen who lives in a world with near unlimited public and private regulations, it would be natural to believe that humans came from a state of complete political and economic freedom and that societal intervention was an invention of a later era. Such cognition would fit well with the perception of a linear human development, where through the history of humanity we have continued to reach ever higher levels of sophistication and civilisation (Booth 1993; Von Heyking 2004). Such perceptions of original unlimited freedom is based on myth, however; within the world of economic activity, including banking in all its forms, historical sources pertaining to the pre-historic era and antiquity indicate that individuals did not freely enjoy society's resources. Thus, in such traditionalist societies, the economic model will have been akin to what we later have come to term 'command economies', where the individual did not hold personal possessions of any significance, and where the leadership would decide the distribution of goods and obligations amongst the constituents (Howard-Hassmann & Donnelly 1986). Also, in antiquity, there were market interventions by way of jubilee years where debts were to be cleared (Ex 21:2; Lv 25:10), which were prevalent for long time periods, spanning also the Roman era and beyond (Alexander 1938; Homer & Sylla 1996).

In the medieval era, banking in the West was thwarted by the church's negative attitude to charging interest, which for most part was seen as immoral and usurious in principle. With the Reformation came a more balanced view on mercantile activities and banking, and Calvin accepted the use of interest in business and banking, something that may have greatly influenced the development of the Western paradigm on banking and mercantile liberties (Calvin 1545; Weber 2012). The concept of civil freedoms that are taken for granted in most of the Western world today, including those pertaining to economy and finance, was not recognised much under feudalism and mercantilism, as in these systems the state controlled all aspects that would allow such

freedoms, which in turn gave rise to imposing taxes, customs and other trade restrictions (Heckscher 2013). In fact, the idea of the free market economy and the capitalist system, also involving the banking sector, is quite recent and may be traced to political and economic thought emanating in the 18th and 19th centuries. Then, Adam Smith (1723–1790) and David Ricardo (1777–1823) were of central importance in formulating the ideal of the free market populated by free market actors acting in rational self-interest for the benefit of all in society (King 2013; Ricardo 2001; Smith 2007).

In the 20th century, the free market ideal gained traction in some academic and political circles, and Friedrich Hayek (1899–1992) was a proponent of furthering the free market concept, thereby stymieing protectionist trade practices (Hayek 2001). Hayek inspired the 20th-century liberalist movement, with prominent thinkers like Milton Friedman (1912–2006), and influential politicians like Ronald Reagan (1911–2004) and Margaret Thatcher (1925–2013) taking these ideas to heart as the basis of their efforts towards modernising the Western economic systems in the late 1970s and 1980s, which sometimes is referred to as neo-liberalism (Peck 2008). Resulting from such emphasis on freedoms of trade and commerce, a globalised economy has appeared, where trade and finance have become integral parts of a global economic network, at levels not heretofore experienced in human history. This development has not been hailed in all political and philosophical camps and has been met with harsh criticism based on a variation of argumentative foundations, not least connected to purported environmental damage and social injustices (Klein 2001; Piketty 2014).

The liberalist ethos of a completely ungoverned and free economic model for society, the so-called *laissez-faire* model, has never become a reality in its fullest sense, even though it has had substantial influence on the Western-oriented global banking sector, as it has allowed for increasing deregulations of

the credit markets since the 1980s. Thus, the banking sector has been able to develop an increasingly specialised market where businesses and individuals have been awarded credit on the back of the advent of new and globalised banking products (Neal 2015; Peck 2008).

■ Regulated models

In contrast to the above model, where the basic ethos is that less regulation is better than more, are banking models where practice is somehow regulated by non-market-based considerations, such as religious or political influences, as also illustrated by examples from traditionalist society and pre-Roman antiquity above.

In the Roman era, there were regulations in force to determine the maximum allowed interest rates on loans, and in times of financial crises, 'bad banks' were established to ameliorate the hardest effects of credit crises. This is of interest as the main ethos of the Roman law and political economy was to enforce and emphasise private property rights and the free market, yet parties involved in money lending and credit extension were not free to decide all terms between themselves (Homer & Sylla 1996; Niczyporuk 2011).

In the medieval era, the church and its scholars considered the charging of interest as immoral usury, and consequently argued that interest charging was to be banned as unlawful (Aquinas 2003; Wykes 2003). Amongst the most notable voices in this discourse was that of Thomas Aquinas (1225–1274), who through Aristotelian inspiration claimed that charging interest was unacceptable not least as it involved charging for something that had not been earned, and that if seen as payment for lost income opportunity for the lender, he also opposed this argument because opportunities could be lost through numerous other means as well (Aquinas 2010). Needless to say, this stance involved a substantial regulation on banking activity in all its forms.

In the period from ca. 1500 to ca. 1800, there were systems in place in the West that involved strong state control with business and commerce, including banking and finance. These political movements may be termed mercantilism or cameralism, and although they were not express political movements, they had a regulating effect on the markets of the time (Galbraith 1989; Kurz 2016).

With Karl Marx and Friedrich Engels (1820–1895) came the modern inspiration to regulate markets with the aim of improving society, and their ideas have formed a host of political schools of thought, which have been used to justify strict regulation on human activity, including that of banking and commerce (Marx 2013; Marx & Engels 2002). With such a socialist starting point and willingness to regulate society, several nations have used this model of thought to create demand economies, typically found in communist or other non-democratic regimes, such as in the Soviet-era Eastern bloc countries of Europe, or in modern-day China or Venezuela. Typically, in such regimes, the allocation of services and goods, including capital utilisation, is under varying degrees of government control, and the market forces, albeit present, are controlled, purportedly for the best of society (Howard-Hassmann & Donnelly 1986). In the 20th century, not only professed socialists would espouse strong government market control with claims to benefit their people; also the national socialism of Adolf Hitler (1898–1945) involved large-scale infrastructure projects as well as arms production and more. The catastrophic effects these policies had on all aspects of society are well-known, and there is no need to elaborate further here. After the depression of the 1930s, there was a general political acceptance to exert governmental control on the markets, and the theories of John Maynard Keynes (1883–1946) were seen as an acceptable compromise between liberalist and socialist impulses. A central point in his theories was to increase public spending when the general economy was weak, in order to drive increased demand for goods and services that could spark an economic upturn (Galbraith 1989).

Since the 1990s, added focus has been given to what may be termed 'ethical banking', which is loosely built on CSR and stakeholder theory (Galbreath 2009; Goodpaster 1991; Schwab 2008). This discourse has been noticed by the United Nations (UN), which has developed its own protocols for ethical banking. The UN's systematics are centred on ESG values, and this ethical framework has been accepted by several large institutional investors and banks (UNEP Finance Initiative n.d.). The CSR/ESG movement seems largely based on secular value models, and even though supported by the UN in its framework, it may be seen as a mode of self-regulation for certain sections of the banking industry.

Other ways to regulate the free market forces in the banking realm could be based on religious affiliations and connected philosophy. The most prominent example here would be that of Islamic banking, which is a banking paradigm based on Sharia-inspired Islamic rules. The Islamic model of banking has in its modern form existed since the 1970s, and has developed to become a substantial success, with assets under management worth \$2.2 trillion in 2016, which is projected to reach to \$3 - \$4 trillion in 2020 (Global Islamic Finance Report 2016). It will fall outside the scope here to describe Islamic banking in any detail, but it should be noted that it represents a comprehensive banking paradigm, covering practical day-to-day banking, commercial banking products, international payment systems, as well as offering a method of investing ethically according to Islamic values. The main Islamic banking institutions are found in Asia and the Middle East. Besides these, in Europe too there are substantial actors in the banking sector, and in South Africa, there are several banking institutions offering this mode of banking (Absa Bank n.d.; EY 2016; Islamic Finance n.d.; Standard Bank n.d.). To promote the development of Islamic banking, educational programmes are on offer at several universities around the world, most frequently in typically Muslim-dominated countries such as Malaysia and Indonesia, but also at universities in the West where degree programmes are offered (University of Malaya n.d.; University of Salford n.d.).

With the success of Islamic banking, and with the centuries-long preoccupation amongst Christian thinkers regarding charging of interest and usury, it could be expected that there would be a well developed Christian banking paradigm on offer to the ethically concerned Christian banking constituent. This is not the case, as in fact there has been little interest in banking practices in Christian circles. However, some banks cater to the needs of churches and Christian organisations, such as the so-called Vatican Bank and the Reliance Bank run by the Salvation Army, but these mainly address a customer base that perceive themselves as Christians, rather than building on a specific Christian paradigm as expressed in their business practices (IOR n.d.; Reliance Bank 2017). Despite the lack of a practised Christian banking paradigm, there are emergent forces that present alternative models for banking practice based on Christian values, such as the Paris-based non-profit organisation Christian Finance Observatory, which has created a charter explaining how to perform banking based on Christian norms (Christian Finance Observatory n.d.). Also, there is a burgeoning movement in theological academic circles that focusses on banking in a Christian ethical and pastoral perspective, and which has developed a comprehensive framework for what might constitute the Christian answer to the Islamic banking paradigm, but this has not yet been translated to practice (Bøsterud & Vorster 2017, 2019).

As seen in the above, there has been a perennial appetite within government, religion and political philosophy to impose regulations on the banking sector, and it would be a fair assumption that a completely free and unregulated market has never truly existed in any comprehensive and society-wide format. For the purposes here, the attempts to develop a comprehensive banking paradigm based on Christian ethical and pastoral norms will be in focus. In the following section, this paradigm will be outlined insofar as it will suit the format of this book, as deemed practical for a South African setting.

■ Christian banking

■ Introduction

In the elaboration on Christian banking below, systematics for applying capital in a South African context which aligns with Christian ethical and pastoral principles will be outlined. As will be seen, the proposed Christian banking paradigm will be comprehensive in its format, yet will remain non-specific in its practical application and real-life operationalisation. Only when a truly Christian banking paradigm has been introduced in practice, and when experience from the market has been gained, will it be possible to outline a more practically rooted description of what may constitute applied Christian banking.

■ Ethical paradigm

For attaining a Christian ethical and PBP, it is necessary to determine the ethical paradigm in use. Christian banking is based on a constructive ethical model taken from the theology of Vorster (2007, 2017), who proposed a shepherding stewardship perspective at the centre of any ethical deliberation. This position of constructive leadership is scripturally founded, as for example in Matthew 11:29, where followers are urged to take up Christ's yoke; in John 13:12-17, where the disciples are called to wash each other's feet; and in John 13:34, where the disciples are instructed to love each other as he loved them. The attitude of leadership-based pastoral vocation as based in the principle of love is highlighted, which is a motif evidenced in several biblical passages, not least in 1 John 4:19 that 'we love because He first loved us', which Vorster (2007) further developed from Philippians 2:5-11, whence he emphasised the pastoral qualities of love, stewardship, self-denial and obedience to God as the cornerstones of true ethical-pastoral leadership. The constructive aspects of Vorster's ethical position are closely connected to the shepherd metaphor, which is found in numerous scriptural uses (e.g. Jn

10:1-18), and although it might be an archaic image for modern-day exegetes, the shepherd metaphor illustrates well a leadership mode of responsibility, trust and intimacy amongst the leader and the led. Thus, the emphasis on the constructive, partaking and responsible servant leadership aspects of pastoral vocation as expressed in community is aligned with longstanding Reformed pastoral-ethical norms (Oden 1983; Osmer 2008). The focus in such a constructive school of thought will typically be on how to act, and not on how not to act, and on promoting the beneficial actions rather than condemning the harmful ones. Reformed pastoral theology should not be expressed in a stale or theoretical manner but should be evident in the social and practical context in which it works. This will in principle encompass all aspects of pastoral activity, and thus, to exert acceptable pastoral leadership, it needs to be contextual and take into consideration aspects including traditional pastoral shepherding, learning, celebration, Scripture, ethics, psychological theology, aesthetical theology and comparative theology, to mention some fields of interest (Heitink 1999). In the realm of Christian banking, such a holistic context-driven and praxis-oriented Christian ethical and pastoral paradigm will be in use, with the performance of good deeds in appropriate contexts at its core, for the development of a banking praxis that promotes the good to the benefit of all people.

■ Pastoral banking practice

A main focus when applying Christian ethical and pastoral principles to practical banking will be to address the different modes of banking that will occur in the banking market. The theoretical framework that then will be in work is that of the PBP, which has been developed to inform how to practise Christian banking in certain typical formats (Bøsterud & Vorster 2019). In the following, I will elaborate on what may be seen as beneficial banking activity in accordance with PBP, as connected to different aspects of constrictive Christian ethical and pastoral norms, without going into the scriptural detail. For details on the biblical

foundations of the below elaboration, I refer to Bøsterud and Vorster (2017, 2019).

□ Moneylending

Lending money to clients who need or want it (Mt 5:42) will be seen as amongst the core tenets of any banking operation, and it will then be the responsibility of the bank to lend to borrowers in a mindful and constructive manner, where the borrowers are not exploited in their need. This entails that the lending bank needs to assess whether the borrower is in a state of desperation, where charity may be a more appropriate means to aid the would-be borrower, and it will be of utmost importance, if given, that the loan agreement in its terms leaves the borrower in a state of dignity throughout the duration of the loan. When the borrower's need to borrow money takes on the character of 'want', as in business transactions (Ex 22:25), the parties may be in a more even position of negotiation, and in such cases, a bank may rely more on the consideration of the borrower, regarding whether to borrow and the lending terms both. In any case, in situations where the lender is more experienced than the borrower, the lender needs to exert an attitude of pastoral leadership for the borrower (Tidball 1997; Vorster 2017).

□ Borrowing and deposits

The duty of banks to act diligently and responsibly and display shepherding leadership is particularly salient when a bank itself borrows money for financing its operations. Such borrowing may be found in many different formats, but most important here will be the borrowing bank's performance by way of taking deposits from the general public. When such borrowing is performed, the bank needs to be sure that it has sufficient funds to meet its repayment obligation, by way of short-term liquidity as well as long-term capital reserves. As part of this responsibility, they will have to guide less professional parties with regard to the risk of

depositing even in banks, that is, the client's (here: lender's) funds may be lost (Bøsterud & Vorster 2019).

□ Duration and security

For a loan agreement to align with PBP, it needs to have a duration that is meaningful in relation to depreciation of the financed assets and the financial horizon of the borrower. When the duration is set for a longer time than the life of the financed asset, or the remaining loan is higher than the value of the asset at any time during the term of the loan, then the agreement will take on characteristics of investment or rent, and then different kinds of agreements should be utilised. Such situations may occur in various loan categories, but will typically be connected to consumer credit, where oftentimes the loan duration continues long after the purchased goods or services are consumed. When security is taken as collateral for a loan, such security must not be taken if it can deprive the borrower of core life-needs satisfaction, such as food or housing. Thus, also in the case where the lender can take a pledged security for use, it can only be taken if it leads to reduced needs satisfaction of the lender, related to the mentioned core life-needs (Dt 24:6; Ex 22:26–27). Third-party pledges, such as given by family or friends, are unacceptable as part of Christian banking practice, as such third-party guarantors may not understand that their pledge only involves obligations but does not provide them with any corresponding advantages (Pr 22:26–27; 6:1–5; 11:15).

□ Charging interest

When money is lent in any non-familial professional setting, the main rule and expectation in the Western world will be that interest is charged as a payment for the credit extension as well as for the risk taken by the lender in case of the borrower's default (Casu, Girardone & Molyneux 2015). Within the Reformed paradigm, charging interest in loan agreements will be acceptable as a general principle, and the question then becomes how much

interest may be charged whilst remaining within the bounds of sound ethical and pastoral norms. A guide here may be found in the talionic principle (Lv 24:19-20), where both parties in an agreement should contribute equally, and in balance. From this will follow that the concept of 'value-for-money' should be guiding a prudent shepherding lender when offering loans in the market. A pastorally oriented banking professional should then apply the principle of evenness in any loan agreements, and be certain to advise potential borrowers of the costs connected to any loan transaction.

□ Risk and stability

When banking technologies are in use, it is necessary to take into consideration how they will involve financial risk and possibly affect societal stability, and apply the utmost care in structuring financial instruments and products in a manner where the least possible risk and potential for societal destabilisation is involved. This will include that the highest level of care is taken when originating derivatives and other opaque financial structures, and puts the onus on the originators to assess the potential impacts such structures may have on the market and the wider society. For example, when issuing collateralised debt obligations containing mortgages, they should be issued only for the purpose of securing a stable flow of mortgage lending to house buyers in the market (Gotham 2009).

To safeguard enjoyment of material goods for the human family (Ec 5:19), the mindful use of financial instruments should be accompanied by a responsible pastoral attitude when taking on financial leverage in trading activities. This is particularly important when carrying out speculative operations in the market when trading in securities and other tradable assets, as considerate utilisation of leverage may prompt capital optimisation and allocation to the benefit of society (Mt 25:14-30; Lk 19:11-27). Conversely, unbridled financial leverage and speculative market operations may lead to devastating

consequences for both local and global markets, which again may negatively affect large groups of stakeholders (Edwards 1999). In Christian banking then, the goal is to apply financial instruments and leverage with the utmost care, whilst continually observing pastoral stewardship principles towards not only those directly involved but also considering the interest of extra-party actors in society.

□ Truthfulness

When assessing banking practice, topics concerning truthfulness permeate all aspects and all levels of operation. For example, the lender must be truthful in informing the borrower of all the terms and conditions of a loan agreement, including the security, actual interest rate, fees, duration, penalties for early pre-payment, et cetera. Aspects of truthfulness may connect to the wider marketing of banking products, such as consumer credit and credit cards, and also to interparty dialogue, as performed amongst professional actors in mercantile settings (Douma 1996). In most developed banking markets, there will be formal regulations on how to market and present banking products, such as the *US Truth-in-Lending Act*, but it must be emphasised that solely to adhere to such obligations will not suffice to align with the scripturally founded systematics found in Christian banking (Downes & Goodman 2014). Therefore, to stay within the realm of Christian banking, all activities must be performed with the application of the truth on all levels of practice (Ex 20:16).

□ Greed and covetousness

The concepts of greed and covetousness are of interest when assessing bank practices for deciding ethicality, and these are topics that are considered in the PBP systematics, as banking professionals will be expected to exert pastoral leadership when greed and covetousness appear in their practice. This will be

when they are in contact with professional peers or interacting with less professional potential borrowers in the market, as the scope for displaying Christian ethical and pastoral leadership will be expected typically to be connected to greed and covetousness within the banking sector. Such leadership will be prudent when advising potential borrowers whether they should or need to acquire more material goods (Ex 20:17) through third-party financing, and for banking professionals the matter may be whether their impulse to earn more money aided by credit extension is beneficial (Lk 12:15). Furthering such shepherding guidance would lead to promotion of thrift and responsible consumption both for the banker and the borrower, and when structuring banking products such values should be at the core and permeate all levels of product generation. Although advocating thrift and responsible consumption could be seen as misplaced evangelism in a commercial banking setting, these values are the polar opposites of greed and covetousness and thus, the promotion of these values will require exertion of pastoral stewardship in real-life ministry that can reside within the banking realm.

■ Reoriented investment protocol

□ Introduction

In close connection to the PBP model for Christian banking as described above is the matter of how to invest capital in a societally beneficial manner. The theoretical framework which then will be in use is that of the RIP, which has been developed to inform the practice of Christian banking in certain typical formats (Bøsterud & Vorster 2017). In the following section, I will elaborate on what may be seen as beneficial investment activity in accordance with RIP, as connected to different aspects of constrictive Christian ethical and pastoral norms, without going into scriptural detail. For details on the biblical foundations of the elaboration below, I refer to Bøsterud (2016).

□ Investments related to women and family

In South Africa, as in any other society, the family is the core social and economic unit in society, and women are at the core of caregiving and carry out central tasks connected to subsistence of life, the economy of the family and other family-oriented activities. The support of these values is central in the Christian message and should therefore be given the highest priority when building societal economy and allocating capital accordingly (Kostenberger 2010). Aspects to look for when allocating capital would be whether potential investments could be seen as supporting values pertaining to the maintenance of human life, to the support of family and to the fulfilment of our human obligation under the creation covenant (Gn 1:26).

To describe in detail investment categories to support women and families in South Africa would fall outside the scope here, but to focus on investments related to family and women's needs, motivating childbirth without terminating pregnancies and supporting the safe upbringing of children, would be aspects to look for. Typical investments here would be in the construction industry, housing and infrastructure, supporting the new global urban growth, and could also include technology production such as computers, and their distribution, as this would also be deemed beneficial in many family settings.

□ The medical industry

Caring for the sick has a long history in Christianity, and such activities are well aligned with the scriptural position of the sanctity of life and healing of the sick (e.g. Ja 5:14; 3 Jn 1:2). Within the commercial sector of medical service providers, it is worth mentioning that the existence of hospitals as we know them today stems from medieval monasteries in Europe, and this movement was followed up and furthered in church-run universities (Antić 2010). Within this sound Christian tradition, there are many opportunities to invest in this sector in South Africa that could be

connected to service providers such as operators and owners of hospitals and clinics, health insurance companies, and real estate and infrastructure connected to such activities.

Other areas for potential investment in the health sector may be connected to pharmaceutical and medical products, where investment possibilities may be found in the production and distribution of products used in the health services industry and/or by patients connected to it. This could include computerised tomography scanners, X-ray machines, special lighting and fittings, diagnostics equipment, operating tools, prostheses, wheelchairs, hearing aids, et cetera. Another entry point here could be the pharmaceutical industry, which in South Africa is an industry valued at R50bn at the manufacturers' level, and R68bn in retail sales in 2019 numbers (PR Newswire n.d.).

Outside the conventionally defined medical sector, there is a thriving industry pertaining to promoting good health in the form of health centres and gyms, and the production and distribution of specialty products, fitness technology, sporting equipment and nutritional supplements. This sector may be seen as a logical extension of the traditional medical service and product industries and aligns well with longstanding Christian ethical and pastoral values, connected to the exertion of prudent societal stewardship and caring for creation.

□ Information technology

Human rights, such as freedom of belief, freedom of speech and private property rights, are values firmly protected within the Reformed Christian ethical and pastoral paradigm. Any capital allocation that promotes such values aligns with RIP, and investors in South Africa should seek out investments directed at this goal. In suppressive regimes, quelling citizens' free speech and belief would typically involve control of media, information technology and information distribution, which allows governments to mute, gag or silence undesirable voices that may belong to minorities

or other perceived societal out-groups (Augoustinos, Walker & Donaghue 2006). With the arrival of the Internet, information is flowing more freely than ever before, and governmental control has become difficult to exercise. This may be a reason for the wholesale negativity and fearmongering often voiced by authorities and traditional media pertaining to the Internet, typically relating to abusive and addictive content (Pujazon-Zazik & Park 2010; Young 2004). Therefore, investing in software, technology and media outside government control would be assumed to be useful in the South African setting.

□ Educational service providers

Furthering education and contributing to educational services is an abiding scripturally founded Christian tradition (Dn 1:17; Ec 7:12), which represents central values of the Christian church and not least the Reformed ethical-pastoral paradigm. The education market is populated by various actors, including governmental agencies, religious institutions, eleemosynary organisations and private profit-seeking corporations (Marginson 2006). With the emergence of the Internet and connected services, information technologies have been utilised to an increasing degree to support education rendered on different learning platforms, both on campus and through distance learning. This development presents new investment opportunities in addition to the established privately owned education providers of the traditional style. For a South African context, this could entail investing in privately owned education providers at all levels of education and attendant educational technology providers to this market, who provide technological educational infrastructure, including that of online educational services or by way of apps.

□ Food production: Animal welfare

The production of foodstuffs and beverages resides at the core of human activity (Gn 1:29; Ps 85:12), and can be assumed at the root of any human post-fall industrial development. The potential for

investing in this sector in South Africa is assumed to be substantial, and it includes industries linked to land, technology, machinery, chemicals, packaging, warehousing, transportation and more. However, in this sector of investment, humans have a particular responsibility to exert stewardship towards the natural environment and animals that will be affected by such production (Gn 1:28), and to take the utmost care not to inflict unnecessary suffering on them or deprive them of their natural needs. This is an aspect to be observed when considering investments in the food production and beverage sector, which is not directly connected to ecological sustainability, as mentioned in the following subsection. This sector is open for investment under RIP, and scriptural sources will accept both the production that includes animals for food as well as plant-based production (Bøsterud 2019).

□ Security, law and order

All of the investment categories highlighted above under RIP systematics may be expected to benefit most, if not all, parts of society and indirectly benefit the social order and morality. It would be challenging to identify all investment categories pertaining directly to the moral order of society, but all industries supporting the moral and legal order of society would fall within Christian ethical and pastoral norms (Rm 13:1-2). In spite of the execution of law and order being a typical task for appropriate civil authorities, certain investments categories could be seen as directly promoting societal order and fending off crime and unwanted behaviour. Investments that could prompt such values may be found within prisons, correctional facilities and other security-oriented industries. Regarding prisons, there will be investment possibilities typically within private corporate operators, but PPPs with the government may be possible as well (Osborne 2000; Savas 2000). Consequently, to invest in prisons and correctional facilities, private security providers, providers of security technology and attendant industries is firmly situated within RIP systematics, and would be presumed to allow for substantial investment in South Africa.

□ Sustainable production and technology

The above described investment categories acceptable under the RIP will all be aligned with central Christian ethical and pastoral stewardship norms guiding our interaction with society and nature as informed by our covenant with God in creation (Gn 1:28; 2:15). Furthermore, they may be seen as in concert with the secular concept of sustainability – a concept connected to the conclusions and recommendations of the 1987 Brundtland Report (Brundtland 1987). Notably, the sustainability concept as presented in the Brundtland Report accepts the concept of unlimited economic growth, something that has been criticised in some circles who perceive the world's resources as finite over the decades since the publishing of the report (Grinde & Khare 2008; Victor 2008). However, within the Christian banking paradigm such criticism is not acceptable, as the cognition here is that God has provided for complete and total human needs satisfaction for all of the human family without destroying creation (e.g. Gn 1:28; Ec 5:19; Ps 23:1–6). Thus, all capital allocation within the Christian banking paradigm will be aimed at the diligent use of resources and the maintenance of the natural environment and man-made assets as an overriding principle, irrespective of the actual category of investment involved.

■ Christian banking market potential in South Africa

As discussed above, the Christian banking paradigm should be well-suited to address several of the inequalities mentioned in 'Some South African specifics', and as the economic and political model of South Africa is one of a typical Western liberal market economy, the scriptural foundations of Christian banking would fit well for being used in practice. In addition, the fact that 86% of the South African population is Christian should further support the possibilities for a successful introduction of Christian banking practices for the purpose of developing the South African society

towards one of increased wealth, which is more efficiently distributed amongst the citizenry. Also, as the Islamic banking paradigm is already in use in South Africa, which has an Islamic population of 1.9%, this could further inspire the introduction of Christian banking in the broader market, as its utilisation should not be perceived as alien to a predominantly Christian population (CIA n.d.).

■ Conclusion

The above has described how South Africa is a nation with substantial economic differences amongst its citizens, and that these differences follow geographical, ethnic and gender lines. To ameliorate such differences and their effects whilst aiming for the development and betterment of the whole of society, an outline of Christian banking systematic has been given, and it has been proposed that the use of this banking paradigm may lead to a morally sound economic development for South Africa. With its predominantly Christian population, it is assumed that the Christian banking paradigm would be welcomed and accepted in the market.

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Capitalism: An assessment from recent Catholic social teaching

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■ Introduction

In 1989, three decades ago, some important changes occurred in the vision of the world. One of the main events of that year was the fall of the Berlin Wall. Symbolically, it confirmed the suspicions about the communist promise, with the failure of the regime built

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upon it. After three decades, with the world divided into two blocks, under different economic and social systems, capitalist and communist, respectively, the moment also seemed to contain a promise: it could represent the triumph of capitalism, as a system able to fulfil the promise of bringing unity and prosperity to the world. This was the premise formulated by Kant in 1784, the 'achievement of a universal civic society which administers law among men' (Kant 1963, especially the fifth and the eighth theses). According to Kant's vision, this new government would be intertwined with the development of commerce, which would bring prosperity and benefits to the whole of society.

Three decades after that triumph of capitalism, there seems to be no reason for absolute optimism. After the economic crisis of 2008, in many European countries, a sense of a decrease in economic standards persists, such as acquisitive power, social inequality or inequity in the distributions of goods. Academic voices have begun to clamour for the adaptation of capitalism as an ideology and way of life, in order to foster a genuine comprehension of value. As Sandel (2012) argued, if everything is given a quantitative value in the market, it is possible that, paradoxically, spiritual goods would lose their intrinsic value. Therefore (Sandel 2012):

[/]n the end, the question of markets is really a question about how we want to live together. Do we want a society where everything is up for sale? Or are there certain moral and civic goods that markets do not honor and money cannot buy? (pp. 201-203)

Other social thinkers believe that consideration needs to be given to a better distribution of goods pointing to the inequities created by the global situation, in which the structures of power, linked to territory, have become irrelevant (Bauman 1998). However, in spite of the international movement, they are not able to respond to new challenges, including economic ones.

Catholic social teaching has made several statements about the development of capitalism and its transformation, in recent years, into an ideology that invades almost all aspects of human life. In this sense, the aim of this inquiry is to follow the main

pronouncements of the Catholic social teaching to provide an answer to the development of the current debate. We will focus on *Caritas in Veritate* by Benedict XVI, because it represents the main pronouncement of the Catholic Church about globalisation, and also on *Laudato Si* by Pope Francis, because it broadens thinking from the former encyclical to formulate the concept of an ‘integral ecology’, which includes respect for human dignity.

For this purpose, I approach the pronouncements from a systematic perspective. As such, I start with the definition of the conceptual framework of Catholic social texts on economy and capitalism. These reflections form part of a broader reflection about social morality, which, for its part, has its origin in the conviction that the human person is intrinsically social, and that reaches back to the blessing and commandment to the humankind as a whole in Genesis 1:26–30. The Catholic Church considers that, although social issues stem from individual decisions, it is also true that social structures and systems can be improved to make them fairer (see, e.g., Pontifical Council for Justice and Peace 2005:5–10).

In order to make an assessment of capitalism as such, I have selected texts that underline the positive aspects of capitalism. The third stage of my inquiry will be to show the negative aspects of capitalism because they pose some challenges to the improvement of human existence in this world. As a first premise, I stress the fact that the adequate response to such challenges, both at the individual and institutional levels, is mainly the responsibility of lay Christians, because they are the ones who directly receive from God the responsibility of ordering the structures of the world.

In any case, Catholic social teaching makes proposals addressed to every person of goodwill who desires to contribute to the creation of a better world. It is easy to observe that this coincides with the concerns expressed by researchers from other Christian confessions about economy, finance and markets (Van Wyk & Vorster 2012). Such an encounter has its foundation in the attempted understanding of the gospel of Jesus Christ from

both perspectives. I consider that it is a good field for working together towards unity. In any event, proposals are also open to anybody who seeks justice.

As a first approach to the issue, I draw on a reflection by Pope John Paul II. It was published shortly after the fall of the Berlin Wall, and establishes the terms of the discussion. At the same time, it synthesises the Catholic position regarding capitalism (John Paul II 1991):

Can it perhaps be said that, after the failure of communism, capitalism is the victorious social system, and that capitalism should be the goal of the countries now making efforts to rebuild their economy and society? Is this the model which ought to be proposed to the countries of the Third World which are searching for the path to true economic and civil progress?

The answer is obviously complex. If by 'capitalism' is meant an economic system which recognizes the fundamental and positive role of business, the market, private property and the resulting responsibility for the means of production, as well as free human creativity in the economic sector, then the answer is certainly in the affirmative, even though it would perhaps be more appropriate to speak of a 'business economy', 'market economy' or simply 'free economy'. But if by 'capitalism' is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality, and which sees it as a particular aspect of that freedom, the core of which is ethical and religious, then the reply is certainly negative. (n. 42)²

From the words of John Paul II, we can infer an initial answer to the Catholic assessment of capitalism. Firstly, the Catholic Church regards economic systems as forms of a plural organisation of

2. Bibliographic note: Following the common use in quotation of Catholic Church documents, I will reference texts from the official gazette of the Holy See since 1909, *Acta Apostolicae Sedis*. Normally, texts are in the official language of the Vatican State, Latin. It can also include texts in modern languages, mainly in speeches and addresses. In this case, it reproduces the language in which each intervention was pronounced. Official translations into English are available at the Vatican website, www.vatican.va, organised by popes, years and kinds of text. Since 2013, *Acta Apostolicae Sedis* has published monthly issues, data of which will be reflected in the final references. When quoting official Catholic Church documents, it is also common to make reference to the numeration of paragraphs instead of pages.

human life. As such, the vision is not perforce dialectic: apart from the communist systems and capitalism, there can be other ways of organising the distribution of goods. In other words, capitalism is not necessarily a unitarian phenomenon, because organisation depends on the particular circumstances. Following *Centesimus Annus*, and in broad terms, we can consider at least two forms: ‘unbridled’ capitalism that represents liberalism, which is not subject to any other authority apart from the market itself, and ‘regulated’ capitalism, in which the authority (usually, the State) ensures the protection of human rights and human dignity.

Secondly, the church is not against private property or profit. It considers the first as an essential human right, and the second as an index of prosperity, stemming from well-done work. Profit is regarded as a manifestation of the development of the creativity given by God to humankind in order to develop the world.

Thirdly, it considers that economic development must be in agreement with human freedom and human dignity. In this sense, it requires an independent juridical frame that, in the final analysis, guarantees justice in relationships amongst individuals and groups. This means that, when considering the production of goods, or providing certain services, the entrepreneur has a right to pursue sustainability and profit but at the same time has to think about the social impact of managerial decisions, whether upon his workers, his suppliers or consumers.

■ Conceptual frame: The contribution of the Catholic Church to social issues

The first approach to any question about the Catholic voice in debate must be to look at the Bible. In order to define a conceptual frame, we start from a brief review of some scriptural references.

In the book of Genesis, God commanded the first human couple to take care of the Earth. This is the ‘dominion’ subordinated to God himself, as collaborators with him, Lord of the Creation

(Gn 1:28-29). Following the original sin, disorder was introduced into human nature, specifically in the human will. Consequently, human relationships were damaged, starting from the one between the first couple (Gn 3:12-13), and following with Cain murdering Abel (Gn 4:1-16). Significantly, the motive for the murder was the accomplishment of the moral obligation of giving praise to the Lord with the results of work (Gn 4). The damaged relationships stem from a corruption of the concept of dominion (Gn 3:16), which leads to the imposition of the self, in the form of power, over another.

Significantly, also, the original harmony between human creature and nature becomes distorted, and therefore, the duty of work, which was designed to lead Creation to the end established by the Lord, becomes painful and requires effort (Gn 3:17-19).

In any case, the truth of Genesis perceives work as a result of human effort. From this stems a comprehension of work from a personal perspective. In this sense, John Paul II identified a common problem in early capitalism and in communism; that is, the consideration of work as an object, or as a material product of change, ignoring the person who does the work (John Paul II 1981:n. 7)³.

Broadly speaking, the story of salvation, both in Israel and in the church of the New Testament, includes some reflections on the economy. But the biblical thought does not stem from scientific or technical experts. Instead, the core message of the Bible is of a spiritual kind, following the spiritual nature of salvation and pointing to the moral foundations of decisions.

3. 'The error of early capitalism can be repeated wherever man is in a way treated on the same level as the whole complex of the material means of production, as an instrument and not in accordance with the true dignity of his work - that is to say, where he is not treated as subject and maker, and for this very reason as the true purpose of the whole process of production.'

This notwithstanding, the message recipients are individuals, with a body and a soul, which means they have material needs and a right to share in the goods of the Earth, required for human subsistence and welfare. In this sense, justice in the distribution of goods is a prerequisite for living a life of charity in line with God's plan. This explains the inclusion of certain measures aimed to regulate the distribution of goods, promote equity and guarantee access to primary goods for all. One of them was the Jubilee Year, every 50 years. Following its definition in Leviticus 25:10-16, it included a threefold principle:

- proclamation of liberty for every inhabitant of the land, putting an end to inequity in the form of slavery
- returning of the property to its original owners, limiting inequity in the possession of goods
- rest for the land, whose fruits should not be consumed.

Underlying the prescription, there was a consciousness that land is the property of God and that every human being is equal in dignity. The law also required people to assist the more vulnerable groups in Israel, such as widows, orphans and strangers (Dt 10:18).

The same attitude was expected, in the New Testament, from the followers of Jesus Christ, which pays attention to the suffering of the weakest. His attitude towards them is well summarised in the statement, 'It is not the healthy who need the doctor, but the sick. I came to call not the upright, but sinners' (Mk 2:17). Here, he pointed to a connection between physical and spiritual health. He also stresses the latter as the core and main goal of his mission, without ignoring the moral requirements of justice.

This statement provides the scriptural basis for the 'preferential option for the poor' in the Catholic Church. But this is not to be intended as a political intervention because it 'is never discriminatory exclusive or discriminatory towards other groups' (John Paul II 1991:n. 57). This principle differentiates the official Catholic position from liberation theology, which adopts Marxist principles of the immanence of justice and class struggle, external to the theory of charity and to the ideal of spiritual and moral

perfection. As Pope Francis recalls (Francis 2013; Congregation for the Doctrine of the Faith, 1984:nn. 9, 18):

[7]he worst discrimination which the poor suffer is the lack of spiritual care ... Our preferential option for the poor must mainly translate into a privileged and preferential religious care. (n. 200)

At this point, we bring into focus other verses concerning the mission of the church, as an institution and in an individual sense: 'You are the salt of the Earth ... You are the light of the world' (Mt 5:13-16). The salt mixes with food, without being the same, in order to enhance its flavour and preserve it from corruption. So, Christians live in the world, with the mission to build it according to the order of charity established by God at the beginning and protecting it from corruption or sin. In this sense, Christians, through their example and attitude, can bring light to the world, illuminating moral issues with the principles of their faith (Ratzinger & Flores D'Arcais 2013)⁴. In this regard, it is possible for the Catholic Church to be a significant contributor to the development of a moral consciousness amongst humankind, as stated by Habermas (2002:149), amongst other outstanding thinkers.

This is the concept of the relationship between the Catholic Church itself and the world, as expressed from *Gaudium et Spes* onwards. In this text, the Vatican Council II brought about a shift in the Catholic relationship to the world, as being in the middle of it, renouncing any pretention of prejudice (Schlag 2017:1-47). This stance was preceded by John XXIII's encyclicals *Mater et Magistra* (1961) and *Pacem in Terris* (1963).

As part of the conditions of the world we still live in, the Council declared, 'the industrial type of society is gradually being spread, leading some nations to economic affluence, and radically transforming ideas and social conditions established for centuries' (Vatican Council II 1966:n. 6). The voice of the Catholic Church regarding the economy, or capitalist system, intends to help

4. This is the transcription of a famous debate held at the Quirino Theatre in Rome in 2000.

develop a moral sense as part of a broader dialogue with the world. It stresses the fact that every decision contributes to shaping a social structure that can impact the decisions of other people.

In the middle of a pluralistic world, the mission of the Catholic Church consists of bringing its message of love and moral integrity to all. It is her commitment to caring for the whole human person, and to ensuring justice as a prerequisite to the exercise of charity (John Paul II 1980:n. 4)⁵.

It is not, however, the task of the Catholic Church to give solutions to technical problems, or to promote political changes. Its concern is with the well-being of the human family, mainly spiritually, but such spiritual good presupposes equity and justice. It is not its aim to blame capitalism but to help people to live according to the requirements of justice, illuminating their consciences. This is the main ethos found in some pronouncements about capitalism.

At this point, it is important to note that the economy, as part of human reality, has a right to its own autonomy. The issue at stake is whether that autonomy is total or not, namely, if there is a dependence on a Creator. The question was formulated in clear terms in the following passage (Vatican Council II 1966):

If by the autonomy of earthly affairs we mean that created things and societies themselves enjoy their own laws and values which must be gradually deciphered, put to use, and regulated by men, then it is entirely right to demand that autonomy. Such is not merely required by modern man but harmonizes also with the will of the Creator... But if the expression, the independence of temporal affairs, is taken to mean that created things do not depend on God, and that man can use them without any reference to their Creator, anyone who acknowledges God will see how false such a meaning is. For without the Creator the creature would disappear. (n. 36)

5. 'Society can become ever more human only if we introduce into the many-sided setting of interpersonal and social relationships, not merely justice, but also that "merciful love" which constitutes the Messianic message of the Gospel.'

Economics and theology must interact because the economy is directed by human decisions, for all the parts implied, namely managers and consumers. Economic theory moves between two considerations of human beings, and it must consider both equally if it wants to be respectful to the nature of things (Mankiw 2018):

- as Homo oeconomicus, who applies a rationality that pursues the maximization of profit (for the manager) or utility (for the consumer). To meet that end, reason constantly balances costs and benefits.
- as Homo sapiens, who is more complex, because there are more elements taken into consideration for each decision, and sometimes these are impulsive or emotional. These men and women can be satisfiers, trying to give satisfaction to demand, but not necessarily concerned about the maximization of opportunity and efficiency. (pp. 471-472)

Underlying these different decisions, there can be another kind of rationality, which, not being strictly economic, expresses and follows wisdom. This fact leads us to reflect on the anthropological and ethical roots of economic rationality, demanding a broadening thereof. In this regard, Benedict XVI extends to economic issues the proposal he made for reason in general terms, in the Regensburg discourse (Benedict XVI 2009:n. 32; Hodge 2012). According to *Caritas in Veritate*, the best complement to the economic theory is a theory of gratuity, which is also a form of rationality, as it also weighs up all the aspects of a certain situation, but it does it from the moral perspective of the common good, of what is good for the person. And this is possibly the main challenge of economics in an era of globalisation (Benedict XVI 2009):

The principle of gratuitousness and the logic of gift as an expression of fraternity can and must find their place within normal economic activity. This is a human demand at the present time, but it is also demanded by economic logic. It is a demand both of charity and of truth. (n. 36)

A 'principle of gratuitousness' and a 'logic of gift' does not refer to gifts as opposed to labour, which would contradict the logic of business because it would provoke a loss of profit. It will also contradict Saint Paul's commandment, 'if anyone was unwilling to work, neither should that one eat' (2 Th 3:10). What they mean, instead, is the effort which the creation of wealth implies, for the businessman in the first place, when assuming risks, and the idea of situating what is good for people above other interests, for those involved in commercial trade: entrepreneurs, workers and consumers. It implies, for example, the establishment of fair wages, fair working conditions, fair prices or social profit sharing. Therefore, this approach is opposed to the diverse forms of exploitation or to a disordered accumulation of capital by itself.

Besides decision-making, there is the problem of justice, which is formulated in terms of equity and distribution. This has to do with establishing what is 'fair' in market relationships. Once more (Mankiw 2018):

In addition to efficiency, the social planner might also care about equality – that is, whether the various buyers and sellers in the market have a similar level of economic well-being. (p. 145)

Moral philosophy is then the meeting point for theology and economic science, because it aims to guide conscience to the recognition and election of what is good. In this regard, the church has a right and a duty to talk about economic issues (Healy 2010:586).

In the following paragraphs, we will consider capitalism from the moral stance taken by Catholic social teaching, focussing on the official statements. To better understand its meaning and relevance, we will also make use of some Catholic social thinkers, and we will emphasise the most recent concerns expressed by the church regarding capitalism.

■ Positive capitalism: The generation of welfare

‘A rich man shall hardly enter into the kingdom of heaven’ (Mt 19:23). The statement seems hard to understand for people dedicated to business. In this respect, it is useful to contrast the statement with this other statement, pointing to the priorities in a subject’s life (Mt 6):

No one can serve two masters. Either you will hate the one and love the other, or you will be devoted to the one and despise the other. You cannot serve both God and money. (v. 24)

The core of the question is the priority of God over money or material goods, and if personal interests and decisions depend on the former or the latter. Whether a person is wealthy or not is of secondary relevance. The gospel tells us about wealthy people who met Jesus Christ: Matthew, who abandoned his position to follow Christ (Mt 9:9-10); or Zacchaeus, who did not abandon his social position but decided, as a result of conversion, to restore the damage his greedy attitude could have inflicted on others (Lk 19:1-10).

Coming back to the first text, Jesus Christ is saying that it is more difficult for a ‘rich man’ to reach heaven. It is not owing to an activity but to a certain attitude of the heart. By ‘rich man’, he is referring to someone who puts happiness in the possession of material goods.

The commandment ‘be perfect just as your heavenly Father is perfect’ (Mt 5:48) follows others asking disciples to be charitable to the ‘least of these’ (Mt 25:35), and is echoed by ‘be merciful’ in the gospel (Lk 6:36). It is formulated openly at the end of the Sermon on the Mount. It is addressed to everyone. Thus, every man and woman are called to sanctity. So also, rich men, businessmen, are called to holiness.

In this sense, Pope Francis has defined economy as a part of the common good, and a way to sanctity, when guided by ethical principles.

Business is an asset of common interest. Although it is a privately owned and operated asset, for the simple fact that it pursues goals of general interest and importance, such as, for example, economic development, innovation and employment, it should be protected as a good in itself. Business and the economy need an ethic to function properly; not any ethics, but ethics which place the person and the community at the centre (Francis 2015b).

This means that the professional exercise of business is one of the multiple ways to find sanctity. A witness to it is the process of canonisation of businessman Enrique Shaw, started in 2001 by the Cardinal Bergoglio of Buenos Aires (Francis 2016). His life shows that the fields of marketing, economy and finance can rely on professionals (Francis 2014b):

[A]ble to serve more effectively the common good and to make the goods of this world more accessible to all ... many men and women of great personal honesty and integrity, whose work is inspired and guided by high ideals of fairness, generosity and concern for the authentic development of the human family. (n. 104)

Following the former, we can state that 'positive economy' means, first and foremost, that the economic agency can be a sort of collaboration with God's providence. In this case, it develops creativity to overcome scarcity, intended as a limited number of goods. As such, it is a positive exercise of an 'ethos of burden-bearing' (Barrera 2005:141-142): the economic activity implies accepting inconvenience freely, assuming risks and self-sacrifice, in order to obtain benefit for others, at least that of work. It also increases with time.

Secondly, it also means a way of accomplishing the commandment of taking care of the Earth and its resources. Before original sin, it had the positive sense of caring, of profiting from the resources of the Earth, as part of the mission given from the Creator to mankind. It was an occasion to grow themselves and develop their capabilities, using the resources for the well-being of the world. Following Barrera (2005:146-147), this is an 'antecedent scarcity', a fact that the option for certain goods

requires renouncement of others. It is different from a 'consequent scarcity', which results from sin, meaning that there are options that deprive others of access to goods. The positive meaning of business is a form of antecedent scarcity. And the contribution of positive economy is to fight consequent scarcity.

Scarcity points to the fact that goods are limited, both in the quantitative sense (durability, obsolescence, number of goods to satisfy necessities, such as water or food) and in the moral sense (human virtues can also grow). The art of economy, as the etymology suggests, consists of 'administering the goods of a household'. In its global dimension of today, it means making the most profit of the goods, for us and for the future generations, and to make those goods accessible to every person. This is the core of economic activity, in its most positive sense.

This positive character of economy can be illustrated through two historical examples, amongst many others. Although Max Weber, in his renowned treatise about the relationship between Christianity and capitalism (Weber 2005), stated that the Catholic faith was an obstacle to the development of capitalism, this assertion seems incorrect. Applying the stewardship commandment of Genesis, Christian monasteries gave rise to the first industries, mainly in construction but also in the production and selling of goods. These emergent industries were much smaller than those of the 19th century, but, in any case, they were propelled by a sense of the common good and the benefits of work (Woods 2005a:153-167).

Following the Industrial Revolution, from the 19th century, and from a historical point of view, scholars note that indicators of wealth, such as life expectancy and salaries, have increased. This permits the justification of economic liberalism as defended, amongst others, by the thinkers of the Austrian school (Woods 2005b).

Also today, as Pope Paul VI stated, it is possible to 'acknowledge the vital role played by labour systemisation and industrial organisation in the task of development' (Paul VI 1967a:n. 26).

In this sense, it is not only good in an individual sense, namely for the sustenance of one's own family, but is a requirement for the whole of humankind. The businessman, in fact, can bring a broad social benefit by increasing work, making goods and providing financially for all.

In this sense, Benedict XVI stated that markets can bring opportunities for social cohesion and the promotion of justice. The condition to meet this end is for the market to find 'internal forms of solidarity and mutual trust', without which 'the market cannot completely fulfil its proper economic function' (Benedict XVI 2009:n. 35). Although in some respects, the Pope is critical of the globalisation process, he envisions it as a human reality, with visible economic implications, but, in any case, much more than a technical process. In this case (Benedict XVI 2009):

[T]he common good and the effort to obtain it cannot fail to assume the dimensions of the whole human family, that is to say, the community of peoples and nations, in such a way as to shape the earthly city in unity and peace, rendering it to some degree an anticipation and a prefiguration of the undivided city of God. (n. 7)

Following this, it can be said that the economic activity is positive under certain conditions. These are the same as for capitalism: the principles of subsidiarity and solidarity, ordered to build an order of justice.

Pope Francis, sometimes considered as a denouncer of capitalist abuse, also values positively the contribution of economic management, as honest use of money, for the development of communities, countries and the world. In this sense, these are the following words, which define the enterprise in terms of *communio*, close to Benedict XVI's challenge about the inclusion of market activity in the theory of gratuitousness (Francis 2016):

An enterprise is a community of work in which everyone deserves fraternal respect and appreciation from their superiors, co-workers, and subordinates. Respect for the other as brother or sister must also extend to the local community in which the enterprise is physically located, and in a certain sense, all of the enterprise's legal and

economic relationships must be moderated, enveloped in a climate of respect and fraternity. There is no shortage of examples of actions of solidarity in favour of those most in need, carried out by people in businesses, clinics, universities or other work and study communities. This should be a common way of acting, the result of profound convictions in everyone. (p. 1371)

The point of identification of positive capitalism, and its main criterion, is the common good. This is a social condition in which every member of a community has what he or she needs to live in dignity, peacefully and is free to search for happiness. There is also a common good for all humankind, which means the aspiration that these conditions are accomplished for the whole of humanity spread all over the world.

As an application of this principle, Francis encourages businessmen to promote labour, as the best means of obtaining those goods necessary for living and supporting a family. On the other hand, he considers that aid assistance to the poor must be provisional and transitory; what allows escape from poverty is labour, because it procures personal growth: 'The broader objective should always be to allow them a dignified life through work' (Francis 2015a:128).

John Paul II suggested infusing the economy within the concept of communion (John Paul II 1991:n. 35). Benedict XVI in *Caritas in Veritate* went further with the insertion of the economy in the frame of Trinitarian relationships. He proposed that, as an image of God the Creator, economic relationships can also be modelled by the unity which respects and enhances distinction (Benedict XVI 2009:n. 53-54; Shadle 2018). He also pointed to the promotion of models of the shared property of the enterprise, such as mutualism, as expressions of this kind of exchange in which each member gives and receives.

This can be important for the Southern Hemisphere, specifically for Africa. It has denounced dependence on Northern enterprises, sometimes established with the connivance of corrupt local leaders. In this regard also, Paul VI, at the beginning of the

decolonisation process, denounced inequity in the treatment of natural resources, which was in many respects one of the consequences of the colonisation, and appealed for the fostering of development in underdeveloped countries, also through investments to help them be an equal interlocutor to all countries (Paul VI 1967a:n. 57). This means to truly empower Africans through education, to fight corruption in governments and to overcome ethnic divisions (Paul VI 1967b):

[E]xpanding economic forces have purported, as everywhere, to a growing and necessary interdependence between ethnical groups, seemingly to indicate that to progress everyone depends on each other. Such a requirement of mutual collaboration claims for the overcoming of the shadow of mutual fear, and studying the way to change, without harming convulsions, those conditions which entail sequels of injustice, humiliation, and offense to human dignity, and that obstacle comprehension and warm collaboration to the common good. (n. 18)

As Chu Ilo suggests, the contribution of the Christian work of charity, through institutions independent of governments, can be important. But he adds that in African countries, owing to the coexistence of different cultures and religions, it is equally important to develop joint initiatives, through points of agreement such as the African emphasis on ‘abundant life’ (Chu Ilo 2014:21).

■ Negative capitalism: The challenge of the equal distribution of goods

Whenever an economic system ignores ‘the objective good of the person and human solidarity, [it] assumes a deficient model of economic activity’ (Healy 2010:585). In an intervention at the conference ‘Church and economy in dialogue’, held in Rome in 1985, Cardinal Ratzinger (1986) contended that liberal capitalism shares with Marxism the same philosophical foundations, namely:

1. A deterministic vision, associated in capitalism with the impersonal leading forces of the market. In this respect, he pointed to two intrinsic limitations or contradictions. Firstly,

men could believe themselves to be free, when truly governed by market forces. Secondly, it is supported by the faith in continuous unidirectional progress, which is contradicted by facts such as inequity amongst Northern and Southern Hemispheres. As a conclusion, he denied the universal validity of the liberalist promise.

2. Quoting Adam Smith, Weber and Roosevelt, amongst others, a denial of the intervention of ethics in economic issues, which also considers Catholic morality as an obstacle to economic development, owing to its ethical basis.

Catholic social documents do not condemn capitalism as such, but warn against 'unbridled liberalism [which] paves the way for a particular type of tyranny ..., for it results in the international imperialism of money' (Paul VI 1967a:n. 26), also named 'unbridled capitalism' (John Paul II 1991:n. 8). The expression refers to the unlimited dominion of market forces, frequently responding to an unlimited desire for capital and material goods and set apart from considerations about human dignity and rights. In this respect, one of the first official denouncements of the Catholic social teaching was about the unjust conditions established for workers (Leon XIII 1891:n. 131). It is regarded as a kind of materialism, in which the possession of goods and of money takes prevalence over any other human dimension of life and acquires an absolute character. And, as Ratzinger (1985) put it in his speech, there are some moral decisions in the distinction between the various forms of capitalism.

This unbridling of capitalism is not necessarily owing to capitalism itself. As we have seen in a previous paragraph, capitalism can be regarded as a conceptualisation of communion and of the generation of the common good, in the form of providing those goods necessary to conduct a life in dignity. 'Unbridling' is, instead, the result of an attitude towards goods, consisting of pursuing profit as an individual benefit. At this moment, it becomes ideology and an object of moral assessment

and of warnings from the popes. In this sense, Paul VI (1967) warned against a capitalism:

[W]hich present[s] profit as the chief spur to economic progress, free competition as the guiding norm of economics and private ownership of the means of production as an absolute right, having no limits nor concomitant social obligations ... Such improper manipulations of economic forces can never be condemned enough; let it be said once again that economics is supposed to be in the service of man. (n.p.)

But he also observed that (Paul VI 1967a):

[/]t would be a mistake to attribute these evils to the rise of industrialisation itself, for they really derive from the pernicious economic concepts that grew up along with it. (n. 26)

Benedict XVI, for his part, answered to the pretension of an absolute autonomy of economic activity, recalling that it has moral implications, and that the pretension of total autonomy is, in religious terms, a sin against God and our fellow men, because it ends in different forms of abuse: ‘the conviction that the economy must be autonomous, that it must be shielded from ‘influences’ of a moral character, has led man to abuse the economic process in a thoroughly destructive way’ (Benedict XVI 2009:n. 34). He also stressed the distinction between technique and attitude, and the fact that ‘instruments that are good in themselves can thereby be transformed into harmful ones. But it is man’s darkened reason that produces these consequences, not the instrument per se’ (Benedict XVI 2009:n. 36). The problem is fixing selfish ends to the market decisions.

What are the particular problems associated with ‘unbridled capitalism’? From the official statements of the Catholic Church, they can be synthesised as follows.

■ The labour question

Unequal distribution of work, which is indispensable to survival, and the development of life according to human dignity – this was the first concern for the development of the social Catholic

doctrine, as in *Rerum Novarum* of Leo XIII (Pontifical Council for Justice and Peace 2005:88). Inequity in this respect frequently stems from an attitude of exploitation of the worker, which stems from an unnatural desire for profit.

As we have already noted, Pope Francis affirms, in this respect, that subsidies have to be limited in time. He also expresses a preference for the promotion of work, which he regards as the long-term solution because it increases the dignity of the person who works, giving them the opportunity to develop their abilities.

Today, there is a concern amongst Catholic leaders about the spreading of precarious labour. In recent years, Pope Francis has made several statements about the future of young generations, forced to accept wages too scarce to build a family, or temporary, not permitting them to decide on a future in the long term.

The most vulnerable social sectors to precarious labour, amongst youngsters too, are migrants and the poor. For this reason, the issue is also linked to inequity in the distribution of goods that provokes unjust inequity in poverty.

Access to education is also important to find a job in order to overcome poverty and enhance the dignity of the person. For this reason, Pope Francis has promoted the charity *Scholas Ocurrentes*, which promotes education amongst the most vulnerable social groups.

■ Inequity in the distribution of wealth

In his 1985 discourse, Joseph Ratzinger pointed to extreme differences between the Northern and Southern Hemispheres as the main problem. Long before, it was also pointed at by the *Gaudium et Spes*, as a profound injustice (Vatican Council II 1966:85). John Paul II, for his part, also denounced the inequity in distribution of goods (John Paul II 1991):

In spite of the great changes which have taken place in the more advanced societies, the human inadequacies of capitalism and the

resulting domination of things over people are far from disappearing. In fact, for the poor, to the lack of material goods has been added a lack of knowledge and training which prevents them from escaping their state of humiliating subjection. (n. 33)

In the context of the recession of 2008, Benedict XVI also came back to the issue, stating that it also affects the inequity internal to countries (Benedict XVI 2009; recalls Paul VI 1967:n. 9):

The world's wealth is growing in absolute terms, but inequalities are on the increase. In rich countries, new sectors of society are succumbing to poverty and new forms of poverty are emerging. In poorer areas, some groups enjoy a sort of 'super development' of a wasteful and consumerist kind which forms an unacceptable contrast with the ongoing situations of dehumanizing deprivation. (n. 18)

The concern, therefore, is that the increasing level of benefit is being concentrated progressively in a few hands. This means that the economy is not fulfilling its end of distributing wealth or administering scarcity, in the sense of a limited number of goods. Under the theory of integral humanism, 'the Christian vocation to development helps to promote the advancement of all men and of the whole man' (Benedict XVI 2009:n. 18; recalls John XXIII 1963:n. 42).

More recently, Pope Francis has confirmed his concern about the contrast between a decreasing number of rich and an increasing number of the poor. Along with war, it is one of the main causes of the drama of migrations. Wealth is increasingly being concentrated in fewer hands, and this fact seems to contradict the universal destination of goods and the same idea of common good, which is good for all and equally accessible to all. It was one of the issues raised in a recent interview by Valentina Alazraki for Televisa, on 29 May 2019⁶.

The current Pontiff goes even further, pointing to the fact that inequity can be corrected with the development of a new attitude towards goods, which relativises the significance of material

6. <https://www.youtube.com/watch?v=VOcLWcW6Elw>

goods and is prompted to set a limit to economic prosperity (Francis 2015a):

[W]e need also to think of containing growth by setting some reasonable limits and even retracing our steps ... the time has come to accept decreased growth in some parts of the world, in order to provide resources for other places to experience healthy growth. (n. 193)

Here, he is pointing to the fact that global decisions, even if necessary, are not sufficient, or at least must be preceded and guided by individual decisions about consumption. Benedict XVI also pointed to such a solution, inviting advanced societies to adopt sobriety in their lifestyle (Benedict XVI 2010:n. 9).

■ The ecological question

Concern about this issue is recent in the Catholic Church teaching, as it is in society as a whole. The first significant reflections were made in the pronouncements of Benedict XVI and Francis. This is also included in what they call a 'human ecology'. This is concerned about material resources but includes them in a theory of responsibility towards people, fostering a better quality of human relationships.

Natural goods, such as water, climate and air, are considered as intergenerational goods, which future generations have a right to use. This means that the reason for concern is the abuse of natural resources, which extinguishes them and generates forms of deprivation for future generations.

In his speech at the German Reichstag, Benedict XVI made a first positive official statement about the ecological movement (Benedict XVI 2011):

The importance of ecology is no longer disputed. We must listen to the language of nature and we must answer accordingly. Yet I would like to underline a point that seems to me to be neglected ...: there is also an ecology of man. Man too has a nature that he must respect and that he cannot manipulate at will. Man is not merely self-creating freedom. Man does not create himself. He is intellect and will, but he is also nature, and his will is rightly ordered if he respects his nature,

listens to it and accepts himself for who he is, as one who did not create himself. In this way, and in no other, is true human freedom fulfilled. (p. 668)

Benedict XVI expresses the interest of the church in recovering the sense of nature and thinks that the ecological movement, within its proper limits, contributes to the development of a moral sense in our societies. He advocates for an 'ecology of man', which sets the dignity and inviolability of human life and dignity at the centre in every decision. Indirectly, the issue also concerns the economy: decisions about the dignity and freedom of workers are also of primary importance.

The ecological question was raised, officially, by Francis in *Laudato Si*, the first official Catholic pronouncement. It denounces, for example, that excess in production, in search for profit, easily lacks respect for nature and its own rhythms (Francis 2015a):

Where profits alone count, there can be no thinking about the rhythms of nature, its phases of decay and regeneration, or the complexity of ecosystems that may be gravely upset by human intervention. Moreover, biodiversity is considered at most a deposit of economic resources available for exploitation, with no serious thought for the real value of things, their significance for persons and cultures, or the concerns and needs of the poor. (n. 190)

Pope Francis advocates for the development of a new sensitivity, not necessarily less technological, but definitely more sensitive to nature and, first and foremost, to the other people. Following his pronouncements, Ludescher Imanaka (2018) has made a distinction between the 'powers of technology' and 'the technologies of power'. The former are manifestations of human creativity in order to co-operate with God the Creator in the development of the world. The latter uses technology to create a framework of conditions for human life, according to the dictates of groups of interest and power (Francis 2015:n. 107)⁷.

7. Jessica Ludescher Imanaka (2018) put the teaching of the pope in dialogue with certain claims of Marxist theory. She finds the root of Francis' position in some reflections in Guardini and Jesuit thought about contemplation. I do not agree with her, though, as regards the

The first corresponds to a contemplative attitude, the second to a greedy one.

Both nature and the poor have in common the need for attention and respect without giving anything in return. For this reason, both of them are at the core of this new attitude of contemplation, of looking with respect at reality as it is, and making every effort to bring it to its final end.

■ A call to social responsibility of lay Christians

The core of the new attitude proposed in *Caritas in Veritate* and *Laudato Si* is contemplation. This means the non-dominant style of confronting reality: the other's times, requirements and needs, and the rhythms of the environment. It is compatible with activity, with business and with technology, because it consists, once more, in an inner attitude.

Contemplation is complementary to economic protocols and laws. Moon, Bonny and Bloom (2001) have noted that protocols of action fall short when facing economic issues because these are part of the human agency. They support this statement for two reasons. The first is that the fast evolution of contemporary societies makes rules that quickly become out of date. The second, more importantly, takes into consideration differences between persons and cultures, in the frame of the rich circumstances of free human agency, which render it impossible to devise a rule for every situation. The authors consider it a priority requirement to 'instil ethical values' into organisations. However, this assumes a return to personal responsibility in the exercise of one's own freedom, whether for the businessman or for the consumer.

(footnote 07 continued...)

proposal of relativising the place of the human person in the world; I do not think such a statement really responds to Francis' thought.

More than three decades ago, Ratzinger made his speech about the economy, affirming the need for technical specialisation for making an ethical assessment of particular issues. It is the key ability to prevent such statements from moralism, or an external assessment of the situation, that frequently lacks enough knowledge about daily practice (Ratzinger 1986):

Today we need a maximum of specialized economic understanding, but also a maximum of ethos so that specialized economic understanding may enter the service of the right goals. Only in this way will its knowledge be both politically practicable and socially tolerable. (p. 204)

This conviction echoes the proposal of *Caritas in Veritate*, presenting the moral dimension as intrinsic to economic development. It demands interdisciplinarity, a deep collaboration between economy and ethics, in the service of man: ‘moral evaluation and scientific research must go hand in hand, and that charity must animate them in a harmonious interdisciplinary whole, marked by unity and distinction’ (Benedict XVI 2009:n. 31).

Furthermore, Pope Francis, in his characteristic poignant style, asks for a change that departs from attitudes or, put in another way, a conversion. The sense of this movement is to give to any reality its proper value (Francis 2015):

All of this shows the urgent need for us to move forward in a bold cultural revolution. Science and technology are not neutral ... Nobody is suggesting a return to the Stone Age, but we do need to slow down and look at reality in a different way, to appropriate the positive and sustainable progress which has been made but also to recover the values and the great goals swept away by our unrestrained delusions of grandeur. (n. 114)

The main correction is to relativise the value of the economy, because ‘the growth of equality demands something more than economic growth, even though it presupposes it’ (Francis 2015:n.p.). The challenge and the goal are ‘to ensure that humanity is served by wealth and not ruled by it’ (Francis 2014). Again, the principle proposed for making decisions is humanism,

the search for the well-being of every individual and of the community, in equal terms.

The most poignant consequence of capitalism in its globalised dimension is the situation of the poor, with the challenge to include them, by the promotion of work. Attention to the poor must concern the whole church, but regarding the technical and managerial solutions, it can be said that, 'it is quite true that the essential vocation and mission of the lay faithful is to strive that earthly realities and all human activity may be transformed by the Gospel' (Francis 2013:n. 201).

Poverty is particularly severe in African countries, and is the root of alarming migration movements. These are both inside and outside a continent that is, paradoxically, rich in natural resources that are also being damaged (Benedict XVI 2012:n. 80). Giving voice to the proposals of the African Catholic Bishops, Benedict XVI characterises poverty as a 'complex drama which seriously affects Africa's human capital' and that is rooted not only in abusive economic interest but also in 'deficiencies in public administration' (Benedict XVI 2012:n. 84).

Together with the Synod Fathers, I ask all the members of the church to work and speak out in favour of an economy that cares for the poor and is resolutely opposed to an unjust order which, under the pretext of reducing poverty, has often helped to aggravate it. God has given Africa important natural resources. Given the chronic poverty of its people, who suffer the effects of exploitation and embezzlement of funds both locally and abroad, the opulence of certain groups shocks the human conscience. Organised for the creation of wealth in their homelands, and not infrequently with the complicity of those in power in Africa, these groups too often ensure their own prosperity at the expense of the well-being of the local population. Acting in concert with all other components of civil society, the church must speak out against the unjust order that prevents the peoples of Africa from consolidating their economies and from developing according to their cultural characteristics (Benedict XVI 2011:n. 79).

The text points to two sources for the underdevelopment in African countries, namely the interests of private groups and the lack of control from governments. This creates an unjust order that must be overcome. The goal is to help the poor exit from poverty, obtaining the means for a life of dignity for all.

The starting point for a change is the new attitude demanded by the two last popes. Conversion also includes the search for new developments of economy, finance and commerce, developed according to the urgent need of 'a humanism capable of bringing together the different fields of knowledge, including economics, in the service of a more integral and integrating vision' (Francis 2015:n. 141).

Part of this view embraces a form of temperance, which Francis refers to as 'positive poverty' in the sense that it is chosen as a way of mastery over material goods, which helps in the search for the spiritual goods. It is a way of imitating Christ himself who, being rich as God, wanted to live as a poor, namely without dependence on material goods (Francis 2013:n. 198). This form of chosen poverty must be promoted. Instead, there is an obligation to combine efforts to suppress the imposed poverty, or objective situation of lack of confidence, solidarity and hope (Francis 2014a, n. 2), owing to finding oneself excluded from labour, from the possibility of gaining one's own subsistence (Francis 2013:n. 158). This goal can only be met through deep changes (Benedict XVI 2009):

The current crisis obliges us to re-plan our journey, to set ourselves new rules and to discover new forms of commitment, to build on positive experiences and to reject negative ones. The crisis thus becomes an opportunity for discernment, in which to shape a new vision for the future. (n. 21)

With a new attitude towards material goods, it follows that new structures must be established. A solution can be to complement the dichotomy between corporations and State with other institutions, smaller and closer to communities and individuals. These structures emerge from the initiative of the civil society,

in the form of mutualism, co-operativism or NGOs and charities. In the development of initiatives that put into practice the proposal of *Caritas in Veritate*, Catholic thinkers have pointed to them as a resource for the humanisation of the economic agency. They join efforts with other scholars, like Sen and others (Cortina 2011:33). They can be models of business which integrate the poor more efficiently, permitting them to participate in shares and benefits, and thus making them protagonists of their own growth.

For example, from *Caritas in Veritate* 39, Italian sociologist Pierpaolo Donati proposed that the binary state-market structure can be overcome. The regulation of markets, therefore, can also come from alternative legal prescriptions such as managerial or consumer decisions that mandate to increase solidarity. He proposed, following his research into goods, a consideration of the common good as a relational good, in which civil society can contribute to developing ways of a reciprocal interchange (Donati 2012).

The current situation stems from irresponsibility, on the one hand, from business owners and governments. However, there is also another source based on the lack of information. An example of this is the assessment of risk in the global sphere, certainly more difficult than in past times, owing to the increased number of actors (Baroni 2012; Guitián 2013). For this reason, there are initiatives to establish protocols of action that take into consideration the professional virtues, such as truthfulness, as a correction to greed, and generosity as overcoming of covetousness, in relationships such as lending, financing or crediting. The introduction of virtues also means taking into account the rights of both sides of the relationship, namely the borrower, who has the right to proportionate rates of interest and terms of devolution, and the lender, who has the right to certain compensation for assuming the risk of helping others with his or her money (Bøsterud & Vorster 2019).

Inequity can be overcome with the development of ethical virtues. Globalisation, indeed, renders it impossible for a State or a group of States to ensure that justice rules in every commercial relationship. It is not fair, on the other hand, to try to pose extrinsic limits on profit, which is a legitimate aspiration, to generate a competency that makes prices decrease over time and expands the availability and acquisition of necessary goods. The solution can be to work on the ethical preparation, particularly, of businessmen. The creation of a culture of ethical responsibility, based on the final analysis of the natural law for the common good, links individual attitudes with economic decisions and the regeneration of social structures, in a down-to-up renewal. It consists of responsibility and fraternity, different from charity, which leads to making economic decisions based on a consideration of the good and dignity of employees and other people (González 2015).

Professionals in the managerial and business fields, when nurtured by an ethos of the primacy of the human person, are seemingly the most suitable agents to promote such a change of mind and such a kind of growth. In this sense, the training of professionals in the economic field becomes essential. An important contribution to this development is the university centres in which professional studies in Business Management or International Master's in Business Administration are accompanied by ethical values and virtues, mainly justice and prudence. The Deusto Business School, founded in 1916, was a pioneer in this kind of institution. The interest of its project is being supported by a foundation (related to the order of the Jesuits), and thus is independent both from the State and the economic agents: it represents a social responsibility shared by the civil population (Cortina 2017). Another important centre for research and teaching, with a long historical experience, providing impetus to other similar centres all around the world, is the IESE Business School of the University of Navarra. It also promotes business

management according to a Christian ethos of virtues (Argandoña Ramiz 2011). This notwithstanding, rigorous research into the skills and virtues demanded by small and medium enterprises to implement CSR points out a demand for networks that, amongst other resources, promote this kind of formation (Ortiz-Avram et al. 2018). One of them is the development of initiatives that follows the IESE experience all over the world, including Africa with the Lagos Business School and the MDE Business School in Abidjan.

In my view, this proposal entails a call for the responsibility of lay Catholics in economic matters. One reason is that, as we have seen before, the mission of the official representatives of the Catholic Church is not to give technical solutions for worldly matters. They do not receive, ordinarily, the specific preparation required to give a professional assessment or take a particular decision in this field. Being obliged to be open, as Christ himself was, to every person who looks for help in them, it is better for them not to interfere in such technical issues or opinions.

The case of lay Catholics is different. As the Vatican Council recognised, they are mandated to live an ‘existential priesthood’ (Vatican Council II 1965:n. 31). This means their Christian vocation is intertwined with the world. Without exclusiveness, they are called in the first place to accomplish the vocation of working in the world in union with Christ, who devoted most part of his earthly life to work and family life. Their professional preparation makes it part of their mission, in the first place, to consecrate the world to God, living and working in it, devoting their work to him and trying to restore the plan of God for creation. They are intrinsically the point of encounter of moral principles, charity as a theological virtue and technical competence.

■ **Conclusion: A Catholic assessment of capitalism**

To close this inquiry, I would like to come back to the starting point, with the question about the triumph of capitalism. Thirty

years later, we can resume the Catholic social teaching in affirming its value as a source of human growth, observing also that it needs some limits and its incorporation in an *ethos* of the primacy of the person and the common good.

The exercise of business can be and must be a way to sanctity, obtained in the administration of goods, looking for a better distribution of them. An important part of this administration is the investment of resources and efforts to bring the benefit of labour to all, in conditions according to human dignity.

This notwithstanding, we are currently witnessing the development of ‘unbridled capitalism’, which makes an absolute value from profit understood in an individual sense. This kind of capitalism generates human crises such as the lack of access to labour or access to precarious labour, the inequity in the distribution of goods and the exhaustion of the natural resources of the planet. They affect countries in the Southern Hemisphere most dramatically, Africa in particular. There is a need for (Benedict XVI 2009):

[F]urther and deeper reflection on the meaning of the economy and its goals, as well as a profound and far-sighted revision of the current model of development, so as to correct its dysfunctions and deviations. (p. 32)

A question arises about a force that would be able to contain the disorder of capitalism. One could be the State, but it seems insufficient because of the global dimensions of corporations, and sometimes because of corruption.

At this point, the alternative of bottom-up solutions emerges, which emerge from civil society and are closer to small communities and to the poor. They seem more prepared to include the poor in work, shares and benefits. However, to make this a reality, a new *ethos* is required for business, in which personhood is the core value, together with the virtues of justice and prudence.

The implementation of this new ethos is the responsibility of the whole church, but of lay Christians in the first place, because they are called to find sanctity by means of living a life immersed in earthly structures, and making efforts to organise them according to the Creator's plan. In this sense, the ethos of Catholic professionals can meet the efforts of other Christian and non-confessional professionals who are searching for a way to establish a more humane economy.

Gender equality in corporate South Africa: A Christian ethical approach

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Keywords: gender; diversity; leadership; management; GARP

■ Introduction

■ Background

Growth and prosperity within all realms of society, including the corporate sector, involve tapping into the widest possible talent pools to attract and recruit the best people for the relevant roles and responsibilities. In addition to including the mosaic of race

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and ethnicity in South Africa, women play an essential role and have set their mark on history, for example, the mobilisation against pass laws in 1913, the rebellion in the Natal province against cattle cutting and unfair labour practises in the 1950s, rent and consumer boycotts in 1970s and the peace initiatives like 'Women in the struggle for peace' in 1989 (Mangaliso 2000). The aim of this chapter will be to address topics connected to gender equality in South Africa, particularly connected to women's participation in the work force, with emphasis on the situation in the corporate world. Aspects of work life-gender balance will be illustrated through presenting both the business case and the social case for gender equality, also highlighting that without gender balance in leading positions in society, social coherence may be thwarted, and reaching a goal of true inclusion of all may prove impossible. After clarifying the espoused ethical position, I will present what may be seen as recruitment practices that can be deemed harmful for gender balance, and thereafter present a model for beneficial recruitment practice termed 'gender-appreciative recruitment practice'.

■ **Espoused ethical position**

When addressing moral questions related to the practical realm of professional life, it is essential to decide which ethical guidelines to follow. Within the Reformed paradigm, there will be several theological vantage points, but the one that will be inspirational here is that of Vorster (2007, 2017), who has developed a scripturally based ethical framework in which shepherding leadership and stewardship based on a constructive approach is at the fore. This stewardship-oriented approach is based on the love and service motifs that permeate the Scripture (e.g. Jn 13:12-17; 4:19). From Philippians 2:5-11, Vorster (2007) established a theology of ethics in which prudent pastoral leadership is explained through the shepherding traits of love, stewardship, self-denial and obedience to God, and that these qualities will be the cornerstones of all participatory pastoral activity in all sections of society. The shepherd metaphor comes

to mind when examining the constructive aspects of Vorster's ethical theology, and this metaphor is in frequent biblical use (e.g. Gn 48:15; Ps 23:1; Jn 10:1–21) and will be a central soteriological guiding image related to exertion of mindful and involved pastoral leadership. The constructive aspects of Vorster's ethical stance, where how to actually act for the benefit of all is focussed on, may be seen as in contrast to other Christian ethical schools of thought, where emphases may be on what should not be done. In other words, to attain an involved and context-driven attitude when operationalising scriptural moral norms in practice will be the aim when adhering to Vorster's scripturally based ethical model of servant leadership in moral matters, as expressed in real-life situations of choice.

Connected to work life–gender balance, the constructive and participatory ethical paradigm as described will be the position in use here. To detail how this position expresses the equal rights of women within society in general and professional life in particular will fall outside the scope of this chapter, but the assumption in the following will be, as touched upon in 'The moral case for gender equality', that scripturally based ethical norms prescribe full equality amongst the sexes in all realms of life. Thus, gender equality must be seen as carrying intrinsic value, and not merely be viewed as socially or economically beneficial in a consequentialist mode of thought. The general elements of the research presented in the following are based on the author's PhD research in ethics (see Bøsterud 2019).

■ Current gender gap in South Africa

The global gender gap has been on the agenda of the World Economic Forum (WEF) for many years. In its latest Global Gender Gap Report, there are clear indications that generations will pass before South Africa, like the rest of the world, can demonstrate gender balance related to core societal goods, such as equal access to education, equal access to jobs, equal pay, equal access to promotions and leadership positions in work life,

equal access to health services, et cetera. Overall, South Africa is ranked 19 in the above-mentioned report; however, when it comes to the sub-index reflecting Economic Participation and Opportunity, South Africa is ranked 91. To complete the picture, it should be noted that South Africa is ranked 1 with respect to health, ranked 72 with respect to education and 17 when it comes to political empowerment (WEF 2018).

The gender gap in South Africa can hardly be explained from an educational point of view, as all girls (98.6%) and boys (98.3%) between 7 and 15 years are enrolled, partly owing to the 'no fee' schools and the school nutrition programme (OECD 2014). When it comes to higher education, more women than men are enrolled in secondary-level and tertiary-level education (Motala et al. 2016). Even with the positive developments achieved in education, inequalities and gender differences prevail, noticeably when it comes to subject preferences, path of education and experience (Akala & Divala 2016). One example that is echoed globally is the lack of qualified female science, technology, engineering and mathematics (STEM) graduates, reflected in the low number of female engineers and architects. Lack of inclusion in these fields is offered as explanation, merged with pay gap, lack of job stability and promotion opportunities (Stats SA 2014).

One key economic and social challenge in South Africa is the link between high poverty rates and high unemployment, partly because of a lack of increase in job opportunities, whilst the labour force participation is increasing. The overall unemployment rate has increased from 23.2% in 2008 to 27.2% in the second quarter of 2018 (Stats SA 2019). Overall, the labour market in South Africa is more favourable to men than to women, implying that men are more likely to have a paid job than women, irrespective of race. There have been few positive improvements for women in the labour market during the last decade. If applying the expanded rate, also including the job search, the unemployment rate in the second quarter of 2018 was 37.2%. The unemployment rate shows that 29.5%

of women are unemployed whilst the rate for men is 25.3% (Stats SA 2018).

Globally, the Economic Participation and Opportunity sub-index of the Global Gap Report echoes the situation in South Africa, which shows a very slow movement towards gender equality across years, with merely 58% of the gender gap closed as of 2019. Huge gender gap differences have been reported from the Middle East and the North Africa region, where they have closed over 50% of the said gap, whilst 14 countries have been able to move across the 80% milestone. Six of those countries are in Africa, that is, Benin, Botswana, Burundi, Cameroon, Guinea and Namibia (WEF 2018).

The global contrast when looking into the labour market participation and technical roles is further echoed in South Africa. Even though women account for 43.8% of the total workforce, only 32% of managers in South Africa are women. As with most countries globally, women in South Africa dominate the domestic workforce, whilst men dominate the other sectors (Stats SA 2018). This is very visible when looking at more prestigious public jobs, as only 32% of the judges at the Supreme Court of Appeal, 31% of the advocates, 31% of the ambassadors and 24% of leaders of the state-owned companies are women, thereby manifesting a thwarted gender balance all the way to the top (Stats SA 2014). This reflects two main challenges on the way towards achieving gender parity – the labour market is generally gender-biased and women, specifically, still encounter barriers to enter the higher management positions in both the private and public sectors (WEF 2018).

Although there has been a positive increase in women's labour force participation in South Africa since the mid-nineties, the participation rate at 47% is low compared to international standards at 74% (WEF 2018). To give an indication of what an increased participation rate of women in the labour market involves, Standard & Poor has looked at some countries, showing that if the rate was equal to that of men, the US economy's growth

would increase by 8.7%, the French by 17% and the Japanese by 14% (Tyson 2019).

Part of the unemployment rate amongst women can be explained by their involvement in traditional tasks like, for example, women taking on more of the familial and societal caring responsibilities, on average devoting twice as much time at home than men, also demonstrated by the fact that women are more prone than men to be engaged in unpaid work, although the gender gap in this respect has decreased by 7.5% during the last 10 years to just above 55% (OECD 2014; Stats SA 2018). This is significantly impacting women's ability and possibility to build their careers in the labour market, consequently also impacting jobs, pay, et cetera, irrespective of the individual education level (Stats SA 2014).

The improvement of women's participation in the labour market in general is essential. To develop the South African society towards a state of increased equality, the focus on gender balance connected to different positions of authority needs be particularly considered. It should be added that lack of gender equality within top management is not only troubling to the 51% of society that women represent globally, but it should also be perceived as immoral, and a significant economic, ethical and social loss for the corporate world and the wider society. It can be argued that increased gender equality also drives knowledge development, added professional skills and enhanced abilities to solve problems; thus, stymieing closure of the gender gap adds to the losses of society and the corporate world (Nielsen & Huse 2010; Northouse 2018). These are all important in the growth and prosperity of South Africa.

As mentioned above, there are few women at the top management level or in more prestigious roles in South Africa. Overall, in Africa, it is estimated that only 5% of chief executive officers (CEOs) are women (McKinsey 2016). When looking at the Johannesburg Stock Exchange (JSE)-listed companies in South Africa, there was only one female CEO in 2018 amongst

the top 40 companies in 2016, and upon her retirement early 2019, none of these companies have a female CEO (Mans-Kemp 2019). When viewing all companies listed at the JSE, only 3.3% of the companies have female CEOs (PWC 2017).

When comparing this to, for example, CEOs leading Fortune 500 companies, women represent 5.4%, a surprisingly stable number over time (Brown 2017). In comparison, the percentage of female board members at the same companies is 20.2% (Catalyst 2017). This number is echoed in South Africa, as only a fifth of the board members at JSE-listed companies are female (Mans-Kemp 2019).

The challenging and unjustified gap in gender representation is showing a disproportionately high female representation in positions associated with low authority and a low level of importance in the hierarchy (Northouse 2018). It is difficult to accept that such a substantial gender imbalance at the highest levels of organisational leadership is not part of the core institutional makeup of organisations and that this determines how their constituents are recruited at different levels. It is disheartening to observe that, in spite of the different development strands in management theory and practice, and that in spite of whatever benign and apparently inclusive leadership philosophy may be espoused, the result is still as dire as it is. Whether intentional or not, the result is still that the under-representation of women in top management could be an institutionalisation and perpetuation of gender discrimination against women.

■ The business case for gender equality

■ Financial growth and sustainability

Gender equality is an important part of the wider diversity and inclusiveness (D&I) discourse and is more often referred to as a business issue, not a gender issue. Unleashing the potential that lies in adding women to the workforce has been argued by

many. According to the research performed by the International Monetary Fund (IMF), the world economy would show increased growth and be more resilient if women's employment was equal to men. The IMF's calculations show that closing the gender gap in labour participation could increase GDP by an average of 35% in some countries. In addition, replacing one male member at the top-level management or at the board level within a company with a woman would involve higher return on assets by between 8 and 13 basis points (Lagarde 2019). Even moving 13% of women in South Africa from low-skilled jobs to medium-skilled jobs could yield a 3.5% growth in GDP – R310 billion. This is further resonated by the fact that only 24% of employed women in South Africa have high-skilled roles, whilst the remaining 76% have low-skilled to medium-skilled work (West 2019).

Widening the talent pool when recruiting new leaders to management positions is key to both public and private organisations, as it attracts the best person for the role, irrespective of gender or ethnicity. Other benefits flowing from enhanced D&I will be addressed in detail below.

■ Gender and leadership

When it comes to leadership style or leadership efficiency, there are few differences between the genders. Until the 1970s, gender as an aspect of leadership was widely ignored, but the rise of women, within both academia and formal leadership roles in public and private sector organisations, fuelled interest in addressing the role gender plays within leadership. Not surprisingly, some of the first questions addressed by researchers concerned whether women are capable of leading. After seeing the advent of female political leaders, for example, Margaret Thatcher (United Kingdom), Gro Harlem Brundtland (Norway), Benazir Bhutto (Pakistan) and Indira Gandhi (India), this line of questioning was silenced, leaving researchers to focus on the different leadership styles, their effectiveness as well as the

under-representation of female leaders as key topics to investigate (Northouse 2018).

Arguments to explain the extant gender gap include, for example, advocating that women are different from men – one branch of thought being that lack of female leaders in elite positions can be explained through differences in style and effectiveness (Northouse 2018). These schools of thought, however, are being superseded by convincing research showing that gender lacks relationship to style and effectiveness (e.g. Kaiser & Wallace 2016). Contrary to stereotypical perceptions, there are no indications in research to support the view that female leaders are less task-oriented or more interpersonally focussed than men. One definite difference, however, is that female leaders apply democratic or participative leadership styles more frequently than their male peers (Northouse 2018).

Robust differences show that women tend to have a leadership style leaning more towards transformational leadership when compared to their male peers, also showing that women tend to embrace motivation-based reward systems, also called contingent reward systems, more than men (Northouse 2018). New studies also indicate that values are viewed differently by men and women, one example being that women see the need to promote welfare, thus emphasising this as a social value, more than their male peers, and this is visible at both the CEO level and within the boards (Adams & Funk 2012). This may be visible either as part of corporate responsibility ethos or corporate philanthropy (Boulouta 2013).

Regarding leadership effectiveness, analyses show overall gender equality, although some differences may be recognised; whereas men tend to be more effective leaders in a masculine environment, women are more effective as leaders in less masculine environments (Eagly, Karau & Makhijani 1995).

Research also indicates that there are few differences between the genders' motivation to become leaders and their commitment towards their professional and employment responsibilities

(Thoits 1992). One noticeable difference is, however, that women are less eager to promote themselves for potential leadership roles than men are; hence, women are more likely to accept more informal roles than official roles of responsibility (Bowles & McGinn 2005).

Another relevant angle is the recognition of goals related to power, as men see these as more important than women do, and thus, men will be more eager to use opportunities to climb the corporate ladder (Gino, Wilmuth & Brooks 2015). Associated with this is the ability of men to be outspoken when it comes to career goals, a very important trait, as leadership roles are not granted in a vacuum; the journey to the highest organisational echelons includes a mixture of negotiation, experience, opportunities, resources and availability (Babcock & Laschever 2009; Northouse 2018). A further important aspect in this respect is that the journey to a leadership role surprisingly often lacks structure, can be seen as vague and is laden with gender triggers; thus, women tend to be more disadvantaged than men in this regard (Bowles & McGinn 2005).

To summarise, whereas a woman may be slightly less effective as a leader than a man in roles that have been traditionally masculine, she is recognised for applying styles that are very effective and attractive today. For example, she will exceed him when it comes to democratic and participatory leadership styles, and will be more adept at applying transformational behaviours (Northouse 2018). There are no differences between the genders when it comes to leadership effectiveness, commitment to their jobs or motivation for becoming a leader. A couple of important differences in the journey to leadership roles are visible with respect to women's somewhat reduced eagerness to self-promote and negotiate their way to the very top (Northouse 2018). The latter is somewhat debatable, as research indicates that women and men are equally eager to negotiate promotions; however, men are more successful in their attempts than women (Hunt et al. 2018). This is of course a much wider question than the topic of negotiation as a stand-alone issue. A final noticeable

difference is that women have an elevated focus on the well-being of others and the ethical aspects (Northouse 2018).

■ The social case for gender equality

Inequality based on gender in the business world is not only a business issue but also an extremely important social issue pertaining to perceptions of equality, diversity and social justice in a wider sense. The World Bank estimates that the lack of gender equality in salaries globally could imply losses in wealth of \$23620 per person, the losses being most substantial in the Organisation for Economic Co-operation and Development (OECD) countries, as value tends to increase in absolute numbers within developed countries. If we consider the 141 countries involved in the study, the total loss amounts to \$160 trillion (Wodon & De La Brière 2018). The Organisation for Economic Co-operation and Development (OECD) has estimated a loss of \$12 trillion, equalling 16% of all global income in GDP, owing to the gender gap and discrimination women are subject to globally (Ferrant & Kolev 2016).

■ The moral case for gender equality

In addition to the merely economic result of the existing gender-based discrimination against women, whether that be at the C-suite level or elsewhere in professional life, the result amounts to a perpetuation of social injustice based not on understandable merits or lack thereof, but solely owing to the most fundamental human aspect – sex. There is no doubt that a central message of the Scripture is that of equality and justice, and the support of the downtrodden in their quest for fairness. As this is an overarching message in many of the biblical narratives, not least as found in the New Testament, passages that support this view are numerous, but to highlight again one narrative of crucial importance, it would be the nativity narrative (Mt 2:2; Lk 2:12), where we learn how the new king arrives to offer promise to all,

including those in need and those in an unjustified subservient social position.

In line with Christian ethical norms, discriminating against women is against core Christian equality doctrines such as the *imago Dei*. Support for scriptural gender equality may also be found in the Bible where women took on the same tasks as men in all aspects, such as military leadership (e.g. Jdg 4:6), prophetic activity (e.g. 2 Ki 22:14–20; 2 Chr 34:22–33) and military service (e.g. Jdg 13:8). In connection with work life, gender equality is, for example, represented in the gender-neutral wording in Malachi 3:5, which supports this fully; here, we are informed that God will ‘put on trial ... those who defraud laborers of their wages’. The exclusion of women from jobs, roles or participation in society purely because of their gender is not in line with Christian ethical principles.

Based on the scripturally founded Christian ethical norms, a responsible biblical interpretation would be that liberation aspects as grounded in the Scripture unequivocally support women’s quest for equal treatment in society in all arenas, and allowing any kind of difference in participation based on gender must be considered immoral, representing a violation of scriptural ethical principles within the Reformed paradigm.

■ Harmful recruitment practice

■ Introduction

Before addressing the practices that may support gender equality, I will address some of the harmful recruitment practices stopping women from reaching top management positions. To capture this, I will examine a wide range of recruitment practices, and use the term ‘recruitment’ in a wide sense, addressing the journey towards leadership roles, starting with formal education, via internal organisational training and other activities available to people seeking leadership roles, from a gender balance perspective. In other words, ‘recruitment’ will encompass all

activities that may influence whether a woman may reach the top management, also called the C-suite level, and whether such activities involve the legal climate, professional or corporate practice, or influence by organisational and extra-organisational stakeholders.

■ Legal framework and gender gap

Even though it affects not only leadership roles, the overall legal framework for 51% of the human population is relevant. In other words, do women have the same opportunities as men to participate and contribute in economic activity? The World Bank follows the progress made with respect to legal barriers that reduce the options and possibilities available to women. The fifth edition of the study focusses on the steps taken to improve economic opportunities and empower women, supporting gender equality (World Bank Group 2018). Even though the latest version shows progress, there is still work to be done. When viewing the global framework for women, 104 countries still prohibit women from taking certain jobs, purely because of their gender. The findings show that, globally, laws prevent 2.7 billion women from having the same freedom of choice as men. On a positive note, six countries in sub-Saharan Africa – the Democratic Republic of Congo, Guinea, Malawi, Mauritius, São Tomé and Príncipe, and Zambia – have introduced the maximum reforms towards gender equality. South Africa has a score of 88.13 out of 100, partly owing to the gender quotation legislation; the only sub-section negatively influencing the score is women’s right to pension and women’s job protection after giving birth (Hills 2015; World Bank Group 2018).

To allow for legislation that suppresses and excludes women from any part of societal participation must be seen as a violation of core Christian ethical principles of equality and justice, as found, for example, in Genesis 1:26–27 and 2:18–24, where the emphases are on equality in Creation and the God-given partnership between women and men.

■ Education

Women's lack of human capital investment is sometimes presented as one of the explanations for the gender gap within leadership roles. Another way of stating this is that women invest less in formal and informal training, education and experience. No empirical evidence is presented to support this line of argument when it comes to education (Northouse 2018).

As mentioned above, women's representation in education in South Africa cannot explain the differences in access to the labour market or top management roles. In 2016, South Africa reported that more than 60% of graduates from bachelor programmes were women. At the same time, G20 reported an average of 55% and the OECD reported an average of 58%. Furthermore, women represent 49% and 43% of graduates at master's and doctoral level, respectively (PWC 2017).

An essential part of building a career, however, is learning and development as an employee. Intra-organisational learning and development programmes are set to satisfy both the needs of the employer and the needs of their employees. Certain research reports that even though women are well represented in lower management, including professional positions, they are offered fewer developmental opportunities, partly because of the prejudice women encounter with respect to leadership. Another factor linked to this experience is that women often have fewer tasks even in the same job, compared to their male counterparts (Northouse 2018). Research also indicates that women receive less formal training, less encouragement and less inclusion in relevant networks than their male peers (Northouse 2018). As referred to above, women in South Africa are primarily occupying low-complexity or mid-complexity work, strongly indicating that opportunities are fewer within a career framework. This is partly reflected by the fact that on average men account for 64% of all promotions, leaving women with the residual 36% (McKinsey 2016).

The availability of professional mentor relationships is also unevenly distributed; women experience greater barriers when seeking to establish intra-organisational mentoring than their male colleagues do (Powell 2018).

As addressed above, there is limited support for the argument that women are less formally educated than men, or that they exit their job roles more frequently than men or that they prioritise families instead of choosing the leadership journey. On the other hand, solid support is found in research to argue that women are less exposed to job experience and have their careers interrupted more often than men because of more domestic responsibilities. Finally, research shows that women are exposed to less informal learning and development opportunities than their male colleagues, presumably because of prejudice against women leaders (Northouse 2018).

The link between knowledge and power is addressed by Foucault (1994, 1995), advocating that knowledge is connected to power to such a degree that to share (or give over) knowledge may be synonymous with handing over power. Hence, keeping women away from knowledge relevant to the organisation would keep women out of power and would be a harmful practice for women aspiring to leadership roles.

■ Recruitment processes

□ General

When filling a leadership position in an organisation, finding the right candidate is essential and the process often is challenging and diverse, as appointing the wrong candidate may have irreversible consequences in any business (Fernández-Aráoz 2001). Stakeholders responsible for recruitment to top leadership positions, here in the narrower sense of the term 'recruitment', can either find the candidates internally, within the organisation, or externally, in the wider employment market.

The term 'glass ceiling' has been used to describe the barriers women meet on their journey towards leadership roles, clearly indicating that women meet more obstacles than men (Powell 2018). Whereas the 'glass ceiling' has been used often to explain why women do not reach the higher echelons of leadership, it has become clear that women, when promoted, are more likely than men to be placed on a 'glass cliff', implying that they are appointed to leadership roles that are correlated to greater risk and are exposed to more criticism than their male peers (Northouse 2018).

□ Internal recruitment

As mentioned above, men are more likely to be promoted than women (McKinsey 2016). Prejudice and biases from stereotypic behavioural expectations that 'men take charge and women take care' are often seen as the prominent excuses to explain the leadership gender gap (Hoyt & Chemers 2008). There is an abundance of research showing gender biases and the impact these have on our perception of the genders and their impact (Northouse 2018).

Gender stereotyping is seen as severely damaging to female leader candidates and the existing female leaders, often originating from the pressures coming from two sides; a leader is expected to be masculine and tough, but women are not allowed to be too manly, resulting in the assumption that men are more qualified than women, and ironically, when female leaders are evaluated, their effectiveness is not identified as sufficiently female (Eagly & Karau 2002; Northouse 2018). This is a challenging catch-22 for any women who want to climb the career ladder.

When recruiting a top-level leader, gender biases are particularly harmful given the unstructured processes leading up to these decisions, thus allowing prejudices to influence the final outcome. This lack of accountability on the part of the

relevant stakeholders involved in the decision-making process is contributing to the current gender gap. Such lack of accountability is not only damaging to women, aligned with social identity cognition as described above, but it also supports homosocial reproduction, whereby the stakeholders reproduce themselves, copying the current presumptions and biases, thus continuing on the same path as before with male leaders (Hoyt & Simon 2016; Kanter 2008; Northouse 2018).

On the basis of the above discussion, it is clear that gender stereotyping heavily impacts perceptions and evaluation of women aspiring to leadership roles, or already inhabiting the elite roles. To some extent, one can argue that women meet with double standards; they are expected to merge feminine traits with extreme competence (Eagly & Carli 2003).

Being less exposed to tasks and the experience pertinent for top leadership roles will impact any woman's ability to climb the career ladder. The same effects are visible when female employees are less exposed to senior management and receive less feedback than their male peers. This unhealthy situation can be traced back to the lack of leadership positions offered to women, as research shows that people exposed to senior leadership have a greater opportunity to be promoted. In addition to these damaging practices, women receive less intra-organisational support to tackle organisational politics and master the skills that are needed to be successful in the somewhat cumbersome processes linked to promotions to the higher echelons, and this represents another disadvantage for women (Hunt et al. 2018).

Intra-organisational sponsorship is also a useful tool, as research shows that employees guided by organisational sponsors have a 1.5 times greater opportunity to be promoted into top leadership roles. As men are more likely to have such sponsors, this again represents an impactful disadvantage to women (Hunt et al. 2018).

□ External recruitment

Although many of the internal barriers are visible when it comes to external recruitment processes, some are unique and are thus applicable to situations where the aim is to identify candidates outside the organisation, often with the use of professional recruiters or so-called 'headhunters'.

Tienari et al. (2013) approached headhunters at executive search firms in Austria, Finland and Sweden, aiming to compare the practices applied when assisting clients in finding leaders. The three countries represent two different society groups, with two of the best countries in the WEF Global Gender Gap Report 2017 being Finland (ranked 3) and Sweden (ranked 5), both countries recognised as gender-appreciative and egalitarian, versus the far more hierarchical and patriarchal Austria (ranked 57). As a reminder, South Africa is ranked overall 19 in the report. The conclusions shared demonstrate that even though the Finnish and Swedish recruiters added female candidates more regularly than the Austrian recruiters, the outcomes were the same: the promotion of few women to the top positions. In Austria, gender was a topic guided solely by the client, meaning that clients could say no to adding women to the list of potential leaders, whilst in both Nordic countries candidates were normally added, irrespective of gender, based on client feedback. The significant finding for all three countries is that the question of gender is raised, and thus plays a role when identifying top leader candidates (WEF 2017).

A severely negative finding is that both male and female headhunters viewed female candidates as less competent, and thus partly reflected biases and stereotypical behaviours immensely damaging to women in professional life. The line of questioning also revealed that women were questioned about their family whilst their male peers were not scrutinised in the same manner. Married women were reported as choices associated with risk, as the perception was that they would not

invest in the job at the same level as their male peers, as the latter group was deemed both loyal and stable. Whether the candidate 'fitted' the role or not was a common theme discussed between the headhunter and the client, referring to the same vague criteria as described above, thus seeking support for the final decision. Finally, the research found that male-dominated client teams make it harder for the headhunter to ensure that a woman could be fitting for them, consequently the headhunters were reluctant to put forward female candidates unless they were seen as exceptional (Tienari et al. 2013).

□ Influencing decision-makers

As with the initial and presentational hiring process, the final decision process depends on the company and the role to be filled. Some privately owned corporations will have the owner(s) involved, whilst publicly listed companies typically may have committees with all or some of the members of the board and/or the top leadership team as the formal decision-makers. Succession planning at the C-suite level, including addressing internal candidates, is particularly important with respect to the CEO, as the impact of lack of planning can have severely damaging effects on owners and other stakeholders (LeCounte, Prieto & Phipps 2017).

Gender stereotypy influences processes in a damaging way for female leadership candidates, mainly because of the misperceived fit between the female candidate and the vacant role. This perceived mismatch occurs when the decision-maker applies stereotypical views on women and men and thus on both genders' ability to fit into a leadership position. Negative performance assumptions form the basis for the decision-makers' gender biases, which often are deemed to have damaging influences on female candidates' career opportunities (Heilman, Manzi & Braun 2015).

□ **Extra-organisational stakeholders**

In addition to internal decision-makers and owners, the recruitment to top management positions may be influenced by other extra-organisational stakeholders like capital market actors, suppliers, governmental agencies, vocational organisations, owners/investors, employees' families and trade unions.

One of the reasons why stakeholder management can impact the hiring of top leadership is the financial valuation of the company. Research shows that the stock value may fluctuate significantly during the hours, days and months after a company hires a new CEO. Another impact may be the C-suite participants and their ability to complement each other (e.g. Whittington, Yakis-Douglas & Ahn 2016).

The impact that external stakeholders have on businesses may influence the recruitment processes, hence positive or negative feedback may impact women's opportunities.

■ **Compensation**

When women finally reach the top leadership positions, the next challenge they meet is achieving fairness with respect to compensation, in other words wages and additional components in their compensation package.

The gender gap within leadership positions is also reflected in a salary gap, visible in all parts of the world. In the United States, the female-to-male earnings ratio is 82% for full-time female workers, whilst the European Union reports a gender pay gap averaging 16.2% for women below men (Eurostat n.d.; U.S. Labor Statistics 2014). In South Africa, the gender pay gap is 28.6%, which places the country amongst the countries in the world with the highest wage inequality (ILO 2018). There are some differences between sectors, for example, men within the healthcare sector are paid 28.1% more than women, whilst men within media and general retailers are paid 25.1% more than their female colleagues. The gap is slightly lower within, for example,

the technology sector, where men are paid 22.9% more, and within the financial sector, where the gap is 21.8% (PWC 2017).

When it comes to leadership positions in South Africa, for example, female board members earn 17% less than their male peers (McKinsey 2016). Research from Germany shows that the gender gap widens during the individual's professional career, a gap that continues into retirement pay, and that salaries are significantly higher in male-dominated industries than in female-dominated industries (Wrohlich 2017).

The above statistics clearly illustrate how the existing gender-skewed remuneration practice contributes to stymie female participation in leadership positions in corporate life.

■ Gender-appreciative recruitment practice

■ Introduction

I will now move on to address different types of recruitment practices focussing on gender balance at the top management level aligned to the constructive ethical stance as espoused hereto (Vorster 2007). Addressed below will be how corporations, their decision-makers and other relevant stakeholders can adjust their approaches towards gender balance at the top management, including both internal and external steps needed to ensure equal opportunities for both sexes on the journey towards leadership roles. Supporting change within organisations is key to ensure that women can have the same professional journey as men on their way to reach top positions. This will involve altering workplace norms and cultures, as well as enhancing career development, including mentoring and sponsorship.

None of the current leadership theories espoused in contemporary management theory highlights masculinity as an important trait or quality to be considered an efficient leader. On the contrary, within our society today, merging warmth with

agentic characteristics is considered mainstream leadership thinking within management scholarship, and inspirational motivation especially supports the grooming of female leaders at all levels of an organisation (Northouse 2018).

In addition to our obligation to treat women and men equally, according to Christian ethical norms, modern management research has shown time and again how women have a much needed and highly deserved place in the highest echelons of corporate leadership (Bøsterud 2019). In management research, sex differences have been mapped within transformational and transactional leadership, clearly indicating that women are more transformational in their approach than men, as women are rated above men with respect to charisma and the ability to motivate through inspirational and intellectual behaviours, whilst considering the individual person. Added to this is research advocating that female leaders are rated above male leaders when mapping behavioural aspects supporting effectiveness, whilst being rated below men when it comes to behaviours distracting them from what makes them effective (Powell 2018).

In line with Christian ethical norms within the Reformed paradigm, management strategies and leadership structures should embed the possibilities for women to attain top-level leadership positions, with opportunities and rights equal to those of their male peers. This strategy is supported by scriptural ethical principles, and will help to establish a GARP. When the gender gap is closed, the gender appreciation embedded in the recruitment practice will focus equally on both genders. In the following section, I will outline some foundational principles to be followed to attain such a scripturally aligned recruitment practice within the Reformed paradigm; this model will be termed GARP. Gender-appreciative recruitment practice will include efforts to be promoted at all levels of organisation and education, as this will be assumed necessary to influence the female participation at the corporate C-suite level.

■ Representation of women in leadership roles

□ Legal framework and gender gap

Initiatives removing the legal barriers that are currently stopping women from reaching their career goals all support gender equality and the subsequent equality initiatives needed, and will be aligned with central scriptural passages, such as Genesis 1:26–27, Genesis 2:18–24, Matthew 2:2 and Luke 2:12. Offering legal support is essential to avoid legislation-based discrimination taking place throughout the journey of any woman’s life. Such support will enable women to start with the same right to education as men at all levels, the same opportunities to enter the work life and the same opportunities to embark on career journeys; these essential rights are thus in line with GARP.

Gender-appreciative recruitment practice will promote the abolition of all forms of legislation that may represent a hindrance for women to participate on an even footing in all aspects of societal life, and this will be central to allow women to gain equal possibilities of attaining skills needed to become efficient leaders in corporate settings.

□ Institutionalised gender balance adds value

In the previous section, the disturbingly low number of women within top management was highlighted, an interesting angle being the lack of evidence that female board members contribute to the hiring of women at the C-suite level. The ‘queen bee’ metaphor has been offered as an explanation by some, implying that women at the top level do not support lower-level women and would rather rise above the glass ceiling instead of making a hole in it to help their sisters. There is, however, evidence for the opposite, as female CEOs are more likely to be recruited if there are women amongst the board members; in addition, female board members are more likely to be appointed if the company

is run by a female CEO. An increase in the number of women at the top level is also known to have a positive effect on the number of women in low-level roles (Powell 2018). This shows the need for female role models in top management positions and the added value this brings in increasing the number of women all over.

However, just adding a woman is not necessarily the only solution. A viable business case for gender equality will have to be presented. There are clear links between diversity and improved key performance indicators (KPIs), supporting the view that delivering on diversity echoes delivering on performance. For example, gender-diverse top leadership teams show improvement on both risk and financial performance (Perryman, Fernando & Tripathy 2016). Another example is the positive impact of gender diversity on creativity and innovation (Hewlett, Marshall & Sherbin 2013; Rahier 2017). Gender diversity also automatically embeds new ideas and solutions not that easily recognised within homogeneous groups (Phillips, Lijenquist & Neale 2009).

Female representation at the board level has also proven to contribute to the financial performance. Credit Suisse (2012) reported that during a period of 6 years, companies with at least one female board member outperformed other companies within the same peer group by 26%. Similar results are reported from Morgan Stanley Capital International (MSCI), advocating that the 'tipping point' with respect to influence affecting financial performance is having three women at the board level. In numbers based on 2015 financial reports, MCSI shows that these firms report a return on equity of 10.1% versus 7.4% for firms not having female board representation at that level (Eastman, Rallis & Mazzucchelli 2016). These numbers are echoed in Africa, where companies with female representation at the top level have been reported to outperform industry earnings before interest and tax (EBIT) by 14% on average, as well as companies with female representation at the board level showing on average 20% higher EBIT (McKinsey 2016).

When it comes to leadership teams, Hunt et al. (2018) reported that companies with gender-diverse top management teams demonstrate a consistent positive correlation with increased profitability. Although women are underrepresented in line leadership roles, it can also be argued that there is a strong positive link between the number of women in line leadership roles and financial performance (Hunt et al. 2018).

In addition to direct financial outcome, intangible benefits are also improved within diverse teams, such as employer branding, workplace culture and the employee's opportunities for personal growth and further professional development (Morley 2018). Other positive cultural benefits include the reduced presence of internal discrimination and the added skill diversity women bring to the company (Noland, Moran & Kotschwar 2016).

The above shows that adding women to teams within a company, especially leadership teams, adds value. Such steps demonstrate that a gender-appreciative recruitment policy not only adds to the financial performance of a company but also promotes internal intangible indicators benefitting the branding, work life and culture within the company. Active promotion of women by way of realising the above-mentioned findings will be in alignment with central scripturally based Christian ethical norms, as found in Judges 4:6 and 13:8, 2 Kings 22:14–20, 2 Chronicles 34:22–33 and the prophets.

Gender-appreciative recruitment practice will promote the participation of women in corporate leadership roles, so as to institutionalise the participation of women in the highest echelons of power, and this will allow women to gain equal opportunity to partake and attain skills needed to become efficient leaders in corporate settings.

■ Education

□ Higher education

Even though women in South Africa and most of the Western world have the same formal rights and opportunities to education

as men, the essential start of gender equality is within both private and public education. Master of Business Administration education is often believed to be relevant for CEOs. However, an interesting observation with respect to the current female CEOs heading up to 57 of the companies at the Financial Times Stock Exchange 1000 (FTSE 1000) is that 40% of them had a STEM background, and only 19% were educated within the realms of business, finance and economics (Stevenson et al. 2017).

The continued promotion of women in higher education, whether directly connected to management studies or not, will be in accordance with scripturally based Christian ethical norms, as found, for example, in Matthew 26:6–13, Mark 14:3–9, Luke 10:38–42 and John 11:1–12.

Gender-appreciative recruitment practice will continue to promote women in all forms of higher education, as this will be central to allow for women to gain equal possibility to partake and attain skills needed to become efficient leaders in corporate settings.

□ Other relevant experience

Organisational steps that positively contribute to women's learning on the job and exposure to tasks and responsibilities that contribute to relevant experience is essential, as balance is achieved not only in numbers but also through experience and personal development. These actions include women's exposure to senior leadership via having roles and responsibilities relevant for their journey towards the C-suite. Embedded in this is ensuring that women receive the same informal learning opportunities and are offered the same access as their male colleagues to knowledge that empowers them, in addition to benefitting from both formal and informal feedback (Powell 2018).

The benefit of a mentoring programme has proven helpful, as mentoring has been shown to contribute positively to the confidence of women, including their abilities to make career

plans and enhance their network (Dashper 2018). Fostering an environment where women are encouraged to embark on continuous processes of self-monitoring and self-empowerment whilst taking on leadership roles is equally important to demonstrate benefits and possibilities to other women (Cheung & Halpern 2010).

The creation and perpetuation of a benign corporate learning environment based on real-life participation and direct actor support that includes women will be in accordance with scripturally based Christian ethical norms, as found, for example, in Luke 8:1-3, 24:10, Matthew 20:20-24, 37:56, Mark 15:40-41 and 16:1-2.

Gender-appreciative recruitment practice will create and perpetuate a benign corporate learning environment based on real-life participation and direct actor support that includes women, as this will be central to allow for women to gain equal opportunity to partake and attain skills needed to become efficient leaders in corporate settings.

■ Recruitment processes

□ General

Promoting effective leadership, both internally and when recruiting externally, is key in any corporation, both when assessing recruitment in a wider sense or, as in this section, in the traditional narrower and practical sense of the term. No gender-specific qualities are recognisable within leadership theories, but prejudice towards female leaders needs to be eliminated, especially within the masculine work environments where prejudice is allowed to prosper, and hence an important step is to confront gender prejudice at all levels (Powell 2018).

An added value for promoting increased gender diversity is the positive impact on employee attraction and retention within the companies. This means that recruitment to gender-diverse

teams has proven to be easier than recruitment to homogenous teams (Morley 2018). Hunt et al. (2018) argued that having an internal road map to gender equality in all companies contributes positively, starting with daring to set measurable targets that are openly communicated and on which progress is reported. A second step is ensuring that internal processes linked to promotions are transparent and applied in a fair gender-neutral manner. The same principles should apply for hiring to ensure that fairness and transparency are demonstrated (Powell & Graves 2003).

Positive aspects linked to both promotion and recruitment can be set as the 'tone from the top', for example, through D&I champions from the senior leadership team, and through promoting and demonstrating cultural values, including inclusiveness and respect (Hunt et al. 2018).

Recognition that female contribution to top-level corporate leadership is an overarching positive value that may be extrapolated on a general basis across corporate delineations will be in accordance with scripturally based Christian ethical norms as found, for example, in Luke 8:1-3, 24:10 and Mark 16:1-8.

Gender-appreciative recruitment practice will recognise that female contribution to top-level corporate leadership is an overarching positive value that may be extrapolated on a general basis across corporate delineations, as this will be central to allow for women to gain equal possibility to partake and attain skills needed to become efficient leaders in corporate settings.

□ Internal recruitment

Improving the quality of the recruitment process is vital, an activity that starts internally at a very early stage. Overall, any corporation should have as a basis gender-neutral development programmes for all employees, in which should be embedded the development of leader capabilities via training, exposure and experience. As part of the performance management and

development of employees, promotion procedures for leadership roles (and others) should be available to all potential candidates. Embedding career conversations as part of the development of people is a given. A further step is to establish settings that allow leaders of both genders the same chances to succeed in their leadership roles, if they have appropriate credentials (Powell 2018).

When the formal process starts, one essential step is to identify the qualifications needed to fill the role and to share this information internally and externally, thus supporting transparency and a solid basis for the coming decision. There will also need to be an increased accountability on all those involved in the decisions when hiring at the leadership level. When a business is promoting its first female leader, the company should take that as an opportunity to publicly announce that this is the first step to change (Powell 2018). Branding plays an important role in both internal and external recruitments, hence playing a supportive role when it comes to retention of as well as attraction towards new hires. Key to handling an internal talent pool has proven to be the internal alignment of a company's talent management system, including the values as a foundation for the company, linked to overall strategy and global reach (Stahl et al. 2012).

Taking steps to avoid and reduce anti-female gender bias and the influence of stereotypy could, for example, involve unconscious bias training and other mitigation steps (Wynn & Correll 2018). Another action may involve addressing the decision-makers, that is, the 50+ male group is more prone to influence a women's road to success negatively, hence removing members of this group from the decision-makers may reduce the biases influencing the process (Powell 2018).

Ensuring that women have the same access to internal sponsors as their male peers is seen as a useful tool. Having an internal sponsor improves the employee's opportunity to be promoted into top leadership roles by 1.5 times. The importance of sponsorship is

further addressed in research on women and men in the leadership pipeline, which shows that women often fall behind men, hence they benefit even more than men from having a sponsor and thus are more likely to be promoted if they are sponsored by top-level leaders (Foust-Cummings, Dinolfo & Kohler 2011).

Gender-appreciative recruitment practice will organise the internal recruitment processes as directed towards the intra-organisational talent pool in a manner where pro-female biases are promoted, motivating sponsorship for female candidates and allowing gender-neutral qualification determinants, and this will be central to allow for women to gain equal possibility to partake and attain skills needed to become efficient leaders in corporate settings. This is in accordance with scripturally based Christian ethical norms as found, for example, in Esther 2:17, 2:22-23, and Exodus 1:15-21.

□ External recruitment

The shortage of suitable candidates in an environment that is competitive is called by some the 'war for talent'. The link between a global war for talent and meritocracy has been addressed as a product of neo-liberalism, and essentially embracing and promoting inequality, narrowing the market for talent (e.g. Brown & Tannock 2009). The challenge to fill talent pipelines may be because of various factors, extending from shifting demographics and workforce preferences to the need for developing new capabilities and revitalising organisations in need of transformation (Stahl et al. 2012).

The war for talent is not only relevant in the external market, as the relevance also prevails when companies realise that their female employees leave their employer instead of seeking career opportunities internally (McCracken 2000). Expanding the talent pools (both internally and externally) may involve different steps affecting also the female candidates, although what works within one organisation may not necessarily work within another organisation (Stahl et al. 2012).

If a woman is added only because of her gender, she easily becomes the gender alibi and will not gain the respect she needs from her colleagues, and she may subsequently be marginalised by the group. Having gender-diverse teams has proven to attract employees and increase their retention, hence the employer's possibilities of identifying the right person for the job increases when recruiting from a diverse group of candidates, something which will be accommodated by including the external recruitment market in the recruitment process. When the candidate has been appointed, the employee's feeling of being respected and valued is improved in an inclusive environment (Morley 2018; Powell 2018). The support offered by professional recruiters, the so-called headhunters, is an essential contributor to identifying potential candidates for top leadership roles, as they may be reaching the widest possible market. Ensuring that they also contribute to expanding the talent pool to include female candidates is essential, partly during the scoping of the service and as part of the expectations, criteria and characteristics shared from the potential employers to the professional recruiters (cf. Tienari et al. 2013).

Ensuring that women are added to all talent pools is in accordance with scripturally based Christian ethical norms as found, for example, in Judges 4:21-22.

Gender-appreciative recruitment practice will organise the external recruitment processes so that they are directed towards reaching the widest possible market, ensuring that they also contribute to expanding the talent pool to include female candidates, as this will be central to allow for women to gain equal possibility to partake and attain skills needed to become efficient leaders in corporate settings.

□ Influencing decision-makers

Further actions that lie with the companies and their decision-makers is the need for having succession planning and the development of talent within the organisation as a continuous

part of corporate strategising. Incorporated in these programmes should be gender equality and diversity, topics that should be reflected in all processes within a company, including strategy, planning at all levels and the development of talent (Greer & Virick 2008). As mentioned above, having sponsors within or close to the decision-makers contributes positively to a woman's possibility of being promoted, and ensuring that decision-makers are directly involved will be beneficial to women. These would be the expected results of such succession policies.

Overarching the above is ensuring that decision-makers are made accountable for the agenda supporting gender diversity at the top level. This diversity will be reflected through succession planning, with decision-makers being directly involved in the grooming of female leadership candidates. This accountability will be in accordance with scripturally based Christian ethical norms as found, for example, in John 20:18, Mark 16:4 and Acts 1:14.

Gender-appreciative recruitment practice will ensure that decision-makers are made accountable for supporting gender diversity at the top level, and that succession planning reflects this strategy through the grooming of female leadership candidates, as this will be central to allow for women to gain equal opportunity to partake and attain skills needed to become efficient leaders in corporate settings.

□ **Extra-organisational stakeholders**

Stakeholders who influence processes for hiring top leaders may very well sit outside the organisation. Such stakeholders may influence the hiring processes in a positive way by either directly or indirectly supporting female candidates. One aspect may be the positive branding effect pursuant to the hiring of women, but more significant may be the positive push and support of the organisation's authority or membership, even though benchmarking and peer pressure may occur.

With the positive effect that women at the board and leadership levels have on the financial performance and other relevant KPIs addressed above, banks, insurance companies and rating companies should be induced to introduce actions that demonstrate the added value these women may bring to the companies, and be motivated to exert their influence benignly so as to promote the added participation of women in corporate leadership positions.

Any positive steps taken by extra-organisational stakeholders to recognise the value women bring to companies, and thus to influence the added participation of women in corporate leadership positions, will be in accordance with scripturally based Christian ethical norms as found, for example, in Joshua 2:1-3, 6:17-25, James 2:25, Matthew 1:5 and Hebrews 11:31.

Gender-appreciative recruitment practice will motivate extra-organisational stakeholders to recognise the value women bring to companies, and thus influence the added participation of women in corporate leadership positions, as this will be central to allow for women to gain equal opportunity to partake and attain skills needed to become efficient leaders in corporate settings.

■ Compensation

The positional gender gap is to some extent supported by both men and women in the issues of payment and compensation, often linked to the above addressed stereotypical behaviours; hence, steps to address and diminish both genders' acceptance of different pay owing to gender needs to be supported (Koskinen Sandberg 2017).

Assessing the value of work, and thereby evaluating performance, is recognised as a key way of promoting equal pay. Both the European Commission and the International Labour Organization (ILO) recommend job evaluation, including legislation and policies addressing steps to ensure gender equality (Koskinen Sandberg 2017). Gender-neutral compensation

models will support equality, but whether this can happen outside the legal framework may be questioned. In 2018, Iceland, ranked first in gender equality, became the first country to enforce equal pay for both genders, linking this to the International Organization for Standardization (ISO) document on equal pay management (Ólafsson 2017).

The evaluation of leaders within organisations may need to be revisited to support women taking on leadership roles in highly masculine environments, as evaluation based on their performed tasks, promotion of group cohesiveness, in addition to their development and grooming of subordinates are tasks often associated with female leader effectiveness (Powell 2018).

Payment and compensation models that are based on the value of work and gender-neutral evaluations will be in accordance with scripturally based Christian ethical norms as found, for example, in Malachi 3:5.

Gender-appreciative recruitment practice will motivate payment and compensation models that are based on value of work and gender-neutral evaluations, as they will be central to allow for women to gain equal possibility to partake and attain skills needed to become efficient leaders in corporate settings.

■ **Gender-appreciative recruitment practice in practice**

It will appear that although GARP as presented here is in a general form, its use in practice could contribute substantially to work life gender equality in South Africa. However, because GARP is based on general Christian ethical norms, it will need to be adapted in accordance with real-life situations in the different recruitment and corporate realms to be used, and a set of generalised ready-to-go rules may not be detailed at this early stage of research.

Furthermore, as with any theoretical organisational principles that need to be customised for practical operations, GARP will need to be further interpreted and adapted in accordance with the specific corporate and/or societal area where it will be utilised. For example, to influence lawmakers, educators and extra-organisational stakeholders, alignment with GARP will be a different task than, for example, to oversee the creation and perpetuation of intra-organisational sponsorship or mentor programmes.

When practitioners are to utilise GARP in their real-life settings, my recommendation is that they first identify which of the principles outlined above most closely align with their situation. There may be more than one principle. Then, they should promote the creation of a specific set of practical rules or a framework for how to proceed, so that a GARP-aligned set of instructions is available to be implemented by the actors who will be in contact with the actual area of practice. I also recommend that didactic steps are taken, through the establishment of learning groups, for example, to create a wider understanding and acceptance of GARP, including the foundations and the principles GARP expresses. Implementation will be made more fluid with a broad acceptance of what GARP entails, whether the organisational setting is based on the performance of internal recruitment or attempts to influence outside stakeholders such as politicians, trade unions, governmental agencies or vocational organisations. If it is possible through such practical steps to generate a general acceptance of GARP and its benefits, my expectation is that more detailed and situation-specific alignment will occur, both within and outside of the corporate realm. Flowing from such an acceptance of GARP, I expect that interest in learning how to practise GARP will grow, and, as with any expression of management theory and social technology, constant practical evaluation will be useful to hone GARP further into an increasingly practicable and generally accepted corporate and societal practice.

■ Conclusion

The above elaboration has explained how women have a rightful place of participation at all levels of society, including that of the highest echelons of organisational life. In the South African context, using the GARP recruitment model for securing women their place in professional life would not only be aligned with sound Christian ethical principles but also is likely to add economic and social value throughout society. It will be difficult to foresee all positive effects of a GARP application on South African society, but the evidence that has been presented in this chapter gives reason to be optimistic when contemplating the promise of a future gender-equal work life and wider society.

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Christian ethics and entrepreneurship in an interventionist economy

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■ Introduction

Christian ethicists tend to have a very negative view of the entrepreneur. Many, of course, are under the spell of liberation theology backed up by Marxist analysis. Others cannot help but reflect, even if only to a limited extent, the anti-capitalistic spirit

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of the age. Obviously, there are also a number of Christians who hold views that are more favourable to the role of the entrepreneur in the modern market economy. In a volume that compiles essays on Christianity and economics, such as this one, an approach that sees the entrepreneur in a more positive light will, very likely, present a minority report, as it were. This is precisely what this chapter aims to pursue.

The main goal of my contribution is to articulate a Christian view of entrepreneurship from a normative perspective within the framework of the reformational tradition of thought. The way in which I would like to accomplish this is through a discussion on the relationship between institutions and economic life, and not through a reflection on personal Christian ethics – not that individual decision-making does not matter, but much of the public parlance on economic ethics avoids the institutional factor and adopts a moralising tone, especially in religious circles.

The first section of the chapter discusses the definition of entrepreneurship as a particular kind of economic activity that takes place in a market economy. The second section describes some possible misdirections of entrepreneurship and points out that they are more likely to take place in particular kinds of institutional settings. Those misdirections are either violations or distortions of creational norms. The final section shows some of the wider implications of this discussion both for those interested in interpreting economic life using the lenses of the reformational tradition and for those practitioners who might find this reflection relevant to their social roles.

■ Entrepreneurship and the role of the entrepreneur

The history of entrepreneurship as an activity and of the concept of the entrepreneur as a social role is too complicated to summarise in much detail. Fortunately, this task has been accomplished elsewhere by historians of economic thought (e.g. Blaug 1998) and by economic historians (e.g. Carlen 2016). The

discussion below, therefore, points to the relevant literature and focusses on the parts that are directly applicable to the theme of this chapter.

Entrepreneurship exists because of a combination of factors: scarcity, ignorance and creativity. It takes place because we constantly find ourselves in situations that require choices of the means we think we can use to feel better or to reduce some discomfort (Von Böhm-Bawerk 1930:9-10). Economists name those means 'goods'. Such goods (products or services, for example) have certain properties that we mentally connect to the potential satisfaction of our needs (Menger 2007:51-53). We seek to make goods available (through production and exchange) for immediate use whenever possible. This is where scarcity kicks in.

The first factor enabling entrepreneurship is the concept of scarcity. Many of the resources on which we count in order to satisfy our needs are scarce and must be frugally allocated. Scarcity means that, in a given situation, there will be more demand than supply of a certain good (Menger 2007:106). From a Christian perspective, we may look at redemptive history in order to pinpoint the sources of scarcity and why it has become an economic problem. Scarcity has taken the proportion it has now mainly owing to the fall into sin and the divine curse on human beings as a result. There is, to be sure, a certain degree of scarcity before the fall because of a distinction between the creation and the Creator, which means that creation has always had its limits. However, the biblical text is clear that, at least before the fall, the limitation was not an acute economic issue. From an economic point of view, the main significant limitation was the fact that YHWH had fenced the tree of the knowledge of good and evil and excluded the first couple from its use. The situation otherwise was one of abundance (Gn 1:29-30; 2:9, 15-17). Everything changed with the curse on disobedience (Gn 3):

Because you have ... eaten of the tree ... cursed is the ground because of you; in toil you shall eat of it all the days of your life ... By the sweat of your face you shall eat bread until you return to the ground, for out of it you were taken; you are dust, and to dust you shall return. (vv. 17-19)

Scarcity, then, is part of the 'new normal'. Many resources are limited in most situations, and it is imperative, as part of the economic aspect of creation, to allocate them in wisdom and prudence, lest they be wasted (Ritenour 2010:23-24). Whilst most people engage with this creational norm of frugality on a daily basis, those in business tend to specialise in this sort of activity as part of their economic function in the market.

However, we are limited in our capacity to economise scarce resources. This limitation is very frequently rooted in the radical uncertainty we experience about the situation of the market, if we trade, and the best ways to combine factors of production, if we supply a product or a service. For example, we may not know where to find the same product at a cheaper price, or we may not be paying attention to the fact that a certain need that we have can be satisfied with the use of a different kind of good. This uncertainty is very humbling, but it is also an opportunity. The Bible warns us against the hubris of imagining that we have all the relevant information for our decision-making (e.g. Pr 3:5; 27:1). As a result of this radical ignorance, economic agents will sooner or later overlook good opportunities and miss out on their benefits. Markets are imbalanced, yet dynamic and not irrational, because entrepreneurs know they need to be alert to such opportunities, as they might result in profit. They also engage in active discovery of profit opportunities, helping to reduce the gaps in the market (Kirzner 1998:107). In the biblical text, the final series of proverbs describes a woman who is alert to profit opportunities and also engages in their discovery (Pr 31):

She seeks wool and flax, and works with willing hands. She is like the ships of the merchant, she brings her food from far away ... She perceives that her merchandise is profitable. Her lamp does not go out at night She makes linen garments and sells them; she supplies the merchant with sashes. (vv. 13-14, 18, 24)

Scarcity and ignorance, therefore, create opportunities for the profitable entrepreneurial activity of specialising in closing the gaps of the market.

A final factor that should be mentioned is that of creativity. The entrepreneur is not only alert and seeking to discover new chances of making a profit through serving people, but she is also creative in ways that have the potential to disrupt the status quo of the market. This normally happens through innovation – new products – but also through new ways of organising production and business in general (Bylund 2016:132-142). Innovation is one of the ways in which we display the image of our Creator (see Gn 1:27). Product and process innovation is described in the Bible, for example, in the account of the generations of those who invented metallic tools and the livestock industry (Gn 4:20-22). The sort of disruption caused by the implementation of novel ideas normally opens up new markets and leads to a general shift in the configuration of market forces. Some businesses thrive if they are leaders in innovation or adapt well to it. Others will fail in this ‘process of Creative Destruction’ (Schumpeter 1994:82-83).

■ Entrepreneurship, distortions and institutional settings

As a social role, entrepreneurship is made up of a certain structure, but, depending on the institutional setting in which it is embedded, it can assume different directions. This distinction is crucial to Christian ethics in the reformational sense (Wolters 2005:87-114). Entrepreneurship can be misdirected in ways that do not give glory to God if it violates creational norms. Depending on the institutional setting of entrepreneurial activity, such violations are more widespread than in other settings.

Over the past few years, the work of Acemoglu and Robinson (2012) on economic institutions has gained traction. The main idea behind their study is that, whilst material growth and development are not deterministically caused by the institutional setting of economic activity, institutions play an intervening role depending on their predominant features. If they are extractive

institutions, they are set up to benefit the ruling class in a redistributive fashion, denying the rest of the population access to free economic activity. If, on the other hand, they are inclusive institutions, then, chances are that they will enable rather than hinder economic activity. Success depends on how the 'game' is played. Each type of institution will set up a different 'game' based on certain rules. Those rules constrain and enable human conduct and interaction via a structure of incentives (North 1991:97-98). This, in a nutshell, is the new institutional view that attempts to provide a richer picture of economic activity beyond a description of how isolated individuals act, bringing context back to the table.

In 'Entrepreneurship and the role of the entrepreneur', the description of the role of the entrepreneur highlighted the entrepreneurial function as that which is typical of an economic agent focussing on alertness to opportunities to serve and to innovate. The entrepreneur serves others not only by closing gaps in the market but also by exploring a chance to disrupt and radically improve economic life through innovation. In doing so, the entrepreneur of course employs economic resources and takes up some risk that others would neither be able nor willing to embrace. This means that not only consumers will be satisfied but also workers will be hired at every step of production and exchange as part of the division of labour in a system of market co-operation. This description of the entrepreneur as a servant and fellow worker within a wider economic system assumes that the political institutions supporting the market economy display inclusive, not extractive, characteristics. This is typical, in general, of countries that have set up a system that makes a great deal of room for free economic activity, with few regulations, a stable monetary and fiscal regime, and legislation that upholds the rule of law and property rights (e.g. Levy-Carciente 2019:48-51).

Under inclusive institutions and a liberalised market economy, good entrepreneurship is rewarded on the merits of how well the entrepreneurial function is fulfilled by those individuals who specialise in it. It is evident that many entrepreneurs fail to

allocate their resources and balance their risk-taking in accordance with the law of economic frugality, which is the creational aspect that qualifies their role. However, this happens precisely because the system as a whole is set up to signal to them, via market prices, profit and loss, what seems to be working well and what needs to be changed. A flawed business plan will not meet good returns when it is brought to fruition and will therefore need to be pivoted into an alternative idea that makes more sense, given what consumers want and what the cost structure of production requires (Kirzner 2000:3-40). Under inclusive institutions, success results from discovering where the opportunities are to serve better by creating value and wisely allocating scarce resources, generally through persistent trial and error.

This, in my view, is an important point to stress from a Christian perspective, because we see in the market economy a manifestation of God's goodness in his 'creation, preservation, and government of the universe' (Belgic Confession:art. 2). Through profit and loss, the market mechanism reminds entrepreneurs all the time that there is a creational norm of frugality and that it is good to uphold it when they serve their customers with competence and prudence.

Under extractive institutions, entrepreneurship is a different ball game altogether. Economic history is full of examples of individuals who became wealthy not because they served well and allocated well their scarce resources, but rather because they exploited an extractive system of rules, regulations and privileges to their advantage. They sought to make their money by becoming part of the inner political circle. They lobbied for even more regulations that the big and powerful corporations could afford to comply with, and that, therefore, would discourage others from entering that market (Folsom 2013). Under extractive institutions, the 'game' is won politically and, many times, at the expense of the logic of frugality. For instance, many resources that could otherwise be used in expanding the business, in hiring more people or in developing better ways to serve consumers are instead wasted with legal and illegal relations with the

government (Holcombe 2018:20–96). Lobbying activities would fall under the former and bribing under the latter. This phenomenon subsumes the logic of the market economy to the logic of formative power in the political system. The problem is pervasive in many economies, but mostly in developing countries, and is a blatant distortion of the economic principle of frugality and the principle of justice because of its exclusionary consequences.

A concrete example will suffice. In countries such as Brazil, the cost of doing business is absurd and exclusionary. The World Bank conducts research on the ease of doing business in order to compare and contrast most of the countries around the globe. The study compiles and treats data on 12 main indicators, such as ‘starting a business’, ‘dealing with construction permits’, ‘employing workers’, and so on. In terms of the quality of the business environment, Brazil is ranked 124 out of 190 countries according to the latest report, and South Africa – just to have a benchmark – is ranked 84 (World Bank Group 2020:4). Brazil beats only six other economies in terms of the complexity of the tax code. Over there, an average-sized company spends about 1501 h per year to fulfil its fiscal obligations (the average for a high-income OECD country is around 159 h). Paying taxes in Brazil is not only expensive but also cumbersome. Another factor has to do with property and construction. It is extremely difficult to deal with permits in Brazil. An average-sized company would have to spend about 384 days and fulfil 19 separate procedures in the city of São Paulo to obtain clearance to build. It takes about 14 procedures and almost a month to register a property over there. Under such conditions, it is no wonder that much of the Brazilian economy is trapped in the informality of the black market. Entrepreneurship is allowed on paper, but in practice it is legal only for those who have enough money to wait for a year to build, wait for a month to have property registered and maintain an in-house team of lawyers and accountants to comply with taxes. This is a paradigmatic example of an extractive institutional design (Freire 2019). A side effect of this setup is the incentive to cut corners, as much of the research on the relation between

political and economic power can attest (e.g. Carazza 2018: 21-75; Lazzarini 2018:75-104).

It comes as no surprise, then, that the population in countries where it is hostage of a system of extractive institutions will feel great animosity towards entrepreneurs. This tension is understandable, and it reminds us of the words of James the Apostle: ‘But you have dishonoured the poor. Is it not the rich who oppress you? Is it not they who drag you into court?’ (Ja 2:6). In institutional settings where the incentive structure drives business leaders to seek profit through political power and redistribution instead of creating value and serving others, the ‘game’ is played according to a logic that violates or distorts the creational norms for ethics, frugality and justice.

■ Entrepreneurship: A reformational point of view

The market economy in itself is not the embodiment of evil and injustice. It is a positivization of creational structures that are good but that can be misdirected in several ways.

Noticing the injustice of extractive institutions, several reformational scholars have spoken prophetically against capitalism and ended up throwing the baby out with the bathwater. One of the pioneers in this trend was Bob Goudzwaard, former professor and public intellectual in the Netherlands. In his classic and influential book, *Capitalism and progress*, written during the Cold War, Goudzwaard (2019) identified in modern society a cult of progress as the religious root out of which its institutions and mindset spring. The tone of the book was mild, yet it did accuse capitalism’s drive to maximise the use of scarce resources of being idolatrous. For this reason, the book inspired others in reformational circles to call for a more radical rejection of the market economy.

In Goudzwaard’s defence, he acknowledges throughout the argument that we do not live in the age of the liberalised market

economy and, therefore, our contemporary problems should not be traced back to ‘too much’ economic freedom. This nuanced view is not present in the analysis of his intellectual heirs. Hendrik Hart (1972:293–294), for one, declared, still during the Cold War, that we in the church ‘have to learn to listen to the words of Marx’ because they are a ‘just and courageous protest’ against injustice, presumably through their critique of the capitalist economy. A common claim by reformational scholars is that a liberalised market economy leads to ‘the subordination of all the other spheres of society by private economic power’ (Goudzwaard 1972:24). This allegation is present in the work of Alan Storkey (1979:375–378) and Craig Bartholomew (2017:149), to mention only two highly influential scholars in the reformational tradition. There is an actual possibility that this diagnosis of the market economy is based on an analysis influenced by a zero-sum view that exploitation is the origin of the profit of the entrepreneur. In my view, there is no reason to believe that this universally applies to every manifestation of a market economy, so that generalising the case against capitalism as such is unhelpful, to say the least.

We should target, instead, an unhealthy market economy marked by heavy regulation and extractive institutions. As for the capital–labour relationship, it is perhaps instructive to go back to the early ideas of the reformational Christian labour movement, which rejected the class struggle model and embraced solidarity and co-operation (Dijkema 2018). The achievement of the capitalist entrepreneur depends indeed on co-operation with his or her employees and on serving the consumers well. It is arguably more helpful to see it in light of the discussion above: in a liberalised market economy, the market structure nudges the capitalist to be alert to better ways of serving consumers, and to use judgement and prudence in organising all factors of production, including labour, to that end (Novak 1982:353–356). In fact, a much more common contemporary problem than the issue of market ‘imperialism’ ruling over other spheres of life is the distortion of the other spheres of life – including the economic sphere – to serve the political sphere of formative power. However,

this is what we see in an institutional setup where the market is embedded in a web of rules and regulations that hinder the proper functioning of the capitalist economy, distorting incentives and violating the creational norm of frugality. The business leader is not always exploiting others, but there is a higher chance of this being the case under such extractive institutional settings.

My position is not unheard of within the reformatory tradition. Both the focus on institutions and the refinement of the target, shifting the blame from the market economy as such to a particular manifestation of the market in its relation to the political realm, are marks of Abraham Kuyper's (1837-1920) reading of the 'social question'. In a well-known but not so well interpreted speech, Kuyper called for an 'architectonic critique' of society, emphasising the web of unjust rules and regulations that favoured the strong and harmed the weak (Kuyper 2016):

In regard to material wealth, governments have intervened by means of inheritance law, the system of taxation, import and export duties, regulations governing real estate, agriculture, colonial administration, coinage, and so much more ... we cannot for a moment doubt that this government intervention, which often proceeded from untrue principles, ... has made conditions unsound when they could have been sound. It has in many ways poisoned our relationships and brought about untold misery, even as the end of government should be the happiness and dignity of its people. (pp. 52-53)

Elsewhere, Kuyper (2015:339) is more specific about the effects of such laws and regulations. He decries 'state omnipotence' and stresses that there is a distinction between 'the regulatory mania of the meddlesome state' and simple, yet effective and just, 'legal protection'. Much like contemporary Brazil, in Kuyper's time, the Dutch government had established a web of extractive institutions: criminal laws that benefited the rich, property laws that created barriers for the poor to register property, poor laws that interfered with private charity and the role of the church, and so on (Kuyper 2015:340-341).

Extractive institutions are not the sole target of Kuyper's architectonic critique of society in his analysis of the social

question. He believes that, in the end, there is a deeper religious issue at play. Yet, economic and political regulations are an important part of the problem too. This element has unfortunately faded into the background of the reformational tradition in its public philosophy and disappeared from the intellectual tools employed by contemporary thinkers of the tradition who seek to address economic issues.

■ Conclusion

I hope to have been able to rescue a more positive view of the role and function of entrepreneurship in a market economy. At the beginning of this chapter, I dealt with the concept of entrepreneurship as alertness to opportunities to serve others and to innovate. The second part of the chapter dealt with distortions of the entrepreneurial function, indicating that they are encouraged more where a certain kind of institutional setting is present. The third and final section of the chapter looked at some implications of my view in dialogue with alternative interpretations within the reformational tradition.

It goes without saying that this chapter is by no means the only possible articulation of an analysis of entrepreneurship in connection with Christian ethics. Moreover, I do not claim that this is the only possible legitimate position on the subject for those who join me in valuing the conceptual framework of the reformational tradition as a useful means to address public issues from a Christian point of view. Within this tradition, as I have shown, there are many who subscribe to a more negative view of capitalism, the market economy and the business leader. Nevertheless, I have attempted to present here a more positive view of entrepreneurial activity embedded in a set of inclusive institutions that enable a liberalised market economy.

In connection with this point, I have sought to emphasise the institutional side of the story rather than focus on personal morality. Of course, personal choices matter, but decisions are

always made within a broader setting. Institutions are frameworks within which humans interact, and they structure our everyday incentives, constraining and enabling certain kinds of choices. Inclusive institutions, as I have suggested, tend to stimulate ethical entrepreneurship that serves the neighbour without necessarily violating the economic creational norm of frugality. Extractive institutions not only distort this norm but also subsume the logic of the market economy to the realm of formative power. Under extractive institutions, there is a stronger incentive for powerful economic agents to capture state law and regulation in order to seek gains through redistribution and other benefits via asymmetrical protection. Such institutions benefit the ruling elite and exclude the rest of the population from the economic process. This entire discussion is a reminder that, in the words of Röpke (1960:6), a well-known Christian economist, ‘the market economy is not everything. It must find its place within a higher order of things’.

Prosperity ethics: Setting the poor free

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■ Introduction

George Bernard Shaw once said, ‘the greatest of evils and the worst of crimes is poverty’.

Perhaps, the greatest of evil may indeed be poverty, but much can be said that the worst of crimes is indeed malevolent human behaviour and attitude that, deliberately and by design, undermine the proficiency of the economy and through disorder, greed and indolence prolong the struggle of the poor to be

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liberated from poverty and be free to enjoy a dignified and comfortable life. Poverty and then also malevolent human behaviour and attitudes affect the entire fabric of society and human happiness. It is indeed the case worldwide and South Africa is no exception. In fact, various indices show that South Africa's poverty and the overall character of society are only becoming worse and that the fabric and happiness of the South African society are being shredded, though poverty, societal transformation and freedom remain high on the national agenda.

Billions of rands are allocated to the fight against poverty and to advance transformation, without a fundamental change in the freedom and happiness of the poor masses. The result is that poverty, unemployment and inequality (PUI) is on the rise and is slowly but surely pulling the society apart. In fact, South Africa Incorporate (including those people that have a job and are free from poverty, public institutions, corporate business, religious denominations and civil society organisations) are failing the poor. As long as those that have a job and are a member of a labour union engages in undisciplined labour strikes and protest and trash the streets with rubbish; as long as there is a trust deficit amongst the citizenry; as long as people in power are corrupt; as long as the government lacks the ethos and the will to implement growth-inducing laws and strategies; as long as we treat each other with disrespect; as long as the religious denominations cannot speak out against unrighteousness and malevolence; and as long as the rich treat the poor with disdain, we will fail the poor – and the greatest of evil will persist in the South African society.

Much of the economic woes that the South African society is enduring today is because of the behaviour and attitude of those who are free of poverty and muster resources and opportunities in a selfish way, only for their own enrichment. This is the remnant of apartheid and the myopic way the South African society and economy are being transformed since the dawn of democracy. The focus on entitlement and greed, making as much money as one possibly can, irrespective of the consequences of the use of

public resources for private gain, is very destructive. A malevolent economic household based on entitlement and self-interest that are corrupted into greed and selfishness is evolving, leading to violence and a growing evidence of coercion and desire to dominate and having control over resources and benefits, with the result that the poor majority suffers the most. Dr Allan Boesak (October 2019) has contextualised the problem aptly, by arguing that the:

Culture of corruption, the mindless self-indulgence of some of the rich and powerful and the instant gratifications and deception that we now call state capture is simply a symptom of a deeper sickness of the disdain of the poor. (pp. 2-3)

This malevolent system can be turned around. In fact, we owe it not only to the poor but also to all those who have sacrificed their lives and well-being to put the South African society on a path to peace and prosperity. The solution is indeed manifold, but achievable.

The line of inference is that it all starts with a noble attitude towards life. Attitude determines the fundamentals in society and not the other way around. If the South African society wishes to eliminate PUI and be truly free and prosperous, we have to set our ethics right. Ethics ought to be invited back into the South African economic household. Only then would the South African society be able to work towards creating an ethical and developmental economy that is needed to grow the economy and to fight poverty.

In this chapter, as part of the series on the 'Ethical reinterpretation of contemporary political and economic challenges with the emphasis on poverty and prosperity', the line of inference is that ethics ought to be invited back into the economic household in order to build a winning nation and a smart economy that could effectively address the triple challenge of PUI.

The chapter is divided in two parts, each attending to a specific topic. In the first part, 'South Africa Incorporate is failing the

poor', a short, largely declarative survey of the politico-economic challenges of the South African economy is offered to contextualise why we have to care about the state of the economy and the slipping ethical foundation of society and the consequential effect on poverty. The second part, 'Ethics - The invisible connection', is a condensed presentation of the need for inviting ethics back into the economic household. In this part, the problem that ought to be resolved will be expounded, yet only briefly. This part may be viewed as the core of the chapter and offers three reasons why ethics should be the optimal locus of the economic household. These three reasons are (1) the economy is an organic structure, (2) the economy is a relational paradigm and (3) the economy is a moral enterprise. In this part, a more holistic view of the economic household is expounded in order to contextualise the reasons why ethics should be invited back in the economy. The chapter concludes that, if ethics are the locus of the economy, the purest maxims concerning the conduct of life advanced by ethics create an overall tendency to prosperity. The averment advanced is that the relationships between these maxims satisfy the optimal conditions needed to enjoy economic growth and prosperity - and in doing so, PUI could be reduced.

In many ways, the South African society is at a tipping point. There is an urgency to deal effectively with poverty but equally to bolster economic growth. Currently, real transformation is taking a back seat whilst some stakeholders are trying to figure out how to make the economy great again (Hagedorn 2019:1-2) and how we are going to change the prevailing malevolent character of the economic household. Time is not on our side, as PUI are threatening the stability and harmony of the South African society. Unless we want things to stay as they are, our attitudes and behaviour will have to change radically (BusinessTech 2019b:3). The only way that the South African economy can be revived is through radical and painful change in the ethics underlying the economic household. It does not lie in a patchwork of cosmetic changes. It rather lies in a reorganisation of the whole of society and the economic system in such a way that there is a

transformation of the citizenry to live up to the notion of brotherhood - socio-economic justice, solidarity and conscientiousness. Without these values, we will unfortunately see more people who extract from the system for their selfish gain rather than to instantly grow the economy through industriousness, thriftiness, prudence, beneficence and redistributive justice (Kuwana 2017:1).

Can the South African society achieve this noble ideal? From my singular perspective, the answer is yes. The South African society is world renowned for its ability to manage change effectively. Do we have to remind ourselves of the spectacular transformation in 1994 and the immediate years following it? Is this the task of one man or woman? Exemplar leadership is a necessary condition but not a sufficient condition. Change will only come once there is a critical mass of like-minded people - smart people that have command over enduring values and virtues that could create wealth and prosperity for all. This is perhaps one of the most pressing present-day challenges. If we fail, we will fail the poor and prosperity will elude us all.

■ Part 1: South Africa Incorporate is failing the poor

The line of inference in this part is that the weak ethics of the economic household, notably of those that are enjoying relatively comfortable and dignified lives, are prolonging the plight of the poor, by not mustering resources and opportunities in ways that bolster economic growth and fight PUI. Let us start at the beginning. The World Bank in its South Africa update for 2018 (World Bank 2018:26) indicated that 49% of the South African population may be classified as chronically poor, a further 13% as transient and 14% as vulnerable. By implication, 76% of the South African population is in one way or the other exposed to living conditions that inhibit a dignified and comfortable life. These conditions are further compounded by the fact that South Africa remains a dual economy with one of the highest inequality rates

in the world, with a consumption expenditure Gini coefficient of 0.63 in 2016, having increased from 0.61 in 1996 (World Bank 2019c:3). The World Bank (2019c:3) further observed that the 'high inequality is perpetuated by a legacy of exclusion and the nature of economic growth, which is not pro-poor and does not generate jobs'. In South Africa, the official unemployment rate was 26.7% in the fourth quarter of 2017 and the youth unemployment rate was 53.7% (World Bank 2018:3) - this weak growth in job creation, according to Schüssler (n.d.), remains the greatest challenge in the South African economy that prolongs the plight of the poor. A contradiction is prevalent in the sense that economic growth is hampered by inequalities - the very same dilemma that the South African economic growth strategies are trying to address. South Africa is therefore caught up in a vicious cycle where the 'stubbornly high levels of inequality reflect the weak capacity of many South Africans to contribute to skills-intensive economic development' (World Bank 2018:48). According to the World Bank (2018:48), this is further compounded by the fact that inequalities fuel contestation and policy uncertainty, deterring investments and financial resources needed to innovate and expand productive capacities and to redress injustice.

To innovate and expand productive capacities in South Africa, the *lekgotla* of the sixth administration of South Africa, held on 6 June 2019, by my account rightly identified what it called the triple fault lines of PUI, as the major impediments to economic progress. The *lekgotla*, in addressing the PUI dilemma, identified the following areas for implementation over the administration's term (2019-2024) that formed the foundation of their manifesto in fighting PUI:

- Transforming the economy to serve all South Africans and create jobs.
- Investing in the capacities of all the people, through an education and skills revolution and health.
- Advancing social transformation through the strengthening of the social wage.

- Advance nation-building and social cohesion and a safe South Africa for all.
- Renewing and building a capable, honest, development state and a social compact.

This manifesto touches on many pertinent issues. The manifesto, whilst considering the interest of the poor, hinges on two fundamental tenets, namely social wages and job creation. These two fundamentals encompass what may be termed the secondary tenets of the manifesto, which include skills revolution; a capable, honest and development state; social cohesion; and law and order. All the aforesaid should be integrated and fully articulated to create a social compact. As job creation and social wages constitute the most single focus of the fight against PUI, at least for now, let us apply our minds to these two fundamental tenets of the manifesto.

Keeton (2014:26–31) offered evidence that 20 years ago most Latin American countries grappled with very high poverty and inequality. According to Keeton (2014:29), ‘probably the most important cause of reduced inequality in Latin America was rising employment’. With regard to social transfer, however, Keeton proves that in South Africa inequality has hardly changed despite the introduction of social transfers that now reach 17 million poor South Africans. Analysis shows that increasing social transfer to improve income distribution, and raising taxes on the rich for this purpose, will have a negligible effect on government’s ability to expand the existing grants (Keeton 2014:29). To aggravate the dire situation, the Financial and Fiscal Commission has found that South Africans are already overtaxed and that the source of government revenue cannot be extended without further economic hardship (BusinessTech 2019a:3). Recent data published by the IMF found that South Africans already carry one of the highest tax burdens in the world, ranking as the eight-most taxed nation out of 115 countries (BusinessTech 2019a:3). This leaves very limited scope for a further extension of the social grants and social wage in general, if even possible, unless government revenue is bolstered through strong and

sustainable economic growth. Keeton (2014) followed the line of thought that:

[/]f social grants cannot be extended to the unemployed by taxing the rich, the answer then appears to be to generate millions of jobs, no matter how low paying they ought to be. (p. 30)

The logic behind the line of thought is that no matter how low paying the jobs might be, at least the 6.2 million people (2018 basic statistics) currently unemployed can start earning at least some income and move out of poverty. The sad reality is that such a strategy would reduce poverty but the impact on income inequality would actually be quite modest (Keeton 2014:30). Keeton therefore observed that 'even if all those currently unemployed earn the current income of low-skilled workers, overall income inequality in South Africa will only fall modest' (Keeton 2014:30). However, a large portion of the population will move out of poverty, though they will not be able to enjoy the same comfortable and dignified lives as those employed in skilled and semi-skilled jobs.

This brings us back to the most fundamental prerequisite for the fight against poverty, which is that the South African economy needs to grow faster and generate many more jobs. Notwithstanding the contradiction mentioned earlier - that inequalities are deterring the investment and financial resources needed to redress poverty and unemployment - the harsh reality is that a growth path of 6.0% per annum for a period of at least 20 years is necessary, according to Roux (2017:1), 'to make meaningful inroads into unemployment, poverty and income inequality'. This challenge is even more daunting if one considers that South Africa has been in a technical recession since the second quarter of 2018 and stuck in the longest business cycle slump since 1945 (BusinessTech 2019b:3). Business and factory confidence dropped in May 2019 and spending of households, which makes up 60% of the GDP, remains weak. The Reserve Bank forecasts that the economy, which has not expanded at more than 2% since 2013, will only achieve 1% growth in 2019. The

only other time that a falling cycle lasted more than 50 months was between 1989 and 1993, when the apartheid government renewed a state of emergency and when the apartheid government was preparing to hand over power (BusinessTech 2019b:3). It is therefore not surprising that the World Bank (2018:22) forecast economic growth of between 1.4% and 1.9% for the period 2018–2020. This does not bode well for fighting poverty and economic injustice in the South African society.

The low levels of growth and job creation are further aggravated by the following underlying conditions:

- low levels of productivity
- contestation for resources and associated corruption
- increase in desperation levels and decrease in levels of happiness and comfort
- growing ethical and trust deficit.

Separately and jointly these underlying conditions are prolonging the plight of the poor and exacerbating the social injustice of the past.

■ Low level of productivity

In order to bolster economic growth, the South African economy ought to remain 'open for business' and by implication those that are employed together with the so-called hard factors of the economy (i.e. infrastructure, technology, etc.) ought to work at the highest possible levels of productivity or, put differently, produce the highest possible output at the lowest possible cost of production. Notwithstanding the fact that South Africa is well endowed with natural resources, infrastructure and technologies, the South African Productivity Index, which measures the gross national product (GNP) per person (constant 2011 PPP\$) has increased by 22.06% from 1991 to 2018. Member countries of the OECD have experienced a 41.59% increase in productivity, whilst low-income and middle-income countries like South Africa have seen a 140.14% increase of productivity (World Bank 2019b:4).

Apart from the slow increase in general productivity, the marginal increase in the growth rate of the GNP is nullified by a higher increase in population, which does not bode well for the already alarming levels of poverty. I am convinced that productivity experts would be able to offer many reasons for the deterioration in productivity levels. The fact of the matter is that the prevailing levels of productivity stifle economic growth and job creation. This may even become worse as the world enters the Fourth Industrial Revolution, which would be characterised by greater shared economies, Internet trade and mobility of resources, whether capital or labour. Can the poor who are suffering the most from a lack of growth and job creation be blamed for the low productivity levels and slipping international competitiveness? I am convinced that there are no or few compelling reasons that the unemployed and the poor are to be blamed. If South Africa wants to step up its growth forecast, the soft factors or human capabilities as part of the productivity equation ought to be stepped up. Hard work, diligence, accountability, conscientiousness, pride and discipline are a few values that would change the general trajectory. Yes, it is true that these qualities ought to be instilled in the minds of the poor as part of a skills revolution programme in order to improve their propensities and capabilities, so that they have a greater chance of being employed. But those in leadership and those employed owe it to those less fortunate to set the benchmark and be an exemplar.

■ **Contestation for resources**

If the low levels of productivity of those employed are not enough to enhance growth and improve the plight of the poor, the persistent inequalities fuel contestation for resources, through corruption, crime, expropriation and higher taxation to feed the growing salary bill, which in turn discourages the investment, both domestic and foreign, needed to accelerate job creation and reduce inequality, according to the World Bank (2018:vii). As

corruption is likely to be rampant in conditions of PUI as experienced in South Africa, it is not surprising that, with regard to corruption, South Africa is ranked 73 amongst 180 countries, with a score of 43 in 2018. A score of zero indicates a highly corrupt society and a score of 100 indicates a very clean society. Those implicated by the Zondo Commission, which investigates 'state capture' in the South African society, and their accomplices are in positions of power with exceptional resources under their command. They are not the poor in society! The same applies to the financial abuse and corruption in private organisations, for instance at Steinhoff. The contestation for resources underlying corruption is evident at all levels but most prominently in the higher echelons of society – the powerful, those in leadership and those who control resources and opportunities.

■ Decrease in levels of happiness

The prevailing conditions, in many ways, impact negatively on the general levels of happiness and misery of the South African people. In the 2019 World Happiness report, South Africa was ranked behind African countries such as Mauritius (57) and Nigeria (85). What makes this aspect so disturbing is that South Africa was named as the 21st biggest 'faller', with the average respondent scoring around 0.49 points on a 10-point scale measuring unhappiness (World Bank 2019a:1-7). This brings us to the World Misery Index, which factors in a nation's inflation, lending rates, unemployment figures and year-on-year per capita GDP growth to determine 'misery'. The best statistics at hand suggest that South Africa is amongst the most 'miserable' societies, with a ranking of 10 out of 108 countries measured. The chief reason, according to Hanke (cited in Seggie 2015:615), is the high level of unemployment, which at the time of survey in 2015 stood at 26% (40% of people who have given up are counted). The growing unhappiness and misery experienced by the South African society compound the public despair that in many ways is the cause of the growing

ethical and trust deficit among people of power and wealth. This is a further aggravating factor in fighting poverty through economic growth.

■ **Growing ethical and trust deficit**

The reality is that South Africa experiences a deep-rooted ethical and trust deficit. This deficit emanated from the unethical burden of the past, and the ethical and trust deficit has been further entrenched by maladministration and corruption, with the total amount that was stolen or wasted by those employed and in positions of power over the last decade exceeding the R1 trillion mark (Du Preez 2018:2). As alluded above, the South African society is caught up in a systematic spread of corruption in particular in the public sector; the private corporate sector is not excluded though (eds. Abedian, Mosala & Schume 2018:269). This systematic corruption and the capture of part of the state by some privileged persons have resulted not only in a material loss of accountability in governance but also a deep-rooted mistrust with the result that the rich – both black and white – remain largely confined to the pursuit of narrow and short-term materialistic gains (eds. Abedian et al. 2018:265), more so now than in the past. The attitude of the rich, the powerful and those employed are further aggravating the prevailing vicious cycle characterised by racial exclusion, racial prejudices, apartheid-style machination of power, colossal abuse of fiscal power and resources, conspicuous consumption and a very superficial regard by both black and white elite for the daily struggles of the poor that remain disenfranchised from the economy.

According to Abedian et al. (eds. 2018:265), the culmination of all these factors has left South Africa incorporate in a 'sophisticated and self-inflicted war with itself that permeates nearly all segments and components of the social system'. The result is that the efforts to ameliorate the PUI have been severely diminished.

In its review of the South African economy, the World Bank (2018:vii) warned that a further degradation in the moral and ethical fibre of South Africa Incorporate is not excluded. The World Bank (2018:32) further observed that 'it is likely that severe inequalities in South Africa [will] affect economic growth, leading to contested resources, fuelling fragility'. A further degradation of the moral fibre would therefore result in the ethical and trust deficit being intensified and entrenched with severe consequences for the levels of PUI, which, in turn, would undermine the stability and sustainability of South Africa Incorporate.

Should the contestation of resources by those employed and in positions of power be allowed unabated and continue to fuel unethical conduct and wastage of public resources by politicians and public servants and executives and management of large state-owned and private companies, the ethics of responsibility and service will deteriorate further.

Considering the low levels of productivity, general public despair, growing contestation of resources and associated corruption and the ethical and trust deficit, South Africa Incorporate is indeed failing the poor. The slipping ethics of those in power and those employed are prolonging the plight of the poor and aggravating the PUI dilemma. In order to place the South African economy on a growth trajectory, we have to set our ethics right. As already mentioned, a new 'unifying faith' that 'if we want to be prosperous, we ought to be ethical' ought to be enshrined in the minds of especially those in power and those employed. Put differently, we have to create an ethical economy with a strong developmental orientation if we wish to eliminate poverty and ensure dignified and comfortable lives for all.

In a recent article by this author (Walters & Vorster 2019), it has been concluded that we as South Africans do not have to be fixated only on the current economic woes, turbulence and ethical deficit. South Africa Incorporate could regain its resolve but needs to visualise the long-term picture of a shared inclusive economy where the potential of all its people and all the resources

of the land could bring true and lasting prosperity. To achieve that, South Africa Incorporate should build a strong social bond based on the ethics of solidarity where each person's dignity and estate are treasured and protected, and each person can enjoy a dignified and comfortable life. Indeed, the South African economy should be one where each person, whether a foreign investor or a cleaner, feels welcomed and appreciated. This all starts with infusing ethics into the economy.

What follows is a brief ethical interpretation of economy as a 'shared household'. This might bring us closer to contextualising the causality between ethics and the economy. This is a universal interpretation and not specific to the South African economy.

■ **Part 2: Ethics – The invisible connection**

■ **A house divided**

'A house divided against itself cannot stand' is a well-known figure of speech that Abraham Lincoln used on 16 June 1858 to help rouse the people to recognition of the magnitude of the ongoing debates over the legality of slavery. Lincoln used these words because he believed that the Union could not endure permanently with half slaves and half free. In Lincoln's mind, he did not foresee or expect the house to fall – but he did expect it to no longer be divided. It will become all one thing or all the other.

Perhaps, these words ought to resonate through the minds of all South Africans, as the author agrees with Rajab (2016) that South Africa is indeed at a tipping point as a successful nation. Deep-seated reform is now needed to place the South African economy on the correct path to prosperity. But before that, one thing ought to be corrected as we as society cannot endure permanently to be half free and half enslaved by unethical conduct and a weak ethical appreciation of responsibility as free

citizens in a democracy. We as a society, as long as we remain divided, would not enjoy our full potential and could even be brought to desolation. As a society, we cannot enjoy the fruits of a free democracy and a free market economy, but are enslaved by greed and selfish material accumulation whilst we discard the values of moral humanness and ethics of responsibility, which are two major ingredients for achieving collective prosperity. Today, the people of South Africa Incorporate are living as if we have a democratic country. However, what has transpired is in fact the freedom to do whatever we want but not being responsible for anything else (Liebig 1994:189). This reminds me of what transpired after the French Revolution, as a society evolved in which individuals and groups constantly appealed to rights against others without recognising any responsibilities of their own (Küng 1998:99). In this way, the spirit of an ethic of responsibility was undermined. As De Klerk-Luttig (2018:n.p.) argued, 'every person has to accept that he or she has a duty to the larger body'. Küng (1998:59) argued in this regard that a 'sober perception of interest ought to be combined with a basic ethical orientation'.

The author therefore agrees with Kuwana (as cited in Van Zyl 2017) that the real challenge South Africa Incorporate is facing today is the collapse of the foundational pillars of an ethic that is a prerequisite to creating a conducive environment that encourages people to trade and do business with each other. Abedian (as cited in Stadler & Prince 2016) reckoned that this may be the last chance to revive ethics and economic growth. The current economic meltdown and the avalanche of evidence of an amoral economic household infested with individual selfishness and associated corruption should therefore urgently bring us back to shine the spotlight on the ethics underlying the South African economic household. By undermining the ethics of responsibility and by being so divided that society cannot agree on a strong ethical ethos, the poor who remain disenfranchised from the economy are suffering the most. As Adam Smith, the

father of economics, has warned (Friedman 2011:166), 'no society can surely be flourishing and happy which the far greater part of the members are poor and miserable' (Friedman 2011:166). In fact, when a person is not well clothed, housed and his or her belly is not full enough, a person's dignity and self-awareness are weak and tainted and leave hardly any capacity for self-actualisation, creativity and responsible citizenship. Do we need to remind ourselves of the reasons for the collapse of the Roman Empire?

Learning from the experience and wisdom of Abraham Lincoln, the South African society has a choice. If we do not invite ethics back into the economy and shine the spotlight on the ethics underlying the South African economic household, the current economic meltdown and the avalanche of an amoral economic household infested with disdain or aloofness regarding individual responsibilities and commitment to mutual prosperity will overwhelm the South African society. Ultimately, the gap between the rich and the poor will become explosive. As the South African wealth demographics are divided along racial and colour lines, the explosion will regrettably have a racial undertone. However, the house need not be divided. The problem can be resolved. What then is the problem we ought to solve? We should come to the realisation that ethics ought to be the optimal locus of the economy. Ethics are the 'invisible connection' that keeps the economic household together and fully functional. Let me cite a few examples. Firstly, an economy that respects the dignity and estate of all citizens functions with greater trust and confidence and therefore attracts investment and bolsters emotional commitment and loyalty. Secondly, an economy where the people are thrifty and hardworking will prosper because every worker, every leader does not stop until the job is done excellently. The outcome is greater effectiveness and efficiency, and services are always rendered on time. Thirdly, an economic household where everyone, from the investor to the cleaner, are treated with respect and gratitude has a much stronger bond of solidarity.

Lastly, an economic household where people are sympathetic or rather appreciative of the plight of others, their joy and sorrow, has a greater conscience that holds the household together. To keep the house intact, we need to focus on the ethical undertone or foundation. In the following section, three reasons are advanced as to why ethics ought to be invited back into the economic household and ought to be the optimal locus of the economy.

■ Economy as a household

As the economy functions like a household and as the economy is the crossroads of human inspirations and ventures, the proficiency of the economy is indeed important in order to nourish life and to be the arena of personal growth where people can express their creativity, ingenuity and thriftiness. In this way, the economy is a transitory means to achieve a state of goodness and the good life. In this section, three reasons will be expounded that argues that ethics ought to be the optimal locus of the economic household. The three reasons are:

1. the economy is an organic structure
2. the economy is a relational paradigm
3. the economy is a moral enterprise.

The aforesaid contextualises the fundamental nature and character of the economic household and the scope and functions of ethics in promoting the proficiency of the economic household. I do not pretend to be scientific nor is the analysis complete. I am only trying to highlight the pattern underlying the economic household and why ethics ought to be invited back into the economy. In the first sub-section, I will highlight the underlying organic nature of the economic household or rather its animated and telic nature as a living phenomenon that changes according to the circumstances but remains true to its character and purpose. In the second sub-section, the underlying character of the economic household and more pertinently the importance of

relationships will be expounded. In the final sub-section, the continued ethical construct in the economic household, more pertinently the continued choice between moral or amoral acts, will be expounded to contextualise why ethics are the invisible connection in the economic household.

■ The economy as an organic system

In this sub-section, the 'organic' role and function of ethics in the economic household as an evolving phenomenon will be contextualised. For this reason, we have to contextualise the economic household as an organic structure that evolved over time and will continue evolving over time and with that the ethics that undergird the economic household evolve.

All fully situated humans that are conscious and capable have an innate desire and passion to improve their conditions of living and to live dignified and comfortable lives. Adam Smith (1776:341) understood this driving force in free individuals. In his seminal work, *The wealth of nations*, Smith argued that, 'no human is so perfectly satisfied that he is without any wish of alteration or improvement of any kind'. Smith (1776:65) alluded to a partial explanation as to why some individuals and societies are more prosperous than others and concluded that some pursue the great purpose of human life, what Smith referred to as 'bettering of living conditions', with greater ambition. According to Smith (1776), it is this ambition:

[T]hat prompts individuals, a long way down the transitional path from rude subsistence, by creating surplus stock (i.e. food), to save their stock for future use and prompt them to employ industrious people to sustain and better their conditions of living. (p. 65)

In a more contemporary society, the same ambition encourages a person, for instance, to buy shares in a Fortune 500 company that has a history of paying above average dividends. It is also this ambition that drives a person to pursue a particular vocation or to invest savings in a new innovation hub or start-up company.

According to Smith (1776:341), this ‘lifelong womb to the grave desire for self-betterment’ not only positively prompts competitiveness and industriousness but also urges individuals and societies to find remedies for what he called ‘disorders that are prompted from the slow and gradual adoption of behaviour of individuals’. According to Smith (1776:11), behind this pursuit lies the idea of the industrious and frugal person. In other words, the innate desire for self-betterment is not only the basis of humans’ economic drive but also prompts humans to develop through self-mastering what may be called growth-inducing behaviour and attitudes in support of the overall desire of self-betterment and progress.

This innate constitution or telicity of humans to self-betterment and improving their conditions of living is driven by the eternal principles of love and faith. Free, fully situated humans invest their time, energy and resources in ventures they aspire to, as acts of love and faith. They are making these productive investments because, firstly, they love what they are doing or are doing something for love. Secondly, they are doing it as an act of faith, because they have an expectation or hope of a beneficial outcome in time to come. They therefore express some faith in the unknown, perhaps some more than the others.

Love and faith therefore infuse human desires and passions and give birth to actions. As George Gelder (as cited in Rusten & Good 2016:3) asserted: ‘It is love and faith that infuse ideas with life and fire’. It is because of this deep telic orientation towards love of oneself and faith in the unknown that humans are propelled forward to meet the innate desire for self-betterment. The love and faith that infuse our desires and passions are not entirely and exclusively for reasons of self-interest. As Adam Smith (1759) posited in the very first sentence of *The theory of moral sentiments*:

How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others and render their happiness necessary to him. (p. 9)

It is therefore part of the telicity of humans that, firstly, our acts of self-betterment are infused by love and faith and, secondly, that we as humans do not act from self-interest alone.

As free individuals pursue their ambitions with love and faith, faith evolves through experience and outcomes. Trust in the unknown evolves over time and may either be of an existential or a transcendental nature, or a combination of both. For instance, a person may develop trust and confidence in material gratification of goods and services or the material benefits of profit maximisation and pursue their interest with great devotion accordingly. Or a person may develop confidence and trust in the transcendental and develop a system of faith and belief in a superhuman-transcendental controlling power that at all times directs life in a manner that leads to a beneficial outcome or, put differently, the greatest possible quantity of happiness. In this sense, a person develops a world view, which depends on a certain ideology, religion or belief, which is expressed in individual attitudes, behaviours and preferences as a manifestation of each person's sense of morality, principles, values and norms ('ethics'), as a guide to human conduct.

This does not mean that a person could pursue, for instance, his or her self-betterment purely according to his or her world view, whether existential or transcendental. This is occurring within a societal context. Human beings are socially co-operative creatures by creation and from the earliest origins have realised that a person cannot pursue one's own greed and selfishness without having to moderate and balance one's own interests, desires, passions and aversions to a standard acceptable to society. Through a process of discovery, and very gradually, humankind established and formally agreed on general rules of behaviour and conduct that in time became formal rules and protocols that are taught to the next generation and future generations. These rules were established through multiple interactive human behaviours. As such, rules arise from the

dependence of each person in society and the goodwill of many independent others. Through multiple gradual steps, the transition has been made from the first simple efforts of uncultivated nature to a state of things so beautiful and complicated. Likewise, the moral judgements and ethical behaviour, and the rules through which we render them, developed without overall antecedent or cognitive plan, creating a general consensus and decorum of a virtuous and prosperous life – the basis of fair exchange and virtues of conduct that is growth-inducing and leads to greater wealth and prosperity.

Based on the countless individual judgements and concurrent choices that we as humans have made over the ages in response to particular circumstances and through the evolution of knowledge and morality, humans have developed increasingly sophisticated principles of behaviour and judgements in pursuance of their telic orientation to self-betterment. What seems to be isolated and haphazard interactions over time leads to an eventual state where these conducts solidify into principles of ethics that guide our human conscience or moral sense of right and wrong as a guide to human behaviour. Ultimately, the slow changes in people's interest, experiences, environment and conscience allowed enough time for longstanding associations, institutions and ethics to arise, giving a firm foundation to the rules, standards, protocols and other dispositions. Although these vary according to particular circumstances, they are all rooted in two intrinsic laws: firstly, 'do all you have agreed to do', and secondly, 'do not encroach on another person's dignity or property'.

These two intrinsic laws may be summed up in one law, which is called the Golden Rule. This Golden Rule is stated and restated throughout all the great religions and civilisations. Great traditions have many ways in which they relate the Golden Rule. Kant refers to this Golden Rule as the categorical imperative, which he states as willingness for all people to do that which we desire to have done to ourselves.

The categorical imperative in Adam Smith's ethics underlying his economic thoughts is similar in essence to the Golden Rule. The unconditional moral obligation in Smith's ethics (1759) is the following:

What befalls ourselves we should regard as what befalls our neighbour, or what comes to the same thing, as our neighbour regards what befalls us. (p. 140)

This Golden Rule is antecedent to human reason and general morality, and constitutes the root of all common law and the foundation of legality and rationality. This innate disposition of human beings has been shaped over time and is directed by this Golden Rule, sometimes more forcefully than at other times. This is what is called human conscience, which in turn shaped and directed human character, including traits and preferences, which are generally defined as morality, as a cultural manifestation, and ethics, as specific rules, standards and values.

What are the implications of this organic process on the economic household? As the economy is the crossroads of human aspirations and ventures, all aiming at fulfilling human's telicity to better the conditions of living, the foundation of the economic household, particular to the circumstances, is shaped by those events that are firmly embedded in morality and ethics. Morality, ethics and common law evolved over time and were founded on the principle of the Golden Rule, and they undergird all economies, whether free market, socialistic or communal economies. However, the relevance and actual actualisation of morality, ethics and common law differ in the application thereof, with consequential effect on individual liberty and the interpretation of morality and ethics. As such, morality, ethics and common law undergird capitalism and prosperity in the Western world in a unique and particular way. For instance, the free market economic system is firmly embedded in human liberty and the freedom of choice and association, and is constrained not by law but by character – at least, that is the founding ideal of Adam Smith's conception. In these societies,

the ideal is that the 'laws of the market' order or rather organise human preferences and human behaviour, but freedom is internally constrained by human character. The latter is crucial to the proficiency of the market economy, as the price mechanism does not necessarily bestow the right use or lead to good operative acts. The economy within the context of the market-oriented system principally came to rely on the competence of each individual to promote the right to use and good operative acts in compliance with the overarching Golden Rule and the two subservient intrinsic common laws mentioned above. The competence of each person in turn is founded upon the person's conscience and dispositions that are manifested as character traits and preferences.

Ethics are therefore critical in advancing the founding principles of a democratic capitalistic society and the manner and the way in which such societies advance their desire for self-betterment. Ethics set dispositions, norms and standards to assist the citizenry in acquiring a greater sensitivity to the events of human life, so that a keen and earnest attention is given to the propriety of individual conduct. In doing so, ethics are advancing the right use and good operative conduct and acts. Ethics also offer virtues and values that guide the citizenry to an exact justness of behaviour and increase individual competencies not only to feel and discern but also to be a competent person who can flourish and prosper in a free society.

The economy as an organic system therefore depends ultimately on the institutions that instil character, purpose and virtue, in order to operate effectively and advance human, individual and universal prosperity given the circumstances at the time. If the society is therefore founded on the constraint or coercion of law, the full potential of human character and liberty will be restrained. Should society successfully develop the required decorum and institutions to instil character, purpose and virtue, moral and ethical standards will be raised, promoting liberty and prosperity. Liberty and prosperity are then not

constrained by law but rather secured by character, which is underscored by ethics.

At each stage of human evolution, especially during the gradual evolution of the levels of subsistence over the four stages that essentially constitute the nature and scope of the economic household at the time, a unique set of morals and norms particular to the time but within the overall common law that directs the telicity of humanity have been developed, sometimes spontaneously and at other times by deliberate design and intention. The economy as an organic system therefore evolved concurrently with the evolution of morality and ethics. This is indeed a symbiotic organic relationship where the economy gives rise to morally uplifting effects and at times is shaped and directed by the evolution of morality and ethics itself.

Now that civilisation is at the dawn of the Fourth Industrial Revolution, which is an organic development of the economic household, the morality and ethics of the postsecular society will direct and shape the new revolution. The new revolution will indeed shape and direct the morality of society as a cultural phenomenon, and ethics as a science will set new dispositions, principles and norms within the confines of the intrinsic and the telic nature of humankind. By encapsulating and clarifying the essential features of what the good life may be in the Fourth Industrial Revolution, and setting dispositions, norms and principles of conduct and values as a moral guide for contemporary judgement, ethics are fundamental to the success of the Fourth Industrial Revolution, like in the past. Ethics as a science will continue to shape and direct human civilisation in a manner that would instil a warm appreciation and comprehension of the manner in which humans ought to pursue their innate and telic desire for self-betterment through love and faith, giving not only meaning to the good life to come, but actually directing human creativity and imagination towards attaining a good life, thereby ensuring that the economy grows as an organic structure that is alive and giving life. The role of ethics as the 'invisible connection' is vital to this unfolding process.

■ The economy as a relational paradigm

The second reason why ethics ought to be the optimal locus of the economy is the focus on the relational pattern that underscores economic relations and the functions and scope of ethics in advancing the relational pattern. To contextualise the pattern, we have to understand that in the economic household, sympathetic relationships exist between individuals and other human beings and individuals and society. This sympathetic relationship evolved since the beginning of time and provided content to the scope and nature of the economic household. Since the beginning of time, human beings, as socially co-operative beings, have flocked together and formed societies (Walters 2018:31). Humans since time immemorial congregated in societies. They realised that they cannot survive on their own and continually need the help of each other, and for this reason they always lived in societies.

It is innate and telic to human nature (Walters 2018:31) that humans socialise in a societal context. Aristotle argued that humans (in his argument Aristotle refers to 'man in society') have a feminine desire to be part of a polis (McCwskey 1996). Accordingly, Aristotle argued, humans are political. Aristotle therefore asserted that human beings are not unsocialised brutes. People value their togetherness and will not easily defect from social arrangements. A dualistic nature is most evident in humans, as they are socially co-operative beings on the one hand and self-centred on the other hand (Walters 2018:32). Because of this duality, very special relationships between persons within society evolved over time (Walters 2018:32). A mutually sympathetic relationship evolved between person and society (Walters 2018:32).

This sympathetic relationship and the urge to live and avoid desiccation are intrinsic to humans, and they prevent any behavioural practices within society that would lead to the destruction of society (Walters 2018:32). As a result, minimum levels of trust and integrity that are essential for the co-operative continuation of individuals and society have evolved. As Adam

Smith (1759:87) observed, ‘there can be no social intercourse between persons who also not generally abstain from injury [*sic*] one another’, adding particularly, ‘if there is any society amongst robbers and murderers they must at least abstain from robbing and murdering each other’. Over time, a network of relationships of trust, dependability and respect, all of which are indispensable for any form of mutual trust, evolved within a societal context (Walters 2018:32) and much later between societies. As expounded in the previous sub-section, this minimum standard of behaviour evolved without conscious deliberation or reason, but rather through instinctive or intrinsic conduct and many small practical engagements of trial and error.

These sympathetic relationships, founded on a form of trust, dependability and respect, provided the foundation for the most rudimentary exchange of goods that evolved over time to what is today a sophisticated economic household. The evolution of exchange and what is now known as ‘economy’, from earlier beginnings (Friedman 2011:166), was dependent on the inherent social settings. The survival and further advancement of societies then, and more so today, depend very much on the proficiency of the exchange arrangements, which in turn depend very much on the normal standards and ethical norms and rules of the time. Initially, the exchange of rudimentary goods and services, for instance, a bow for an arrow or two, occurred, and this was very basic in matter and kind. As humans became more dependent on each other, further evolution of exchange occurred, and rules of behaviour developed, language evolved, and the formation of jurisprudence occurred. In the process, humans began to realise that certain behaviours and attitudes allow some to prosper more than others, and these growth-inducing behaviour and attitudes were self-mastered in order to acquire greater wealth. Gradually, these attitudes and behaviour became acceptable as the ethical and moral standard of living in some societies.

As humans in the societal context progressed towards agreeing on the minimum standards of conduct, specialisation of craft and trade occurred. They became less vulnerable to the

calamities of life and improved their chances of survival. For this reason, humans began to evolve from the rudimentary subsistence and simplicity to sophisticated modes of subsistence and associated rules that govern their societies and trade. Societies that developed these rudimentary ethical and moral standards of living in order to maintain good co-operative relationships found the remedies of conflict quicker than others. These societies progress the quickest and discover new modes of subsistence and better ways to order their societies and trade relationships, long before other societies. This has had a major influence on the advancement of human evolution, both in terms of material prosperity and the evolution of the ethical behaviour of people.

Through multiple gradual steps, the transition from the first simple or rudimentary economy of uncultured nature evolved to a state so wonderfully artificial and complicated (Kennedy 2008:28). Based on the countless individual judgements and co-operative acts that individuals separately and societies jointly have made over the ages, all in response to particular circumstances together with the evolution of knowledge, morality and ethics, humans developed increasingly sophisticated means of trade and bartering. This occurred all within the pretext of co-operative relationships that are governed by a system of morality and ethics, as comprehended at the time.

□ Relationships are therefore the currency of the economy, not money

It may therefore be argued that the economy is first and foremost a relational discipline (Kuwana 2017:1) and enterprise is founded and built upon relationships. The economy, through exchange and other associated economic activities, is therefore a social activity (Young 1997:85). Therefore, the economy is about 'town life' or life within a society or community (McCwskey 1996). Ultimately, the economy is a social organiser (Ashraf, Camerer & Loewenstein 2005:136) and the business of the economy is therefore concerning people in the first instance (Shorkend & Golding 2018:25). Because people are at the centre of the

economy, human behaviour, attitudes, values and virtues are vital to the proficiency of the economy. Ethics are therefore explicit in the management of the 'shared home' called economy. Within the relational paradigm of the economic household, ethics provide guidance on how people ought to behave and conduct themselves within this paradigm. Ethics offer a framework that guide individual behaviour and preferences. In this way, ethics also balance economic activities driven by selfish ends to produce socially beneficial outcomes and avoid a Hobbesian anarchy by disciplining the self-seeking propensities of individuals. In a different way, this may also be seen as a form of 'domesticating' and contextualising self-love, which is innate in all humans for their survival.

Furthermore, ethics instil in human relations elements of trust and security, which are vital and are sine qua non of a dynamic and proficient economy. Ethics further promote solidarity and other personal qualities and virtues that are essential for living together in a commercial society. Ethics align people around a common belief and values and create a shared purpose and vision, adding meaning and relevance to a person by promoting a shared purpose and compact, creating a movement helping persons and societies to find identity, balance and reason for being. Ethics in the economic household is therefore more than the narrow pretext of social responsibility and the rules of conduct. Ethics develop and energise the human spirit and advance the Golden Rule as a categorical imperative. As Adam Smith (1759:229) asserted, ethics advance the universal principle to promote instead of obstruct the 'excellence of your neighbour', and in so doing ethics, within the relational paradigm of economics, promote a social bond and friendship. In the context of promoting reciprocity in relationships, ethics advance the operative virtue of gratitude and equality in return. Because trade between 'us' and 'us' will more likely have beneficial outcomes, ethics fuel growth and prosperity, and provide further stimulus for the division of labour and investment in productive means. It therefore rightly can be said that ethics advance relationships,

increase transactions and reduce transactional cost. Ethics therefore offer a new way of reasoning in contemporary economic thought by including virtues, friendship, reciprocity and even love that are indeed much warmer and humane. By promoting and advancing other similar principles, such as values and virtues, ethics grow 'smart' people. 'Smart people' are more creative and grow people around them (Shorkend & Golding 2018:22). 'Smart people' act with greater integrity (Shorkend & Golding 2018:23) and with greater sympathy. 'Smart people' understand the necessity of nurturing human creativity (Liebig 1994:223). 'Smart people' are considerate of their impact in society and try to make it positive (Liebig 1994:22). 'Smart people' are betting in the direction of gratitude and thankfulness (Liebig 1994:6). 'Smart people' in a societal context let people feel valued and by doing so help other people thrive. All in all, 'smart people' create smart co-operative relationships that are the foundational essence of a proficient economy. This is essential in understanding the economic household as a social organiser. Ethics are therefore the 'invisible connection' that hold the economic household as a social and relational organism together and grow the co-operativeness needed for prosperity.

■ Economy as a moral enterprise

The third reason why ethics ought to be the optimal locus of the economy is to be found in the moral character and orientation of the economic household. In this context, the word 'moral' is used in a cultural context and interwoven with 'ethics' as a specific normative disposition. For example, the overall morality of an economic household may be either democratic and free or controlled and planned. Ethics in this context offer dispositions to guide the practical manifestation of both. Three underlying principles will be highlighted in support of this averment:

- economic activities are fundamentally human and therefore economic actors ought to choose, deliberately and by design, between moral or amoral action
- the economic household has to operate within a powerful normative framework to be prosperous
- progress is tautological in an economy that is founded on morality.

Regarding the first principle, Aristotle argued that as human action is ethical, and all economic action is human action, the economy has a latent ethical commitment, all aiming at what is necessary and sufficient for attaining the good life (Crespo 1998:205). Aristotle's view of human economic activities is essentially a virtuous sequence, with a latent ethical commitment to human happiness, *eudaimonia* or the good life. Fundamentally, this view is shared by Adam Smith, as his ethics describe a virtuous sequence of events based on the ethics of habitual sympathy and human conscience founded on the principle of universal benevolence. Both Aristotle and Smith's ethics in general and their views on economic activities, in particular, are founded on the principle of the sensible and reasonable person who has a well developed character or virtuous orientation acquired through the self-mastering of virtues and values. This is a utopian view, the ultimate or preferred telic orientation of human nature. Within this context, there is a set of linkages that demonstrated that the economy or *oikonomiké* is related to morals and ethics.

Two fundamental types of human interaction which in turn result in two types of economic relations or activities are identifiable and subservient to the choices made by each person. Viewed separately, economic activities are fundamentally moral or amoral, and as Young (Alvey 1999:82) rightly argued, human economic action can be a combination of being benevolent with a virtuous sequence or malevolent with a corrupt sequence. Human economic action can either be benevolent, which is a combination of benevolence and self-interest, or malevolent, with a desire to dominate and coerce that is combined with self-

interest. In the benevolent economic model, trade between 'us' and 'us' will be more likely to have moral sentiments in operation than trade between 'me' and 'they' in the malevolent economic model. Young (Alvey 1999:85-86) posited that a reciprocal exchange arrangement between friends precedes the bargaining in the market, when founded on the moral sentiments of the benevolent economic model as opposed to the weak moral sentiments in trade extended between strangers. In the context of the benevolent economic model, the operative virtue is 'gratitude for the gift', which we should provide 'equal in return'. In the benevolent economy, the rule of gratitude between friends evolves gradually over time into even more precise rules of justice (Alvey 1999:85-86). The virtue of justice being more precise in its general rules is over time established in a much more vigorous and formal way in the economy. Together with the principle of equilibrium prices, the law of justice replaces the virtue of gratitude and regulates the terms of exchange in the benevolent economic model. The benevolent model therefore provides better economic performance and leads to division of labour, economic growth and utility (Alvey 1999:85-86). In the benevolent economic model, the moral and the ethical sentiments operate properly, and the culture in the economic household is characterised by public virtue - a desire on the part of the individual, corporate and political organs of the state to promote the common good based on the correct understanding of the good life. At a more practical level, a better understanding of the linkages between economic activities and the consequences of public welfare and universal happiness evolves. The benevolent economic model follows a virtuous sequence that is rooted in other principles regarding human nature. People in such economies seek the approval of their conscience, which Smith posited is rooted in the habitual sympathy of others and nature and a well-founded understanding and commitment to the principle of universal benevolence - a term Smith used to describe that the greatest possible quantity of happiness are universally maintained at all times (Smith 1759:235).

In the malevolent economic model, self-interest becomes corrupted into greed and selfishness, which leads to violence and the desire to dominate and coerce. This is the dark side of human nature – slavery, colonialism and international trade under the mercantile policy are all instances of this model. Richard Weaver (Small 2011:13) described it aptly when stating that the benevolent economic model is founded upon the mores of the ethical gentleman in Europe prior to the First World War, who later turned out to be a gangster, with no moral codes or inhibitions, in spite of being a good entrepreneur. As the benevolent economic model is leading to the good life and in more practical terms is more economically productive and growth-inducing, morality and ethics ought to be the foundational essence of an economic household that is desirous of prosperity and the good life. In Weaver's analogy, the economic household that is flourishing is populated by good entrepreneurs with an ethical code.

The second principle that should be considered is that the economic household ought to operate within a powerful normative framework in order to be proficient. With this averment is implied that a normative framework of moral values and virtues are always underlying a prosperous economic household. Put differently, certain moral prerequisites have to be complied with in order to enjoy economic prosperity. This is evident when considering the fundamental prerequisites for prosperity. There are two primary factors responsible for economic prosperity:

- the skill and dexterity with which labour and other resources are applied (Smith 1776:10)
- the proportion between the productive and non-productive activities (Smith 1776:10).

In the first instance, the delicacy, finesse, integrity, frugality and prudence of the labour employed are fundamental in determining the ratio between productive and unproductive labour. In other words, the moral values underlying the skills and dexterity of the labour employed determine the second factor, that is, the ratio

between those employed and those not employed. Likewise, the fundamental behaviour of frugality, parsimony and prudence determine the ration between capital and revenue destined for immediate consumption and the accumulation of capital for investment. Clearly relevant for economic prosperity is, therefore, the overall morality of all the stakeholders in the economic household. The fundamental behavioural assumption of the economic growth theory is the same thing as the desire to cultivate ethical values of prudence, integrity, parsimony, frugality, et cetera.

For the economic household to be proficient in order to enjoy prosperity, the moral uplifting effects of the benevolent economic model and the moral prerequisites for economic progress ought to be fostered – intentionally and by design. However, we cannot place too much confidence in the market, the institutions and the individual person to deliver the desired objective of a benevolent economy and the moral prerequisites for prosperity automatically. Thomas Rourke, in opposition to Michael Novah (Small 2011:3), advanced the notion that the market does not automatically provide a moral or benevolent outcome based on virtuous sequence (Small 2011:3). Numerous practical examples support the argument that questions the discourse that economic institutions can automatically deliver moral outcomes independent of the moral ethical orientation of the people. For instance, differential power relations are the reality of the market, which means that in every transaction, one party has some capacity to exploit the other. It is only when the person freely chooses not to use that power to exploit the other that ethical action will result (Small 2011:9). It is also argued that if the free market price is believed to be automatically just, then there can be no injustice in the market operation and therefore would be no need for moral and ethical oversight. It leaves the moral actors nothing to contribute to the operations of the economic household (Small 2011:12). This is indeed not the case, and if there are indeed objective knowledge parameters for setting price, or dealing with ordinary exchanges or using money, then these may inform the economic actors' conscience (Small 2011:12).

It can be argued that a free market economy is necessary and appropriate to promote a benevolent society. But equally so, it can be argued that to achieve a benevolent outcome requires stakeholders who are aware of the objective moral and ethical dimensions of their commercial activities and remain committed towards social solidarity (Small 2011:9). However, because the markets and competition are far from generating their moral prerequisites for effective functioning automatically, conditions are observed when it is actually necessary, intentionally and by design, to create an overall moral outcome (Small 2011:3). The market and economic household therefore ought to be grounded in the correct overall moral and cultural context and fully manifested through applied ethical dispositions.

For instance, in a benevolent economic system, whether democratic or centrally controlled, the 'other regarding' principles of human nature, which bond people together in society, ought to be instilled as a necessary condition for economic prosperity. Central to this consideration is the importance of human willed actions towards solidarity and justice as the necessary adjunct to the success of any economic system (Small 2011:3). For example, in experiments, norms of positive reciprocity often create trust, wherein business prosper. Furthermore, trust as measured in sample surveys is strongly correlated with economic prosperity (Ashraf et al. 2005:136-137). As trust and reciprocity are important lubricants of exchange (Ashraf et al. 2005:136), Boulding points out that a minimum degree of benevolence, even in exchange, is required without which it cannot be legitimated and operate as a social organiser (Ashraf et al. 2005:136). Likewise, economic justice and co-operative coexistence are more likely to be prevalent in an environment of love (Ashraf et al. 2005:9). This requires a disposition towards one's trading partners capable of motivating just action (Ashraf et al. 2005:9).

The economic household is therefore practised in a cultural setting with a moral and ethical dimension related to the values of the members within society, which is ultimately grounded in their world view. The argument could therefore be advanced that

the concept of justice, love, reciprocity and trust cannot be reduced to the Pareto optimum, and any attempt to do that would create an economic household that is devoid of the social-moral and ethical setting in which the economy functions. The economic household therefore operates effectively only within a powerful normative framework. The economic household can therefore never be value-free. It is interwoven with issues such as morality and ethics that are deeply entrenched in society. In addition, the economic household is a human system, and its success is dependent upon the moral and ethical standards of its members. The economy has to draw its moral energies and ethical values from other spheres of life that are capable of generating them. I therefore agree with Roepke and Ludwig Erkard (Alvey 1999:9) that the market economy can work well only in a morally and ethically tutored society. The economic household needs a moral compass. Most fundamentally, the economy and economic stakeholders do need a moral and ethical framework, one that is better conformed to the real moral actor and not the homo-economics (Small 2011:12-13). The homo-economics, characterised by a utility maximising behaviour, is a very limited characterisation of the humane person that functions within a more elaborated system based on a much wider anthropology and moral system.

Depending on the success in creating a strong and powerful normative framework, people in 'civilised and thriving nations, even of the lowest and the poorest order', wrote Adam Smith (1776:10), 'may enjoy the greatest share of necessities and conveniences of life then it is possible for any savage to acquire'.

This brings us to the third underlying principle in support of the averment, namely that progress is tautological in a morally ethical economy.

As the free market economy is founded on the principles of liberty and free choice, many instances occur where the market price cannot effectively and timely balance out externalities or diseconomies. For instance, in a drought-stricken village, the market price cannot effectively filter out water wastage whilst

maintaining a fair equitable distribution of water at the same time. Increasing the price of water during times of drought creates inequalities, as the poor and the destitute have even less of a chance to quench their thirst, whilst the rich are relatively price-insensitive and continue to consume water at their comfort and leisure. Similarly, the conspicuous consumption in some rich Western societies have reached the point where food security in the world is being threatened and the footprint or the relentless demand placed on the limited resources worldwide is growing bigger owing to the price manipulation of food or general agricultural produce. The consequence is that in a free and democratic society, we can no longer afford that those preferences, whatever they happen to be, go unchecked or simply consider them to be a function of price. As our preferences about complex matters as well as mundane choices are dependent not only on the price mechanism as the technical organiser but also on our beliefs and values, our democracy requires a process of discussion, debate and education, aimed at informing and improving people's beliefs and values and moving them towards an equitable and sustainable universal goodness. Ethics in this regard ought to contribute to the public debate in order to influence people's preferences and values for the better. Ethics can assist in filtering out all those externalities and diseconomies that jeopardise the realisation of human well-being. Whilst the market mechanism helps filter out excess claims on resources by establishing a technical equilibrium between demand and supply, it has not succeeded in safeguarding social interest and ethical values through the right use and good operating acts. It is the ethics filter that changes individual traits, preferences and attitudes in a way that can help weed out all those ways of earning and spending that frustrate the realisation of general well-being (Chapra 2008:18).

The ethics filter acquires even greater importance if the use of coercion is to be ruled out. Thus, two layers of filter, the ethical filter as well as the price filter, are utilised to create an equilibrium

between supply and demand for resources in a way that would be more conducive to an actualisation of the humanitarian goals of society (Chapra 2008:18).

Ethics should therefore be allowed to inject a normative dimension into the economic household. If ethics are invited back, human freedom and liberty will be advanced in a way that everybody could enjoy the greatest quantity of happiness. Then, prosperity is virtually tautological, and the desirability of growth is morally defensible. It is therefore not difficult under such circumstances to make a strong argument in support of both the material and moral benefits of economic prosperity and growth.

■ Conclusion

■ Ethics are the optimal locus of the economy

Considering the economic challenges faced by the South African society, the current trajectory is unsustainable and the window of opportunity is closing. The fault lines that are evident in the economic household, and then most pertinently the ethical deficiencies, are a major reason why the PUI dilemma is growing worse. If South Africa continues on this path, it would break in two: the rich living in comfort with their dignity protected and the poor who will rise to gain what is just – their fair share of comfort and a restoration of their dignity. However, this can be averted if we as a society can invite ethics back into the economic household. We can build an inclusive, prosperous society. Ethics are the central theorem underlying a prosperous household. Ethics can change the trajectory because they:

- lubricate exchange
- provide a circumscribed space for economic activities
- advance the purest maxims concerning conduct
- are a freeing mode of living.

In summary, if ethics are the locus or source of the economy, the purest maxims concerning conduct of life advanced by ethics would create an overall tendency to prosperity. The relationship between these maxims, whether dispositions, values or virtues, would satisfy the conditions needed to enjoy prosperity. Ethics are therefore the optimal locus of a prosperous economic household. The averment is that if the South African society can invite ethics back into the economy, economic growth and prosperity is tautological and the PUI dilemma will be addressed effectively. A different trajectory will be followed, and the remarkable potential of the country and its people will deliver the economic growth we all aspire to. My plea is not in spite of the challenges and fault lines but because of them. Our future will be better than the past, if we could adopt a 'basket of values and virtues' that provides a circumscribed framework for our economic behaviour and criteria to judge the reasonableness and sensibility of our economic conduct and preferences. Well-founded values and virtues will provide a free mode of living and lubricate exchange by increasing economic transactions between consenting and reasonable parties, and reduce transactional cost and deficiencies in a benevolent economic household founded on sound ethics.

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Pentecostals confronting structural poverty: An ecclesiastical strategy to make a difference in the lives of poor people in sub-Saharan Africa

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■ Introduction

The hypothesis of this chapter is that, since its inception amongst the poor and the marginalised, Pentecostalism has provided strategies to survive and overcome personal poverty but that for various historical and theological reasons, especially as a result of its eschatological expectations, it was not effective in confronting structural poverty. This lacuna is being corrected to a certain extent by the African Pentecostal movement, in quite imaginative ways. By way of a historical reconstruction of the strategies of early Pentecostalism in order to distil effective principles and practices to confront poverty, these principles' effects on contemporary strategies are investigated by a comparative literature analysis, and three issues are reviewed. A construction is attempted of early Pentecostal strategies, and its viability is evaluated before current strategies are described. It will become evident that adequate research into contemporary Pentecostal practices has been done, as demonstrated by the many available publications. In the last part of the chapter, suggestions are made for prioritising some practices that may prove to be adequate to successfully confront poverty from the perspective of the Pentecostal tradition. These practices mostly have been applied already in other parts of the world. In speaking about Pentecostalism, the discussion is limited to the classical Pentecostal movement that originated at the beginning of the 20th century - the charismatic renewal movement that influenced main-line established churches since the 1960s, the neo-Pentecostal movement of independent churches that originated in the 1970s and the Pentecostalisation of many established traditions in contemporary times are not taken into consideration. The proliferation of Pentecostal churches in the global South and specifically in sub-Saharan Africa is used to motivate the viability of such research.

■ A historical reconstruction of early Pentecostalism as a strategy to confront and overcome personal poverty

In the following two sections, the framework of Droogers (1995:665, 2003) is used to describe the engagement between faith or church and social or civic involvement in terms of the interaction between three dimensions: the sacred or transcendental, internal and external dimensions. In order to apply the model, the intersectionality of these dimensions will be viewed anthropologically. The sacred or transcendental dimensions (spirituality, in the case of Pentecostalism) influence the internal dimensions (institution of church and its leadership) to engage with the external dimensions (political, social and economic projects and civic involvement). In its turn, it influences spirituality, creating a cycle (rather than a circle) where practitioners engage with and are influenced by their faith and society. Some researchers (such as Maltese 2015 and Bergunder 2010) warned correctly that the relationship between church, spirituality, society and civic involvement is not as rectilinear as Droogers might suggest. For the purposes of our analysis, however, Droogers' framework serves to separate these three dimensions whilst in the last section it will be demonstrated that the dimensions cannot be clearly distinguished from each other but are intertwined in various ways (Frahm-Arp 2018:6).

Ample documentation shows that most adherents of the early Pentecostal movement came from the ranks of the disenfranchised and marginalised, the lower socio-economic bracket of society (Ma 2007:28 as cited in Nel 2019) and especially the racially marginalised people in society (Archer 2009:198 as cited in Nel 2019). Firstly, the Pentecostal message appealed mainly to the most disenfranchised, those with little stake in the status quo, the people with no reason to hope that things would improve, as Cox

(1995:106 as cited in Nel 2019) argued. To them, Pentecostalism held the hope and possibility of a radically new order.

The movement impacted especially Afro-Americans as well as blacks in Africa and identified deliberately with those marginalised by society and main-line churches, struggling to find dignity and identity. In the process, many of the poor were lifted up, not only spiritually but also materially. This is true for South African Pentecostalism as well, as Anderson and Pillay (1997:234 as cited in Nel 2019) argued. Pieterse (2001:30–45) asserted that in South Africa just below 50% of the population belong to the poorest, 40% of households are classified as poor, 27% of the population fall in the bottom rung and 20% of households are classified as ultra-poor (Pieterse 2001:32). Poverty of those who are the poorest is related to landlessness – a focus in the present discourse is about land expropriation without reward.

Some researchers even explained the Pentecostal movement in terms of the marginalised and the disenfranchised in the movement who, owing to social disorganisation, compensated for their defective psychological constitution by way of ecstatic religion (Hine 1974; Miller 1996 as cited in Nel 2019), as an example of the church-sect theory (Kenneson 1999). ‘Peasant’ spirituality is then supposed to consist of mystical, supernatural, even animistic and magical notions common to those who live close to the soil (Weber 1962:80–84 as cited in Nel 2019). Whether it is the case or not, the fact is that Pentecostalism responded to the common problems of the working poor in a viable manner.

People did not become Pentecostals necessarily because they were deprived, disorganised or defective but because of Pentecostals’ concern for and interest in poor people suffering from deprivation, rejection, oppression and discrimination. They read the Bible through the hermeneutical lens of Jesus’ predilection for the marginalised, transforming them into change agents in the poor parts of society because they associated with those less fortunate ones (Hine 1974:652 as cited in Nel 2019). For this reason, Gerlach (1974:672 as cited in Nel 2019) calls

Pentecostalism not a 'reaction to change' but rather a 'cause of change'. It is not a reactionary but a revolutionary movement (Archer 2009:36 as cited in Nel 2019) that occurred in the margins, set apart from the larger Christian community (Archer 2009:209 as cited in Nel 2019).

Early Pentecostals existed along the fringes of the established churches, which in many cases discriminated against them and reviled them. Their emphasis was on millenarian theology and the expectation of the imminent second coming, resulting in an eschatological urgency to evangelise the whole world before the second coming of Christ (Dempster 1993:1). They were especially successful in reaching the hopeless, such as the drunkards, drug addicts, prostitutes and tramps, with their revivalistic, experience-oriented worship soaked in love and hope (Keener 2016:46). The message was that God loved all sinners so much that God accepted them for what they were, but God did not leave them as they were, forming the sacred or transcendental dimension. Many of those who were converted also rehabilitated and some became prominent leaders in the movement. Cleary and Stewart-Gambino (eds. 1998) highlighted the immense social and economic impact of conversion and the new Pentecostal spirituality on family, community, workplace, accommodation of gender and different races and acceptance of the disinherited and displaced in the developing world. Former alcoholics and tramps changed their lifestyle and started earning a living, taking responsibility for family and civil life. Conversion shifted daily wagers from alcohol, gambling, prostitution and extramarital sex (Johnston 2008:13) to the family whilst those disqualified from a job owing to their reckless lifestyle found jobs and started earning a living (Smith 2014:181). Their new way of sober living was regulated by the widespread Pentecostal taboos of alcohol, tobacco, drugs and pork meat, and the emphasis on personal discipline, honesty, industriousness, the roles and contributions of women in society, the importance of education for children and a deferral of instant consumption in favour of savings, eventual capital accumulation and social mobility (Johnston

2008:13). Pentecostalism provided an avenue for the recognition and integration of marginalised people and a mobilisation of the culturally despised (Martin 2002:167). In the words of Ma (2007:29), the previously socially dislocated founded solidarity amongst themselves, even going against commonly accepted social norms, such as racial segregation, and forging a new social and spiritual culture of hope. The marginalised became the main players in the new church, building their self-esteem and sense of self-worth, agency and self-confidence, and a sense of viability, changing their self-understanding from the 'marginalised' to 'people called for ministry' and from 'victims of circumstances' to initiators of change, leading to a positive work ethic and eventually social upward mobility (Smith 2014:181), forming the internal dimension in Droogers' terms. The poor were taken care of and in many instances job opportunities were found for them, uplifting them materially.

In terms of involvement in social issues, however, Pentecostals' eschatological convictions, informed by a pessimist and futurist premillennial framework of dispensationalism, led to their withdrawal into apolitical otherworldliness and a lack of participation in attempts to improve social and political circumstances (Nel 2016). Their sacred or transcendental dimension did not provide any noteworthy participation in the external dimension.

■ **Contemporary Pentecostal strategies for poverty**

In a period when the economic gap between the richer nations of the North and the poorer nations of the South is widening progressively and the number of Christians in the North is diminishing, the majority of Christians are now living in the South, which is continuing to register growth whilst also experiencing high levels of poverty and inequality (Bediako 1995:128 as cited in Nel 2019). The most significant external dimension for our discussion in Droogers' terms is the suffering experienced by

Africans owing to poverty and inequality. Whilst the developing world is marked by poverty and political instability, many of its countries have appropriated the Christian gospel in their contexts, with a majority of them preferring Pentecostalism as the facilitator of their religious experiences. I submit that their preference is built upon the Pentecostal gospel's emphasis on a holistic approach directed at the whole person (Smith 2014:180 as cited in Nel 2019), with holistic healing and deliverance playing a major part in the presentation of the gospel (Anderson 1991:100 as cited in Nel 2019). The developing world context accepts as part of their world view the reality of a spiritual world inhabited by angels and demons that influence what happens in the lives of believers, necessitating deliverance and protection from inhabitation and oppression by evil spirits (Paas 2016:488 as cited in Nel 2019), a heritage of African traditional religion. They also emphasise dreams and visions as a potential source of guidance for believers, providing for people's counselling needs – views that are accommodated within African Pentecostalism.

Because Pentecostal theology is contextual, it relates successfully to core problems of Africa, such as poverty, a lack of medical care, unemployment, sorcery and spirit possession (Anderson & Pillay 1997:227), although in the opinion of Johnston (2008:5), their attempts mostly fly under the radar of politicians, intellectuals, academics and journalists. Pentecostals seldom publicise their work in constructing alternative communities that address systemic issues and oppressive structures of poverty, leaving the argument from silence to flourish (Hunter 2009:1).

What is needed is that the church recovers its *raison d'être* as a social ethic, which stresses Christian virtuous life, identity formation, witness and non-conformism. Hauerwas promoted an ethics of character that shifts the ethical reflection from the question, 'What should I do?' to 'What should I be?' or 'What kind of person should I be?' (see Bafinamene 2017:2). According to Hauerwas (1985:29), moral formation is the process of acquiring character and virtues. Hence, a person can exhibit virtues or qualities, but being a 'person of virtue or character' implies that

one is formed in a more fundamental and substantive manner than the individual virtues seem to denote. 'Having character' necessarily requires that agents be a part of a community from which they draw their moral norms, values and direction. For Christians, this consists of being a part of the faith community (Hauerwas 1985:17). In the church, Christians are morally formed through communal practices like preaching, baptism, eucharist, liturgy and worship. Even 'seemingly insignificant practices' such as going to church, pre-marital sexual abstinence, marital fidelity and truth-telling can be instrumental for moral formation (Hauerwas & Willimon 1996:18, 92). Believers demonstrate their faith through interpersonal deeds like caring for the sick, hospitality to strangers, generosity to the poor, suffering and faithfulness to the gospel values, as well as social activities like peace-making, non-violence, non-resistance to suffering and death generated by evil powers (Hauerwas & Willimon 1996:124). At the same time, Hauerwas (1983:99) challenged the very idea that Christian social ethics is primarily an attempt to make the world more peaceable or just. The first social ethical task of the church is to be the church, the servant community. The church's primary social strategy consists of being a community of peace and servanthood committed to the politics of the gospel in contrast to the subtle violence and coercion found in the wider society (Hauerwas 1977:143).

Hauerwas (2001:110-115) developed ten theses as a challenge to the way American churches in the 1970s practised social ethics. He stated, *inter alia*, that faith communities must provide the skills to transform the way believers think about strangers, so that they can be welcomed as a gift to the church. Christians must find the means to provide imaginative alternatives for social policy. For the church to be, rather than have, a social ethic means believers must recapture the social significance of common behaviour, such as kindness, friendship and the formation of families, because the church exists to stand as a political alternative to every society and nation, witnessing to the kind of social life possible for those that have been formed by the story of Christ.

Jenkins (2006:5 as cited in Nel 2019) argued that for Africans, the Bible speaks to everyday, real-world issues of poverty, debt, famine and racial and gender oppression. Its historical perspective qualifies the movement to give a voice to the poor, both economically and spiritually, and to participate in the making of meaning in their lives (Archer 2009:212 as cited in Nel 2019). The poor are as wise as anyone about what is best for them and how to bring it about (Taylor 2000:100). Their participation in solving the challenges that poverty brings is a creative effort when they are given the opportunity to take responsibility for their fate. Participation and being involved motivates and is a good way to learn and to draw on all the talents available in a community because the effort requires confidence and self-respect from participants. It is accepted that Pentecostal theology is ideally situated to reach and speak for the African 'underside' and 'underdog' because they represent the poor, representing the sacred or transcendental dimension. From the start, Pentecostals had been reading the Bible in a context of and with a prejudice and preferential option for the poor (as they believed Jesus had demonstrated in his ministry). They have become experts in appropriating the gospel as good news to the materially poor, the socially oppressed and the underprivileged, including 'anthropolitical poverty' that denotes more than material poverty and refers to the exploitation and sufferings that African peoples have experienced at the hands of their colonial masters as well as their new democratic masters, making them probably the most humiliated people in history (Mveng 1988:25 as cited in Nel 2019). The fact is that much of African poverty is politically induced. Taylor (2000:96) argued that the root of economic injustice is an imbalance of economic power, as capital can move freely across the world to speculate and make money whilst labour cannot. In the process, poor countries are exploited whilst the rich ones are protected. 'Economic inequality' generally refers to the disparity of wealth or income between different groups or within a society. Adam Smith already argued that the purpose of economic growth was to improve society's welfare, which, for Smith, basically

meant consumption opportunities for all. The purpose of production was to provide for consumers. Whilst a market economy thrives on individual self-interest, it is important that self-interest should always exist in a moral environment where all individuals have equal rights and where those mutual rights are respected. The distribution of the consumption opportunities amongst social classes and individuals should always influence the economic welfare of all classes (Baum 1992:143).

Birdsong (2015) stated that the purported consequences of the rich-poor divide are exceedingly diverse. On the one hand, economists state that a moderate form of inequality can be beneficial overall for stimulating growth, improving the quality of life for many members of a society, increasing fairness and serving as a necessary part of social progress. On the other hand, economists claim that wealth concentrations create perpetually oppressed minorities, stifle economic growth, increase crime and political inequality, decrease health and education opportunities of large population groups, exploit disadvantaged populations, hinder economic growth and lead to numerous social problems. Pentecostals should direct their attention to 'anthropological poverty' and help devise strategies to combat it on a continent ravaged by exploitation of indigenous populations by anonymous economic powers and inept politicians.

Pentecostals derive a new definition and meaning of their humanity that their being relegated to the underprivileged through being historically disadvantaged could not take away (cf. Cone 1975:11 as cited in Nel 2019). They experience the reality of the power of the Kingdom of God through faith in Jesus who became poor in order to save the world (2 Cor 8:9). They understand that the poor are blessed, not because they are poor but because the Kingdom of God is theirs owing to their dependence on God (Lk 6:20; Mt 6:3), and they share in the divine preferential option for the poor because the gospel of Jesus Christ is good news for the poor. For them, the gospel's contents are defined by what it means to the poor. That God saves the rich

as well denotes God's power to do what is impossible for mortals (Mt 19:26). The road to the kingdom for the rich is signposted by their search for justice in whose service the rich must offer their possessions as a sign of their solidarity with the marginalised and the poor (De Santa Ana 1977:96 as cited in Nel 2019).

Part of the reason why Christianity is flourishing in the developing is because Pentecostals proclaim the gospel as a valid answer to the questions of the poor, in Bonk's (1989:179) opinion. The affluence-based Western church's lack of success to reach people with the gospel may be owing to their being a less vital spiritual force, in contrast to Africa where Christians are devoutly 'evangelical', and spirituality is a priority in their lives. For that reason, their services are well attended, long, absorbing to its participants, requiring democratic and embodied participation and combining liberating actions as well as right teaching as the actualisation of truth (Taylor 2000:124).

Even though parts of the classical Pentecostal movement still accept a pre-millennialist dispensationalism, many churches have started to accept greater responsibility for their involvement in social issues. Their concerns include family life, personal responsibility and the freedom to act, unemployment, skills creation and a range of other national and local concerns, and reveal a 'world of activity, energy, and entrepreneurship' (Johnston 2008:5). It should be kept in mind that apartheid in South Africa prevented Africans from developing their entrepreneurial skills and exploiting opportunities of business. Some sociologists of religion claim that Pentecostalism has a special affinity with market-based development and the Protestant ethic, referring to a cluster of beliefs, attitudes and habits that underpinned the spectacular economic growth of north-west Europe during the Industrial Revolution (1760-1840) (Johnston 2008:9). 'Protestant ethic' refers to an ethic that directly and indirectly gives spiritual sanction to the rational pursuit of economic gain, as coined by Max Weber ([1930] 1992). Berger (ed. 1990) explained that a particular theological interpretation of salvation grounds this

ethic, with mortals demonstrating to themselves and their fellow beings that they are in reach of God's election by showing signs of divine recognition and blessing. In Pentecostalism, a parallel interpretation is found in the Holy Spirit that can display gifts of mercy and salvation, and signs of these gifts are found in demonstrations of exemplary behaviour, prosperity and progress in this world (Johnston 2008:13), placing the movement broadly within Weber's description of the Protestant ethic.

Pentecostal social ministries include taking care of the elderly, the chronically ill, children from poor communities (the impact of such orphanages in Egypt is a good example and has been recognised widely), orphans and widows, alcoholics and peasants migrating to the cities, as well as the displaced and migrants. At the same time, they design educational programmes (with such programmes in India serving as models), vocational training schools and feeding programmes, especially in times of need such as famines and ecological disasters (Ma 2007:31). These represent the internal dimensions that are informed by the sacred or transcendental dimension. They imitate the practice in India where Pentecostals reach out to the Dalits, the members of the untouchable castes, giving them a sense of hope and worth (Kay 2009:107). Ma refers to the question of someone in Latin America whether there are any social programmes amongst Pentecostals, with a pastor replying, 'We are social programmes!' Pentecostalism offers some of the most innovative social programmes and ministries in the world.

Another example of such a successful social ministry is the rehabilitation programmes of Teen Challenge, established by David Wilkerson in 1958. With more than 170 centres in the USA and 250 worldwide, they record an 86% success rate, whilst most secular programmes reach an abysmal success rate of 11% - 15% (Crosby 2011). Their programmes include residential rehabilitation facilities and seminars as well as outreaches to inform and educate the youth about the dangers of drug abuse. Their work includes a spiritual component informed by the assumption that

the transformation of a society begins with individuals, and the transformation of a person begins with their inner being.

In South Africa, Frank Chikane served as a good example of a church leader's involvement in an attempt to address structural and individual poverty. He represented the first significant protest against apartheid from within Pentecostal churches in South Africa when in the early 1980s he was arrested for his political involvement and outspokenness. As pastor of an Apostolic Faith Mission (AFM) congregation in Kagiso – a black township outside Krugersdorp, a town near Johannesburg – and later general secretary of the South African Council of Churches (he succeeded Desmond Tutu), he started several self-help schemes for handicapped and unemployed people. He realised that the suffering of black people was directly linked to the political oppressive structure of apartheid and resisted the system by providing help to political activists. His church tried to silence his voice, but without effect, and eventually they stripped him of his ministerial status within the AFM. The government harassed him. He was detained for several months without trial and in 1985 he was charged with high treason, but the charges were withdrawn before the case reached the court. At one stage he was tortured in prison by a white deacon of an AFM congregation. Later, he survived an assassination attempt by pouring acid in his clothes whilst touring the USA (Chikane 1988; Hunter 2009:4).

As general secretary of the Institute for Contextual Theology, he was the major force in the drawing up of the well-known *The Kairos Document: Challenge to the church* (1986) and *The Evangelical Witness in South Africa* (1986) that contained a theological reflection about apartheid and its effects on people, as well as the state of emergency that the Nationalist government announced in their attempts to contain political resistance from blacks. Although the document was never accepted by the Pentecostal fray in South Africa (neither by whites nor blacks), it played a significant role in influencing many Christians in South Africa and overseas. The same is true of Relevant Pentecostal

Witness (1988); as the voice of some English Pentecostal people, it assisted in creating the climate for the downfall and demise of apartheid (Lapoorta 1991). The Relevant Pentecostals existed as a study group only for a short period of time but published the *Azusa Journal* and also organised the Society for Pentecostal Theology in South Africa under the leadership of Nico Horn (Horn 1989:118-120; Hunter 2009:4).

Although their care for individuals probably did not remove structural evil in societies, Pentecostal involvement made a difference in the lives of many people because their eschatological practices have become redefined in terms of political activism, racial reconciliation and concern for pacifism, economic justice and ecological liberation (Vondey 2017:138). In this way, their sacred or transcendental and internal dimensions influence the external dimensions and vice versa.

■ Proposals to prioritise and strategise poverty programmes

As argued, Pentecostal predilection for the poor and the marginalised places them in a good position to develop and participate in programmes that deconstruct structural poverty. Yong (2010:11-14) called such involvement 'prophetic politics' that manifests in counter-cultural and counter-conventional communities shaped by Pentecostal spirituality and piety, and functions as an alternative civitas and polis. Many Pentecostals no longer see the world as a place to escape from but instead as a place they want to improve. For instance, in Colombia, Pentecostal churches have taken a strong stand against the powerful drug cartels, creating strong church structures to support and protect converts from the circles of drug addicts, and enjoy wide public exposure. Their advocacy attracted the attention of drug barons in the process, threatening reprisals if the church did not cease its efforts (Kay 2009:125). In El Salvador and the USA, Pentecostal groups help domesticate youth gang members and equip drug addicts to overcome their addiction (Smith 2014:180).

Miller and Yamamori (2007) investigated aspects of Pentecostal social help in what they called 'progressive Pentecostalism' and agreed with Yong that many Pentecostals today excel in providing an alternative social reality from the ground up rather than reforming existing social structures or government policies. Christian teaching, together with other disciplines that help us understand how human society works, produces a useful 'rule of thumb' for policy-making that promotes a balance of power, especially in African democracies that are all too easily hijacked by the rich and the powerful, the new bourgeoisie middle class (Taylor 2000:96). In their emphasis on a holistic gospel, they address both people's spiritual and material needs. They record impressive Pentecostal social programmes, including prison work, emergency relief, pregnancy counselling, drug rehabilitation and education programmes, human immunodeficiency virus infection and/or acquired immune deficiency syndrome prevention and medical care, support for families in need, domestic abuse programmes, services to the elderly and the handicapped, ministries providing housing, medical and dental care and more. These programmes are based on participation, confrontation, solidarity and sacrifice as the result of thoughtful and intelligent love marked by generosity and altruism (in Taylor's [2000:106-107] terms), the opposite of what Elliott (1987) called 'comfortable compassion'. Where Pentecostals represent a religious minority, they have also formed their own political parties and contested elections to protect freedoms and interest, as in Catholic Latin America and Nigeria, where they are threatened by encroaching militaristic Islamisation (Yong 2010:10-11). It is clear that there is ample room for local assemblies and denominations to become involved in the many social issues that challenge modern societies.

Zalanga's (2010:46-49) research in sub-Saharan Africa found that Pentecostals also challenged aspects of traditional life and culture holding back economic development by helping individuals to shake off customs such as negativity about condoms, poverty owing to loyalty to kinship, arranged marriages and being

anchored in communities, in order to develop individual autonomy. Their spirituality leads to a broader and more enlightened world view and has a direct economic impact on individuals in the African society, marked by inequality and little social mobility. Individuals are set free to prosper and pursue aspirations.

By establishing their own social services, assistance and education programmes as well as a work ethic characterised by industriousness and a world view of integrity, Pentecostal groups help their members to make sense of economic turmoil and equip them to survive neo-liberal economic restructuring that marks Africa as a developing continent (Barker 2007:417).

■ Conclusion

Global Pentecostalism has moved on from its apolitical otherworldliness based on misplaced eschatological convictions and has engaged with the practical, social and economic issues that typify different communities. Although they have not lost their sense of the transcendent, as seen in their emphasis on divine healing and the charismata, they now engage far more in the political and economic spheres at all levels. The existing stereotype of Pentecostals as inherently conservative and favouring the political right is challenged; they are not politically homogenous or inherently rightist.

This chapter advocates Pentecostalism as a potential alternative approach to ameliorating the needs of the poor and confronting structural poverty and inequality by way of solidarity with the poor in their plight that involves staying with people through thick and thin (Taylor 2000:104). As a church of the poor in Africa, their preferential option for the poor finds expression in practical involvement by creating their own alternative structures as a new paradigm within which to do politics and help the poor and the disinherited. This explains a remark by a theologian in Argentina, according to Miller and Yamamori (2007:12), that whilst liberation theology opted for the poor, the poor opted for

Pentecostalism. Liberation theology offers amelioration through revolution, but Pentecostals offer it via revival and the this-worldly benefits it offers in terms of a distinctive spirituality.

Whilst classical Pentecostalism can and does have an impact on many of the problems the world faces, it must be acknowledged that some of its expressions may retard social transformation. For instance, Zalanga (2010:59) demonstrated how naive theology, such as a theology of demons and spiritual warfare that exonerates postcolonial elites from their economic failures and labels Africa a demonic stronghold, is economically detrimental and becomes a self-fulfilling prophecy of Africa as a cursed continent. Africa's present plight comes from the exploitation by its new elite as much as from historical slavery, colonialism, geography and trade terms. Political leaders need to accept responsibility for Africa's failures; blame cannot be shifted to alien evil forces. Many sociologists have emphatically restated the importance of religion as a source of moral codes and attitudes that can have a positive (or negative) effect on economic development, as well as a source of cohesive forms of social organisation with beneficial effects on both individuals and societies (Johnston 2008:9). As an important role player in the African scene, Pentecostalism can in significant ways become an even more important force for cultural change, democratisation and pluralism, making good and conscientious citizens of its members. Pentecostalism can also use its influence to involve prominent politicians by seeking to engage politics from the bottom up, and by emphasising the necessity of a new ethics for state officials and public leaders.

The largest social challenge in Africa, and South Africa, is the integration of the divided, highly unequal and alienated sectors of economy and society. I submit that the Pentecostal churches are placed in a strategically effective position to reach out to Africa's marginalised communities by giving people who are otherwise side-lined a sense of purpose and mission and protecting the social fabric from further decay.

Prosperity ethics: Ethics for a postsecular economy

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■ Part 1: Is the time right for change?

Classical philosophers like Plato, Aristotle, Thomas Aquinas and Adam Smith, the father of the market economy at the time, did not put forward any narrow economic views which are currently the case, and the economic household was firmly embedded in an overall ethical and societal context. This foundation of the economic household has painstakingly been eliminated and

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expunged from the economic discourse, with the consequence that the economy and human economic behaviour are fundamentally driven by unfettered self-interest and are relatively free from ethical and moral considerations. This all started with the Scottish Enlightenment period, followed by the advancement of the doctrine of positivism and the emergence of consumer sovereignty that subjected the economy to the entire control of consumer sovereignty. This has been further influenced by the humanist and rational outlook free from metaphysical considerations (see Walters 2018 for a more comprehensive analysis).

All these paradigm shifts, or epoch-making events, have resulted in the demise of the telic and ethical foundation of the economic household. The contemporary economy is a long way from Adam Smith's ethical tenets of the market economic system. Banishing the metaphysical aspects together with any meaningful discussion of eschatology and the narrowing of the focus of economics and the economy has hindered the capacity of economics to engage with the really big policy questions, those that touch our deepest hope for real prosperity and well-being and sense of justice, equity and fairness (Oslington 2013:6). Adam Smith, as Oslington (2013:6) observed, could have engaged with these issues because his system had an end that was not just an extension of the present but an imaginative space in which to reconceive present possibilities. This was lost with the demise of the telic and ethical foundation.

Paul Fiddes (as cited by Oslington 2013:6) therefore saw contemporary economics as quite impotent. Fiddes reckoned that: 'there is a hopelessness of a future that is an inexorable extension of the present'. Fiddes therefore was of the view that contemporary economics has lost its capacity to vary the state of the economy, other than to offer an intransigent continuation or extrapolation of the past. Viner (1972:81–82) in support of Fiddes insisted that Smith's system of thought, including his economics, is therefore not intelligible if one disregards the role assigned to

the telic elements. However, this is indeed what happened, with the result that the modern neo-liberalism has become deficient. With the demise of the telic elements and the advancement of humanism and rationalism free from ethical and moral consideration, self-interest behaviour has become unconstrained. The modern economy that is based on the doctrine of positivism and the secular paradigm that followed has caused the modern economy to be deeply entrenched in the self-centred, materialistic and existential orientation of the new age of consumerism that arose in the early 1930s. Smith's (1759:184) warning and his contempt for the rich and powerful who are acting in their own self-interest for their own 'convenience, vain and insatiable desires' did not advance very much because thinkers of the Enlightenment period and neo-liberal economists hardly paid any attention to the painstaking way that Smith has 'embedded the national economy in the correct ethical and social context' (Küng 1998:195). Hence, the basis of moral judgement and the ethical and moral sentiments underlying Smith's construct of the market economy have become separated from the self-interest motivated desire for economic growth. This has also fundamentally changed people's understanding of well-being and happiness. Human understanding of well-being and happiness has changed since the Enlightenment period, with human reason and people's individual self-interest behaviour being advanced as fundamental to human happiness and all metaphysical considerations and experiences being expunged from the human discourse.

This understanding of human happiness has been further articulated by the positivists since the dawn of secularism and manifests with much greater force with the advent of consumerism as the only viable narrative for continuous economic growth. Today, human happiness and the existential understanding of well-being are closely intertwined with fetishism of commodities, futility, the pathology owing to the paradox of choice, conspicuous consumption and the forecasting error. Overall, the secular society today is materialistic and focussed on existential gratification.

The secular and materialistic outlook of the modern society, in particular the materialistic and existential understanding of happiness and well-being and the unbridled or unconstrained pursuit of self-interest gratification, has resulted in a lack of social co-operativeness. With that, the cohesiveness of society has dwindled, and the society is characterised by a lack of mutual respect and consideration to reach a reasonable balance of interest, instead of thinking only of unlimited power, domination, discrimination and unavoidable competitive struggles. The result is a growing divide between the rich and the poor in society; disintegration of communities; weak spirit of self-reliance and sense of duty to the community; and society with general gloom and feeling of hopelessness. Generally speaking, these disintegrating societies that lack a spirit of self-reliance and experience hopelessness, and at the same time are confronted with the disintegration of families, find it difficult and incapable to run or govern themselves. These disintegrating communities find it difficult to constitute a self-regulating system. Therefore, these communities require a bureaucracy and other external controls to keep them together. This results in an ever-increasing institutionalisation of well-being and happiness whereby societies and individuals that are vulnerable or experience a loss of self-actualisation become subjected to the dictates and the whims of the government or the sovereign. This causes a further deterioration in the self-actualisation of the human spirit, as the institutionalisation of well-being by governments reduces the need on the part of society to furnish any effort, so those affected simply lose the capacity to furnish this effort. From past experiences, like during the Roman civilisation, the growing institutionalisation of human well-being and happiness and the associated pathology and financial burden have resulted in the complete collapse of a civilisation. Taking into consideration the ethical and moral deficiencies, I feel obliged to concur with Küng (1998:207) that under these circumstances, concrete results cannot be achieved just by constant state intervention and to that I would add constant economic growth. I therefore reiterate

the words of Küng (1998:207) that we as a civilisation 'have to make an input on the minds and sense of responsibility of adult citizens'.

This argument is particularly important considering that the gradual shift to modern-day secularism, the advancement of the doctrine of positivism and the devastating ethical and moral implications of consumerism, that is, unrelenting pressure on the earth's limited resources, have caused a separation between the economic, social and ethical discourses in society. What transpired is actually twofold. Firstly, modern economists and thinkers are advancing a very narrow view of the influence and role of economics as a science and the economy as a mechanism to organise and maintain society (Küng 1998:208). Secondly, the rise of consumer sovereignty (Caldwell 1990) and the associated social pathology (De Angelis 2004), owing to a void created by a very weak ethic and the general morality of a materialistic, existentially oriented society, are associated with futility, fetishism and conspicuous consumption that are putting an unrelenting pressure on the earth's limited resources.

In order to counter the increasing economising of the world in which we live, it is of the utmost importance to reflect critically on the ethical and moral foundations of the economic household (Küng 1998:213). As the modern economic household became separated from the classical ethical and moral principles, the efficacy of the economic household was negatively impacted. I therefore concur with Küng that the economic household is in need of a new ethic (Küng 1998:208). Taking into consideration the present secular discourse of the economy, such a new ethic would represent a new paradigm shift with different conditions and narratives to respond to the present-day challenges and deficiencies.

The question therefore follows whether the conditions are suitable for the reaffirmation of the ethical and moral principles in the economic household. Differently put, is the time and contemporary conditions to re-embed the economy in its proper

ethical and social context conducive to such a paradigm shift? The second question that ought to be expounded is whether the ethics and therefore the moral sentiments upon which Smith constructed his own thesis for the betterment of human living conditions, which is the essence of the market economy, can indeed respond effectively to the narratives and conditions of the postsecular paradigm as it is emerging. If the answer is yes, then the best point of entry to embed the economic household once more in its proper ethical and societal context would be to reaffirm Smith's ethics. These two questions are the locus of this chapter. This chapter consists of two parts. The first examines the changing conditions, in particular the postsecular paradigm as it is emerging. This would bring us closer towards understanding the emergence of a new paradigm that would provide the impetus to re-embed the economic household in its proper ethical and societal context. This is viewed as a prelude to greater prosperity. The second part examines Smith's ethics underlying his construct of the market economy in terms of the eight *posteriori* criteria that have been deduced from the unfolding postsecular conditions. This examination would be indicative of whether Smith's ethics would be responsive to the changing postsecular conditions and by implication could be the best entry point to re-embed the economic household once more in its proper ethical and social context. I now proceed to examine the conditions of the unfolding postsecular paradigm.

■ The postsecular paradigm

Since the general acceptance and legitimisation of the philosophical doctrines of rationalism and humanism during the French and Scottish Enlightenment, as articulated by Voltaire, Kant, Descartes and Rousseau, on the one hand, and Hume, Reed and Hutton, on the other, the world has advanced along the lines of what is now known as the secular paradigm. Secularism as a thesis further escalated in influence with the advent of positivism as an ideology, a term that designates the thoughts of the

Frenchman, August Comte (1798—1857). The proximate roots of positivism therefore lie in the French Enlightenment, which stressed the clear light of reason, and in the Scottish Enlightenment's concept of empiricism, particularly of David Hume and of Bishop George Berkley, which stressed the role of sense experience. In more recent history, since 1960, secularism elicited exceptional interest from sociologists, theologians, economists and philosophers (Vorster 2014:10). More pertinently, secularism gained further impetus when the old liberal doctrine had lost all of its influence in Great Britain after the 1920s and in a few years had been almost completely replaced with a new paradigm shift, what is now known as the Keynesian Revolution (Küng 1998:186). This period followed with the decisive development of economic ultra-liberalism with Milton Friedman as the major thinker of this doctrine. The ultra-liberal doctrine, since the Second World War, had made major strides in promoting secularism, especially in the economic household. This, according to Vorster (2014:10), cultivated an environment that defined people in terms of the ability to be productive, and economic growth was stimulated by a deliberate strategy of consumerism. Secularism in this way instilled in the psychic of society a consumerism whereby ethical and moral virtues, such as prudence, moderation, temperance and self-command, have been eliminated and destroyed (Antonaccio 2006). Moltmann (2012:67) concurred with this view and observed that the Western civilisation has 'programmed the human psychic towards getting and spending and to promote economic growth at all cost'.

The modern and secular doctrine, with the ultra-liberalists as the main drivers, has advanced to a point where the neo-liberal consumerism has had a controlling influence in the economic household in Western societies (Vorster 2014:16). This secular, consumer-oriented trend, according to the philosopher Cliteur (2010 as cited in Vorster 2014:33), that promotes and advances the doctrine has now failed. He based his hypothesis on those of Stark and Finke (as cited in Vorster 2014:33). There are also modern writers and observers like Brown (2004:3) who

questioned the secular paradigm. Brown argued that the support for the secular paradigm amongst sociologists and historians in Britain is dwindling. Brown also referred to research that suggested a greater vitality and interest in religion and metaphysical aspects, which is indicative of a gradual shift in the prevailing paradigm.

Based on *The structure of scientific revolutions* by Thomas Kuhn (2012), secularism that had evolved as a master narrative from the Enlightenment period is now being replaced by a new master narrative, where religion, ethical and moral considerations are once more being considered a viable narrative (Vorster 2014:34). In support of his observation, Vorster quoted Brown (2004:39), who asserted that the master narrative of secularism is now being deconstructed and dismantled in favour of a paradigm that offers greater scope for ethical and moral consideration. According to Vorster (2014:34), there are several contemporary research studies (Ziebert & Reigel 2009 as cited in Vorster 2014:34) that advance the notion that a value system based on morals and ethics, rooted in theology, is being reaffirmed.

The French philosopher Lyotard (as cited in Vorster 2014:37) also affirmed that the master narrative of the Enlightenment period has passed. In fact, the term 'postmodernism' gained popularity since Lyotard (as cited in Vorster 2014:37) used the term in his work *La Condition postmodern: Rapport sur le savoir*, which was published in 1979. Since then, many social sciences have accepted and legitimised the new paradigm and many new research works have followed (Vorster 2014:37). History, according to Vorster (2014:37), has changed because the modern civilisation was no longer inspired by the master narrative of secularism and did not feel compelled by the narrative.

A new paradigm is evolving that is critical about positivism, humanism and secularism as doctrines. This paradigm shift, although a gradual and slow process in nature, is pregnant with possibilities. However, observers like Cupitt (1999:218) and Gill (1997:17) reckoned that the new paradigm, as it is evolving, has a

certain nature that ought to be carefully contemplated and comprehended to fully capitalise on the transformational force of the paradigm shift. Lyotard (as cited in Vorster 2014:37) has characterised the tenets of the postsecular paradigm as follows. Firstly, the absolute nature of the doctrine of positivism is becoming more bearable as the time goes by. In terms of the scientific theory of Kuhn, postsecular thinkers consider what is true as relative, because the search for truth is based upon certain pretexts and hypotheses that are antecedent to any scientific research and therefore relative and subject to further scientific discovery, clarification and formulation. This new reality is supported by Cupitt (1999:218), who asserted that truth has become relative and the values and the truths of the past are no longer valid. This notion is further supported by Gill (1997:17), who argued that the whole Western tradition has lost its legitimacy, even the idea of secularism itself. According to Gill, no master narrative of the past has any legitimacy. For this reason, secularism has lost its appeal. Instead, a new paradigm with new criteria, a new nature and a new approach to the metaphysics is evolving. Secondly, the new paradigm advances pluralism, which implies tacitly that religions are considered equal.

The consequence of these assertions is indeed fundamental. Firstly, it implies that the domination of reason as upheld by positivists since the Enlightenment is now being questioned and reconsidered. Likewise, the macro-political system and the social theories that have been upheld since the Enlightenment to deal with the challenges of the time are also now in question. Pluralism in ideas and world views are once again being valued (Küng 1998:20). Reason can no longer be upheld as a fundamental absolute principle that is superior to the metaphysical notions. World views and ideas can once again be founded in metaphysical beliefs and notions. In addition, ethics cannot be absolute, and the ethics are subjected to changes from time to time and place to place.

This paradigm shift provides an impetus and greater scope for religion and the ethical and moral principles founded upon it. In a way, the new condition is focussed on the enchantment of human

experiences (Ward 2003:130). Küng (1998:20) identified the following positive consequences of the paradigm shift. Firstly, the focus has shifted from that of a technocracy that dominated human life to a condition where humans are served by technology. Likewise, there is a shift away from an industry that destroys the ecological sensitivity of the universe to an industry and economy that value and preserve the underlying ecological sensitivity. The new condition emphasises and values once more the internal emotions, desires and longing of humans and no longer is reliant on external planning, control and manipulation of human life. It is all made possible because society no longer relies on the domination of reason and the mechanical and immoral quest for material prosperity and unstrained growth. Secondly, the postsecularists question the notion that a religion can assert its uniqueness and superiority. This provides for a condition where the relationship between religions could be reassessed and fostered. The role, value, precepts and tenets of other religions other than the master narrative of the Christian religion in the Western societies are now being acknowledged as valuable and of substance and could make valuable contributions to the world view and experiences of human existence. Because science and philosophy can no longer claim absolute knowledge and truth, religions can no longer claim it either. Therefore, no religion is unique and superior to others. In this way, the new condition of postsecularism sets a different tone amongst religions, as most religions in the past upheld the principle of absolute knowledge in their respective doctrines. Within the postsecularist paradigm, a theology of religions has been developed to promote dialogue between religions in anticipation of developing greater awareness and understanding amongst religions and to work towards global peace and stability in the respective communities (Küng 1998:92). Greater dialogue between religions are therefore being advanced and promoted (Küng 1998:92). Küng is of the view that there can be no global peace between nations and civilisations if there is no peace between religions, and peace between religions can only occur if there is dialogue between religions. Thirdly,

postsecularism promotes moral pluralism. Because truth and knowledge are considered relative and more than one principle could be justifiable at the same time, absolute ethics no longer apply. Ethics have become relative and could vary and change from place to place and situation to situation as the conditions change. Postsecularism therefore rejects the idea of an absolute truth that ethics rely upon. Relativism is therefore a new norm in ethical and moral values, and virtues can only be partially true and applicable according to the circumstances. Within the postsecular paradigm, diversity and pluralism are therefore accepted as the new norm. This new condition has certain advantages in the formulation of ethics. The telic and metaphysical conditions of human existence and the mystical essence of life are regaining once more its legitimate space and scope in human existence. Humanism as the dominating social model of the secular age is now being doubted.

Vorster (2014:41) argued that in order to establish whether this new paradigm paves the way for a postsecular West and the reaffirmation of the metaphysical and telic essence of life, the conditions established in the new paradigm should be analysed. In his analysis, Vorster (2014) as cited Ward (2003), who asserted that spirituality and the experience thereof are particularly acknowledged and appreciated in postsecularism. Some researchers see this occurrence as a shift to the postsecular view of life and employ the hypothesis of Taylor (2007), who concurred with the postsecularist assertion that humans have developed a resistance to the hard realities and conditions that had been set by the secular modern age. According to Taylor, humans once more have a quest for the enchantments and the uplifting spirit of the metaphysical and telic essence of human existence and the associated spirituality. Taylor therefore observed a renewal in spirituality. For Taylor, the new surge in spirituality under the new conditions of the postsecular paradigm is seen as an experience of the fullness and completeness of life. Humans, once more, search for the true meaning of life, the fullness and completeness of which can be experienced in many ways and forms. One of

those ways is religion, according to Taylor. However, like all postsecularists, Taylor does not accept that religion is the only source of spirituality, but it is actually the most important source.

Vorster therefore posed a very important question as to whether this new paradigm shift and the conditions of postsecularism by implication is a return to God in the minds and lives of modern persons. Vorster cited the views of Sigurdson (2010:177), who argued that sociologists based on empirical evidence begin to talk more and more about the desecularisation of society and the re-enchantment of Western culture. Habermas (2010:18) also held similar views. Habermas asserted that the Western world is moving into a postsecular paradigm and that the conditions for a new paradigm are becoming clearer and more prevalent. The idea of postsecularism as a characterisation of contemporary Western culture also resonates in modern-day debates amongst the radically orthodox (Vorster 2014:44). Vorster (2014) cited the work of Milbank, Pickstock and Ward (1999) as indicative of this. The sociologist Berger (1999) even went as far as to argue that the desecularisation of the world is taking place and that the doctrine of secularism is in fact false. In this regard, Ziebert and Reigel (2009:93) concurred with Berger, basing their assertion on international empirical data. Accordingly, they concluded that a renewed spiritual revival and new ethical orientation in Europe suggested that Europe is evolving towards a postsecular paradigm.

Vorster, in his examination of the postsecular paradigm, therefore concluded that the first indications deduced from empirical evidence suggested that Western Europe has entered a postsecular era (Vorster 2014:45). New conditions are evolving, and there is a revival in the spiritual orientation that is founded on an adogmatic spirituality, where human contemporary experience of the metaphysical essence of life is fundamental, rather than the doctrines of religions (Vorster 2014:46). The implications of this new reality are profound.

Firstly, the doctrines of positivism, humanism and secularism are losing ground and provide the scope to embed the economy

once again in an overall ethical and societal context. Secondly, as the new paradigm advances pluralism in ideas and world views, I agree with Küng (1998:91–102) that the economy needs a shared ethic (Küng used the term ‘global’) that is responsive to the multicultural diversified global economic household as it is unfolding. Thirdly, this shared ethic, in view of the overall tenets of the postsecular paradigm, ought to be rooted in the shared universal ethic and common principle of the leading religions of the world. Finally, as the secular–materialistic orientation of consumerism is subsiding and new conditions are being established by the postsecular paradigm, the classical principles of virtue and the ethical sentiments should be reaffirmed. These principles of virtue and ethical sentiments should be contextualised and firmly rooted in the Golden Rule, which has found expression in the traditions of Confucianism, Taoism, Hinduism, Buddhism, Zoroastrianism, Judaism, Christianity and Islam.

I am of the view that, based on the unfolding new postsecular paradigm, the time is right to embed the economic household once more in its proper ethical and societal context. The time is right to reaffirm an ethic that is most consistent with the conditions unfolding.

In the second part of this chapter, I will briefly examine the ethics underlying Adam Smith’s construct of the market economy in order to conclude if his ethic is indeed responsive to the changing conditions of the postsecular paradigm.

■ Part 2: Reaffirmation of classical values and virtues

■ Introduction: It is time

As expounded in Part 1, it is evident that new narratives and conditions in the postsecular world are evolving that provide the opportunity to re-embed the economy in its proper ethical and societal context. The collapse of the doctrines of positivism and humanism, and the growing trend away from the

secular—materialistic nature of the present-day consumerism, are indicative, as Ziebert and Riegel (2009:300) asserted, of the trend to reaffirm a value system based on ethics and morals. The paradigm shift provides an impetus and greater scope for ethical and moral principles founded upon the metaphysical and the telic essence of human existence (Küng 1998:20). This also applies to the economic household. Küng (1998:208) argued that the global multicultural diversified market economy, which also applies to domestic economies characterised by multiculturalism, requires a new shared ethic that is founded upon minimum conditions and universal ethical standards acceptable to different nations, cultures and religions (Küng 1998:93). This view is also supported by the Parliament of the World's Religions, who called on the society and institutions in society to search for 'values, perspectives and assumptions that can be examined in the light of the principles of a global [shared] ethic' (Parliament of the World's Religions 1999:4).

As the market model is still appreciated and valued as the most viable and dominant mechanism to maintain and organise the economic household and continues to grow in influence and extent (see Küng 1998; Parliament of the World's Religions 1999:19; Vorster 2007:vii), it follows that the classical ethical and moral sentiments of Adam Smith, the father of the market model, should be the best *entré* point to formalise a shared ethic in the postsecular age. As Küng (1998:195) observed, 'he [Smith] saw the economy in the wider framework of a moral philosophy'. The old liberalists and neo-liberalists, 'in the years following Smith, paid hardly any attention to this embedding of the national economy in the ethical context' (Küng 1998:195). As Polanyi (as cited in Küng 1998:195) put it, 'in the end the economy is no longer embedded in social relations, but social relations are embedded in the economic system'. I therefore posit that, as the postsecular paradigm creates a new environment and conditions to embed the market economy in its proper ethical and social context, this can best be done by the reaffirmation of the classical ethics and moral principles of Smith. I advance the notion that

Smith's ethics and therefore moral sentiments, as the basis upon which he constructed his own thesis for the betterment of human living conditions, which is the essence of the market economy, can indeed respond effectively to the new narratives and conditions of the postsecular paradigm, as it is emerging. In support of my averment, I have deduced the following criteria from the new conditions and narratives of the postsecular paradigm. These criteria constitute the *posteriori* basis for the examination of the ethical and moral sentiments of Smith as a viable ethic for a postsecular paradigm.

The following *posteriori* criteria are used for the examination:

- the Golden Rule is the moral minimum
- pluralism in ideas and world views
- metaphysical and telic essence of life free from religious doctrine
- a personal and a unique contemporary experience of life
- sense of duty and human co-operativeness
- value of virtue
- reason and human conscience as the basis of judgement
- universal benevolence of God – the Author of nature.

I now proceed to examine the fundamental tenets of Smith's ethical and moral sentiments in terms of the *posteriori* criteria and conditions of the new postsecular paradigm. This examination would indicate that Smith's ethical and moral sentiments could effectively address the conditions and narratives of a postsecular paradigm. As such, the ethic of Smith as pronounced in his seminal works, 'The Theory of Moral Sentiments', could indeed be a good entré point to set a new agenda, from which the postsecular generation could formulate a circumscribed space or framework for a more discerning economic household that would embrace a new way of doing that would be characterised by adjectives such as fairness, balance, harmony and symmetry — all in all, prosperity that is lasting and founded upon a deep sense of discernment that resonates a nuanced judgement of the qualities

of what may constitute a good life. Regrettably, the examination for the sake of brevity needs to be contained (for a more complete exposé, see Walters 2018:317–334). For this analysis, I deliberately used the term ‘entré point’ to denote that Smith’s ethics could be, if found to be responsive to the postsecular conditions, construed to be the point of departure from which an ethic for the postsecular economy could be further developed, all in good time according to the unfolding conditions particular to the postsecular paradigm. I now proceed to examine Smith’s ethics in terms of the eight *posteriori* criteria.

■ The Golden Rule is the moral minimum

Scholars of the postsecular paradigm question the notion that a religion could assert its uniqueness and superiority. The role, values, precepts and tenets of other religions other than the master narrative of the Christian religion in the Western societies are being acknowledged as valuable and of substance, and could make valuable contributions to the formulation of a world view and experience of human existence. In this way, the new condition of postsecularism sets a different tone amongst religions, as most religions upheld the principle of absolute knowledge in their respective doctrines. These new conditions require of the postsecular society to find a common ethic between religions. Walzer (as cited in Küng 1998:95) therefore called for a ‘minimum morality or moral minimalism’, making a distinction between ‘thin’ and ‘thick’ morality. Küng (1998:96), however, preferred to speak about ‘elementary’ and ‘differentiated’ morality.

However, Küng agreed with Walzer that in the postsecular world, a global consensus between all major religions and spiritualities is indeed possible with respect to elementary (thin) morality, which limits itself to some fundamental precepts. Such ‘thin’ morality, according to Küng (1998:96), can be accepted by all nations, cultures and religions and be promoted worldwide. This ‘pure’ morality is essentially the core of a shared ethic, according to Küng (1998:110). A consensus is not necessary with

respect to ‘culturally differentiated’ (thick) morality which necessarily contains numerous specific cultural elements (Küng 1998:96). The essential core of a shared ethic can be extended over time through dialogue between religions. Walzer’s argument is that the end product could be a ‘set of standards to which all societies can be held’ (Küng 1998:98).

The core of a shared ethic, according to Küng (1998:110), is therefore that every human being must be treated humanely. Because humans possess reason and conscience, every human is obliged to behave in a genuinely human fashion, ensuring that good deeds are done and evil is avoided (Küng 1998:110). Also, what each human wishes to be done to himself or herself should be done to others (Küng 1998:110). These two principles, according to Küng (1998:110), ‘should be the irrevocable, unconditional norm for all spheres of life, for family and communities, for races, nations and religion’. These two principles are founded in the Golden Rule, which is the moral minimum from which a shared ethic may be deduced (Küng 1998:98). This is what Kant referred to as the categorical imperative. This categorical imperative reads as follows, according to Kant ‘willing for all people what we desire to be done to ourselves’ (Geisler 1989:123).

The categorical imperative in Adam Smith’s ethic is similar in essence to the Golden Rule. The unconditional moral obligation in Smith’s (1759) ethic is the following:

What befalls ourselves we should regard as what befalls our neighbour, or what comes to the same thing, as our neighbour regards what befalls us. (p. 140)

In his unique style, Smith (1759) illustrated this categorical imperative in the following manner (I cite the entire passage as I deem this explanation to be the nucleus of his own ethic):

Though your judgements in matters of speculation, though your sentiments in matters of taste, are quite opposite to mine, I can easily overlook this opposition; and if I have any degree of temper I may still find some entertainment in your conversion, even upon

those very subjects. But if you have either no fellow feeling for the misfortunes, I have met with, or more that bears any proportion to the grief which distracts me; or if you have either no indignation at the injuries I have suffered, or none that bears any proportion to the resentment which transports me, we can no longer converse upon these subjects. We become intolerable to one another. I can neither support your company, nor you mine. You are confounded at my violence and passion and I am enraged at your cold insensibility and want of feeling. (p. 21)

This categorical imperative is central to Smith's explanation of the authority and influence of conscience. Essentially, in his impartial spectator theory, Smith (1759:21) asserted that the voice within endeavours, as much as he can, to put himself in the situation of the other and to bring home to himself every little circumstance of distress which can possibly occur to the sufferer. The impartial spectator adopts the whole case of his companion with all its minutest incidents and strives to render as perfectly as possible the imaginary change of situation upon which his sympathy is founded (Smith 1759:21).

Adam Smith's categorical imperative, based on his spectator theory, in many ways, can be interpreted to mean the same as the Golden Rule and the central maxim of the great religions and ethical traditions. The categorical imperative in Smith's ethic, like the Golden Rule, is indicative of the general ethos and may be construed as the underlying moral law. According to Smith's ethic, it is indeed this categorical imperative that holds society together. In terms of Smith's ethic, like that of the Stoic philosophy, this imperative is the social bond (eds. Raphael & Macfie 1982:7), which Smith referred to as 'sympathy' (eds. Raphael & Macfie 1982:7). It is this 'sympathy' that features in his philosophical construct of the impartial spectator, which he constructed to illustrate the authority and influence of human conscience upon which humans construct what is right, suitable, wholesome or otherwise. It can therefore be deduced that, like the Golden Rule, the categorical imperative of Smith's ethic is founded upon the most fundamental element of human conscience, and all other maxims are rooted in this unconditional obligation. As such,

Smith's categorical imperative meets the criteria for what the postsecularist calls the 'thin' morality that can be accepted by a multicultural diversified economic household.

■ Pluralism in ideas and world views

The unconditional obligation in Adam Smith's ethic or the minimum moral law as explained in the preceding paragraph is free of religious dogma and, as such, meets the general condition of moral pluralism of the postsecular paradigm.

Fundamental to Smith's (1759:235) categorical imperative is habitual sympathy, which Smith (1759) described as:

[T]he effect of our universal benevolence which is founded upon the conviction that all the inhabitants of the universe the meanest as well as the greatest are under the immediate care and protection of that great benevolent and all-wise Being. (p. 235)

This averment makes it clear that Smith's (1759:235) ethic is non-discriminating in essence and considers that all the inhabitants of the universe have the same entitlement to the greatest possible quantity of happiness, which includes the same entitlement to ideas and views. In his analysis of universal benevolence, he makes no distinction on a person's status, wealth, moral or religious orientation – except his averment that 'all the splendour of the highest prosperity can never enlighten the gloom' of those who have the 'suspicion' or 'idea' that the 'world is fatherless' (Smith 1759:235). Although he considered such a 'suspicion', in other words, to doubt the universal benevolence upon which he constructed his principle of human sympathy and the social bond between humans as a 'dreadful an idea' (Smith 1759:235), he remained non-judgemental and only asserted that such a suspicion and dreadful idea will lead to 'misery and wretchedness' (Smith 1759:235). In Smith's mind, the 'joy which necessarily springs from the habitual and thorough conviction' (Smith 1759:235) of the universal benevolence of Creation 'will not be fully enjoyed, as the gloom of such a dreadful idea must necessarily overshadow the imagination'. For Smith, this is not an *a priori*

principle but rather a *posteriori* principle of the benevolent essence of life. Smith's general maxim is therefore adogmatic and free from religious doctrine. In other words, Smith advanced an ethic that allowed for human freedom in ideas and world view, although he observed that human freedom is consequential.

■ **Metaphysical essence of life free from religious doctrine**

Adam Smith's (1759) ethic did not advance any particular religious discourse and was adogmatic. However, it is notable that he (Smith 1759) advanced the notion of universal benevolence, or the idea as he articulated it:

[T]hat all the movements of nature and the administration of the great universe is the business of God who directs all the movements of nature and who is determined, by his own unalterable perfections, to maintain in it, at all times, the greatest possible quantity of happiness. (p. 235)

His ethic, the metaphysical and telic essence of life, is founded upon the idea of universal benevolence, which is free from religious doctrine. Universal benevolence, which Smith (1759:235) defined as the source of solid happiness, is in reality emanating from the immediate care and protection of what he referred to as 'that great, benevolent and all-wise Being who direct all the movements of nature, to maintain in it, at all times, the greatest possible quantity of happiness' (Smith 1759:235). The full hermeneutical meaning of Smith's (1759:235) observation of universal benevolence is founded on two elements with metaphysical and telic significance. These two elements are: firstly, the unalterable perfections of the benevolent and all-wise Being that Smith also called 'the Author of nature' or God and, secondly, the splendour of the highest prosperity that the universe enjoys. These two metaphysical and telic elements indicate that the universe and humans as creatures within the universe can enjoy the splendour of the highest prosperity because God in his own unalterable perfections maintains in the

universe, at all times, the greatest possible quantity of happiness. The metaphysical and telic essence of life is therefore founded in God's unalterable perfection, which the universe experiences as the splendour of the highest prosperity. These two metaphysical and telic elements in Adam Smith's account of universal benevolence are free of any religious doctrine, as neither God's unalterable perfections nor the essence and meaning of the splendour of the highest prosperity have been defined. The metaphysical and telic experience thereof remains personal and unique. The only condition is that a person must have a habitual and thorough conviction that the world is not fatherless and filled with endless misery and wretchedness (Smith 1759:235). Once again, this conviction is an adogmatic conviction free of religious doctrine. Having said that, universal benevolence and the splendour of the highest prosperity that result therefrom, although unique and personal, would move a person to become wise and virtuous. As such, certain changes in character and behaviour are noticeable. As Smith (1759) asserted:

[T]he wise and virtuous man ... is at all times willing that his own private interest should be sacrificed to the public interest of his own particular order or society. (p. 235)

Such a virtuous person would therefore be equally willing, according to Smith (1759):

[T]hat all those inferior interests should be sacrificed to the greatest interest of the universe, to the interest of all that great society of all sensible and intelligent beings, of which God himself is the immediate administrator and director. (p. 235)

Adam Smith's ethic is therefore not free of responsibility, as the metaphysical and telic essence of life is not all about rights but also about responsibilities. Smith's ethic, like that of Kant (Küng 1998:100), did not overlook duty in particular. It is indeed duty as defined in Smith's account of universal benevolence that distinguishes humans as rational human beings from animals, which only follow inclinations, instincts, drives or external pressures (Küng 1998:100). It is also because of this conviction

that Smith (1759:235) argued that the ‘the rational and sensible beings’ are willing at all times to walk with ‘more gaiety and alacrity’, not only with ‘submissive obedience but often with shouts of the most joyful exultation’.

In this sense, a person’s duty or well-being and a person’s own joy and general obligation to other beings are founded in a person’s own conviction of the universal benevolence. It can therefore be understood that human obligation is a claim of reason rooted in a deep conviction, which is binding and yet aims for the joy and splendour of the highest prosperity that humans in a personal and unique way can experience. Humans therefore act from conviction and reason; however, in principle they do not ‘exclude external authorities (God, natural law)’ (Küng 1998:100). In this context, human autonomy and happiness or the metaphysical and telic essence of life are grounded in the universal benevolence and not in religious doctrine.

■ **A personal and unique contemporary experience of life**

A very important condition or narrative of the postsecular paradigm is a personal and unique contemporary experience of life free from religious doctrine. Vorster (2014:46) observed that in the postsecular paradigm, new conditions are evolving accordingly, which include a revival in the spiritual orientation that is founded upon an adogmatic spirituality, where people’s contemporary experience of the metaphysical essence of life is fundamental rather than the doctrines of religions.

Related to this fundamental condition is what Taylor (2007) observed as a renewal in spirituality and a renewal in the search for the true meaning, the fullness and completeness of life. According to Taylor (2007 as cited in Vorster 2014:41), humans once more search for a spiritual experience and completeness that can be experienced in many ways and forms. One of those ways is religion, according to Taylor (as cited in Vorster 2014:41).

However, as mentioned earlier, Taylor asserted that postsecularism does not accept that religion is the only source of spirituality.

The new narrative in the postsecular paradigm with regard to a person's experience of the metaphysical or spiritual essence of life is therefore characterised by the following:

- the experience is personal and unique
- it ought to be free from religious doctrine
- it is not confined to religion, although it is the most important source of spirituality
- it should be meaningful and bring fullness and completeness for the person concerned.

In its correct hermeneutical context, the new conditions in the postsecular paradigm and the narratives founded upon it with regard to a person's unique contemporary experience of life suggest that a person's spiritual experience of life or what renders life complete and meaningful is not only confined to religion, but also touches other spheres or dimensions of being. This could include, in the economic sphere of being, that a person could experience that his or her creativity, ingenuity, thriftiness, entrepreneurial flair, to mention but a few examples, can, if pursued in a reasonable and sensible way, render meaning, fullness and completeness with regard to a person's spiritual, metaphysical or telic dimension of being. For instance, a person could pursue a person's ingenuity or creativity to create, or bring to life, something valuable that is in high demand and in doing so find great spiritual meaning from the success in business. It is within this context that I assert that Adam Smith's ethics are unique and indeed foster those aspects of human's telic essence that could render meaningfulness and completeness to a person in a spiritual sense. In support of my averment, I cite the following examples.

Firstly, Smith's thesis advanced the notion that the innate, telic desire of each person for self-betterment ought to be encouraged and protected as a fundamental right of liberty. According to

Smith ([1776] 1976:341), the lifelong womb-to-grave desire for self-betterment positively prompted competitiveness. It also urged individuals and societies to find remedies for the disorders that resulted from the gradual adoption of behaviour of individuals (Kennedy 2008:74) and to overcome obstacles in the way of progress, such as distortions created by merchants and manufacturers (Smith [1776] 1976:341). Smith therefore held the principle of frugality in high regard. Therefore, Smith asserted that the tenets of policies and behaviour of conduct that interfere with the natural inclination of people, including the strong impulse to better themselves, and by being misdirected by such impulses, undermines the natural path of progress and prosperity (Kennedy 2008:66).

Secondly, people's telic or innate propensity to produce a surplus over subsistence, driven by ingenuity, should in terms of Smith's ethics not be restrained, as it gives rise to wealth and prosperity. This inherent quality of mind and character is what Smith 'occasioned as the difference of genius rather the reverse' (eds. Meek, Raphael & Stein 1983:351). Smith therefore argued that human ingenuity is central to human prosperity and ought to be encouraged.

Thirdly, creativity and ingenuity ought to be encouraged and treasured over idleness and unproductiveness. Smith's four ages theory, his explanation of people's progression from rude societies to the advanced commercial age, identified people's creativity and ingenuity as perhaps the most important causes of the division of labour that caused the gap between the hunter-gatherer economies of North America and the commercial societies in Europe (Kennedy 2008:105).

Fourthly, each individual is entitled to pursue personal interest with great ambition. However, Smith, in his typical practical and realistic observation of life, warned that a person ought not to foolishly give up the pleasure and ease of life in pursuit of selfish ambition and rapacity.

Smith also advanced the notion that a spirit of enquiry or curiosity ought to be instilled to find order in the beauty and the

intended purpose in the utility of objects and events that constitute our being. Smith (1759:45–46) advanced this notion because he observed that earlier societies, because they had little curiosity, could not appreciate the tone of tranquillity and composure of the universal order and in particular the beautiful and orderly machine of commerce, which is both agreeable in itself and most suitable to nature (Smith 1759:45–46). Considering the pre-eminence of ingenuity and the inquisitiveness to better one's conditions of living, a person, as well as society as a larger organ of nature, ought to be filled with greater curiosity and a spirit of enquiry. Not only would a spirit of enquiry help explain the chain of events, but in the context of Smith's (1759:45–46) assertion that utility is the principal source of beauty, a spirit of enquiry would help discover the pleasure of convenience that the utility of any object possesses and intends to promote, namely human enjoyment. Because nature and more specifically human existence are filled with objects, whether tacit or otherwise, a unique personal understanding of the pleasure of convenience that objects possess is fundamental for the betterment of human conditions. As such, it is therefore growth-inducing and ought to be fired up within each person.

These are but a few examples in Adam Smith's entire corpus of work that support my averment that Smith's ethics would fulfil the new conditions and narrative, in particular with regard to a person's personal and unique contemporary experience of life, especially in the economic realm. In this regard, his thesis is free of dogmatic dispositions and empowers persons to enjoy life in a unique, meaningful and complete way.

■ Sense of duty and human co-operativeness

Huntington argued that we 'live in a world and a time in which humankind is threatened' (Küng 1998:92). Huntington, according to Küng (1998:92), called this a 'clash of civilizations', for example, between Muslim and Confucian civilisations and Western civilisation. Küng (1998:92) asserted that this threat is real, as 'there will be no peace between the religions without a dialogue

and co-operativeness between the religions'. This is indeed a challenge for the postsecular society. However, of equal importance is the looming challenge between the rich and the poor, whether it is on an international scale or amongst citizens of a nation. This economic and social challenge also requires greater dialogue and human co-operativeness. In this instance, what is required in the economic household is that individual persons and institutions within society can no longer act from self-interest without due consideration of the consequential effects on others. It also requires that all stakeholders have a real and genuine understanding of one's duty to others and the society. The lack thereof is particularly prevalent in the economic households of the Western civilisation with its capitalistic or neo-liberalist orientation. The postsecularist paradigm sets new conditions and a different tone as people and societies are becoming less materialistic and existential and more co-dependent. Within the new paradigm, conditions are created to encourage human co-operativeness and a real sense of duty as humans in society are searching for real and meaningful engagements (Taylor 2007).

It is within this context that I have examined the underlying ethic and economic thinking of Adam Smith. Taking into consideration his entire corpus of thought, I have concluded that Smith's ethic and economic system are reliant upon and deliberately advancing the notion that humans should not act from self-interest alone but with due consideration of the consequential influences on others. His scheme of thought also actively advances the precepts of social duty and human co-operation. In support of my averment, I wish to cite the following notions from Smith's ethic and economic system.

Firstly, Smith's ethic advanced the notion that self-interest actions should be pursued in a manner that also advances the rights and abilities of others to an advantageous outcome and by doing so uphold the dignity of others. A central tenet of Smith's exposition as to why some societies and individuals prosper and others do not is individual pursuit. With that is implied the pursuit

for personal gain as the driver of economic behaviour and preferences. Self-interest action is telic to human behaviour and in its rudimentary nature is the driver that empowers humans to survive, preserve themselves and procreate. Smith's ([1776] 1976:456) averment of self-interest as a driving force is a partial one, as he never asserted that self-interest actions were always socially benign. Smith therefore advanced the notion that a fair balance ought to be achieved between competing human traits of self-centredness, other-centredness, reciprocity and duty. Self-interest as an economic driver or motive has to be balanced with the two fundamental principles of reciprocity and kinship. With reciprocity is implied that a person's self-interest action may not limit the right and ability of others to be creative, express their ingenuity and right to a fair exchange of their entitlements, that is, labour, property, et cetera. The principle of kinship implies that my self-interest behaviour may not impact negatively on the dignity and estate (i.e. wealth or property) of others.

Secondly, each person has to work towards the well-being of the society. Individual wealth and prosperity are only sustainable within a sustainable society. People's desire to belong and live in a societal context, family or household, is telic to human nature. As such, this propensity of humans is an essential part of natural law that gives order to nature. The dependence of people in society on many dependent others provides the foundation for the development of interactive human behaviour, which is important in the exchange of goods and the creation of prosperity. The fact that human beings want to belong to a society is very important for the creation of wealth and prosperity, as it is within a societal context that humans express their ingenuity. They follow a particular division of labour and consequentially rely on others to meet the basic necessities and amusement that people cannot provide for themselves. It is therefore incumbent upon each person in society to work towards the well-being of society.

Thirdly, Smith's ethic clearly articulated that a balance between private interest and public duty ought to be deliberately pursued with the highest degree of rationality. He asserted (Smith

1759:341–342) that ‘man is a creature who cannot live without society’ and therefore ‘could not live without laws’. This assertion implied that individuals ought to deliberately and within the context of rationalism uphold public interest when pursuing a person’s private concerns and interest. His observation in this regard is that a state of perfect liberty that encompasses the greatest possible freedom of association and mobility is achievable when private and public interest are in equilibrium.

Fourthly, Smith upheld the notion that imprudent behaviour in the name of self-interest gain that jeopardised society’s interest ought to be restrained, and individuals ought to comply with regulatory systems aimed to safeguard public interest.

Fifthly, a cognitive awareness of the consequential applied effect of a person’s self-interest-motivated decisions and passions are required to achieve an agreed valuation or a mutually advantageous outcome. The latter is a central tenet in Smith’s ethic and economic system because he regarded selfish conduct as not conducive to fair exchange. Therefore, he strongly and decisively advanced the argument that people in society that exchange, converse or otherwise ought to search for a concord of affection to bring harmony and a quicker resolution of the terms of exchange and mutual co-operation. Subserving to or underlying this search for an accord of affection, Smith upheld two further dispositions. Firstly, he promoted the idea that when applying accumulated knowledge and superior intelligence in a co-operative team spirit, individual and societal interest advanced more than otherwise. Secondly, a disposition to be friendly, helpful towards others and an understanding of the culture and values of others are conducive to growth and prosperity. It is therefore advantageous for individuals and society at large to seek the consent and advice and by implication the commitment of others to suggest a chosen course of action (eds. Meek et al. 1983:254). These few practical tenets in Smith’s ethic and economic system are suggestive of his appreciation for, and commitment to, the

very fundamental principle of human coexistence and prosperity, namely human co-operativeness and sense of duty to society.

■ Value of virtue

Since the Age of Enlightenment advanced humanism and liberties, the balance between human rights and responsibilities has experienced a fundamental shift in favour of human rights. Retrospectively, before the Age of Enlightenment, we saw that responsibilities were formulated before the advancement of human rights (Küng 1998:99). However, as Küng (1998:99) observed, '200 years after the 1789 Revolution we are living in a society in which individuals and groups appeal to rights against others without recognizing any responsibilities of their own'. Küng (1998:100) therefore raised a very fundamental question. He questioned whether we perhaps do not need a new concentration on responsibilities, particularly in our over-developed legalistic states, to balance all the justified insistence on rights. To that, I may add that human prosperity in the postsecular age, or the post-humanistic civilisation, will depend to a large degree on human virtue, good moral judgement and a habitual sympathetic relationship between humans amongst themselves and with the rest of creation. By implication, human liberty, as Adam Smith observed, will largely depend on the balance between self-interest and societal duty.

What is becoming more evident is that human responsibility and societal duty are being considered, together with other ethical and moral considerations, as fundamental to human advancement and prosperity in the new postsecular period (Brown 2004:39). This is a fundamental tenet in Smith's ethic and economic system. Like Kant, Smith also considered duty and then more pertinently the need to be wise and virtuous as fundamental to human essence and human prosperity, and it is indeed people's awareness of duty that distinguishes humans as

rational and sensible beings (Smith 1759:237) from animals who only follow inclinations, instincts, drives or external pressures (Küng 1998:100). Küng (1998:100) observed in a similar context that 'duty exerts a moral compulsion... prompting human beings to moral action'.

The concepts of virtuousness and societal duty are fundamental to human essence and do not follow from rights but rather are the effective cause of human rights, including human happiness, liberty and advancement. This is evident from Adam Smith's (1759:237) account of universal benevolence. In his account, he asserted that the 'administration of the universal happiness ... is the business of God and not man'. However, in this analysis, Smith (1759:237) made a very seminal observation, namely that God will care for the universal happiness of all 'rational and sensible beings'. By deduction, this implies that there is a responsibility and duty upon those who desire to enjoy the greatest possible quantity of happiness (Smith 1759:235) as well as the care of God (Smith 1759:237) to be rational and sensible. As Smith (1759) averred:

[T]o man is allotted a much humbler department, but one much more suitable to the weakness of his powers and to the narrowness of his comprehension... [*that is*] the care of his own happiness, of that of his family, his friends and his country. (p. 237)

Accordingly, Smith (1759:237) argued that this duty upon humans is 'more sublime' and 'can never be an excuse for his neglecting the more humble department'. In this regard, he considered duty and responsibility 'more sublime' in comparison to being occupied by what he called 'philosophical speculations and contemplation of the prosperity of the universe'. For Smith (1759:237), human duty, responsibilities and being rational and sensible are real and tangible. This particular aspect is very evident throughout the entire corpus of his ethic and economic thoughts. This is consistent with his argument that a person of excellent character is a person who possesses the virtues of prudence, beneficence and self-command. These virtues are highly regarded in his ethic and therefore he asserted that these virtues are recompensed with 'success in every business'

(Smith 1759:166). He also advanced the notion in his ethic that the reward most proper for the practice of 'truth, justice and humanity' is the 'confidence, the esteem, love of those we live with' (Smith 1759:166).

Adam Smith, like the Greek moralists, therefore concluded that, to enjoy a happy life and have the right to a happy life, one must give prominence to the exercise of virtue for the virtuous traits of character are stable and enduring and products not of fortune, but of learning and cultivation (Homiak 1997:3). A person with good moral character and virtuous traits and habits can determine with greater regularity and reliability what actions are appropriate and reasonable for the advancement of human happiness and well-being. In this way, Smith, like other Greek philosophers (Homiak 1997:3), claimed that virtuous traits of character complete or perfect human life. This is similar to what the Stoic philosophers observed and what Smith articulated in his ethic, namely, that a person that is virtuous is living coherently (Kennedy 2008:13). In other words, the value of being virtuous, for instance, is not merely indicative of certain tendencies to act in particular ways. Virtues are rather traits of character that one has to acquire by learning and cultivation that gives a person the inner strength to act reasonably and appropriately with the greatest degree of regularity and reliability. Virtues are therefore the effective cause of being excellent in what one desires and being truly happy and enjoying the liberties of freedom and other human rights that we all desire. The question therefore is which comes first: human rights or human duty and responsibility to be reasonable and sensible? From my analysis of Smith's ethic, it is the latter. By being sensible and reasonable, all human beings could enjoy the greatest happiness at all times. Therefore, Smith is quite adamant that a person that is excellent in character and acquires virtues of prudence, beneficence and self-command through learning and cultivation will be more rational and sensible and be more successful in life. I therefore conclude that in Adam Smith's ethic there is a better balance between humans' right to happiness and responsibilities. This includes societal duty and to learn and acquire virtuous traits.

■ Reason and human conscience as the basis of judgement

Since the dawn of the Enlightenment, and the emergence of the doctrine of positivism, the secular paradigm that followed has advanced the notion that humans are both rational and subject to desires and, accordingly, have the opportunity to make decisions in freedom and to act in accordance with their reason (Küng 1998:100). The paradigm of reason based on secular or existential instinctiveness of human essence is, with the emergence of the postsecular paradigm, gradually moving towards pluralism in world views and away from absolutism of value and fact. In the postsecular paradigm, a person's personal and unique contemporary experience of life and judgement based on a person's conscience or the values, precepts and tenets of a person's own spirituality and associated world view are more valued than the hard, cold analysis of fact and value, as advanced by positivists (Taylor 2007).

What is emerging in the postsecular paradigm is the growing acknowledgement and appreciation of human sentiment and a personal spiritual experience of fullness and completeness of life (Taylor 2007 as cited in Vorster 2014:41). The paradigm shift provides a new condition that enables humans to focus on the enchantment of human experiences (Ward 2003:130). The focus therefore shifts away from a technocracy that dominates human life to a condition where humans are served by technology. As Ward (2003:130) asserted, the new conditions emphasise and value once more the internal emotions, desires and longing of human beings. It no longer relies only on external planning, control and manipulation of human life. It is all made possible because society no longer relies on the domination of reason and the mechanical and immoral quest for material prosperity and unstrained growth. These conditions of the postsecular paradigm and the associated narratives that advance the notion that human behaviour and preference ought to be deduced from the deep-

rooted human conscience and sympathetic nature of being have been upheld by Adam Smith and constitute the essential basis of judgement as advanced in his ethic and economic thoughts.

In his account of self-love, reason and a peculiar sentiment as the basis of judgement, Smith (1759:320) concluded that self-love cannot be the basis of judgement. Reason, according to Smith (1759:320), undoubtedly in some respect can be the source of the general rules of morality and of all the moral judgements that we form by means of them. However, Smith (1759) asserted that:

[/]t is altogether absurd and unintelligible to suppose that the first perceptions of right and wrong can be derived from reason, even in those particular cases upon the experience of which the general rules are formed. (p. 320)

Smith's (1759:320) averment is that there is something antecedent to reason. He (1759:320) argued that those first perceptions, as well as all experience upon which any general rules are founded, cannot be the object of reason but rather of the immediate sense of feeling (Smith 1759:320). This immediate sense of feeling, according to Smith (1759:327), is not a 'sentiment of mind of a peculiar and a particular power of perception', although he does not dismiss it entirely. To his mind, the three faculties of self-love, reason or sentiment are not the bases of judgement (Smith 1759:327). In his view, it is the faculty of sympathy, and not self-love, the immediate sense of feeling or law and reason, that ought to be considered the basis of judgement and the source and principle of what is right and what is wrong, or as Smith asserted, approbation and disapprobation.

He then advanced the notion that the faculty of sympathy is the basis of judgement. What is called sympathy, and the affections founded upon it, is nothing but habitual sympathy (Smith 1759:220). He then constructed the philosophical concept of the impartial spectator, which essentially explained how people's habitual sympathetic nature is founded in human

conscience. He further explained the source of human conscience, and the authority and influence thereof. In Smith's ethic, the habitual sympathy is analogous to the Stoic philosophy of the social bond, which essentially holds existence together. As I have alluded to in a previous paragraph, this habitual sympathy is the conditional imperative of Smith's ethic, which may be interpreted along the same lines as the Golden Rule that is rooted in all religions and spiritualities.

Taking the entire corpus of Adam Smith's (1759:131) ethic into consideration, the basis of human judgement in some instances is based on human reason, being a human's humane faculty and different from the immortal essence of human conscience. Essentially, the basis of human judgement is the sympathy found within, or the voice within, which is human conscience. It is the voice within or conscience that arises within those who are thoroughly convinced and as such experience that the universe is under the immediate care and protection of God, the Author of nature, and who is determined to maintain in it, at all times, the greatest possible quantity of happiness (Smith 1759:235). Essentially, human conscience is, according to Adam Smith, at least in my view, a sympathetic awareness of the right to happiness by all peoples and provides a circumscribed space for the enjoyment of the greatest possible quantity of happiness. Accordingly, humans appeal not to human reason (only in some instances) but to the voice within or human conscience.

Smith (1759:134) also offered an affectual consolation for when a person's conscience cannot contend with their weakness. According to Smith (1759:235), human conscience cannot always support a person on its own. Although the influence and authority of human conscience is immense, there are extraordinary occasions when human conscience, owing to our limited comprehension, cannot content the weakness of a person (Smith 1759:134). In such cases, he wrote (Smith 1759):

[A]ffectual consolation of the humbled and affected man lies in an appeal to a still higher tribunal, to that of the all-seeing judge of the

world, whose eyes can never be deceived and whose judgement can never be perverted. (p. 131)

Taking into consideration the corpus of Smith's ethic, this reference to a higher tribunal, the all-seeing judge of the world, is referring to God – the Author of nature. I am therefore convinced that Smith's (1759:131) ethic advanced the fundamental principle of human conscience that is partly immortal yet partly of a mortal extraction. This is fundamental to human judgement and even more fundamentally a reflection of the telic essence, authority and influence of human conscience. Although human conscience is the principle of approbation and disapprobation, it can never be regarded as absolute and is therefore relative. This essential aspect of Smith's ethic resonates through the new conditions and associated narratives of the postsecular paradigm.

Although human conscience is fundamentally grounded and embedded in the universal benevolence and a person's unique world and life view, it does not mean that human essence is heteronymic or is governed exclusively by either natural law or God (Küng 1998:100) and as such without own cause of freedom. This most fundamental principle in Adam Smith's ethic is clearly articulated in his account of universal benevolence.

■ **Universal benevolence of God – the Author of nature**

In Smith's ethic, he dealt extensively with four basic elements of human existence that are fundamental to the new postsecular conditions:

- The innate, telic disposition of humans is to preserve, protect and procreate, which is the effective cause of humans to toil and bustle in the world. He then thoroughly dealt with the end of avarice of wealth, power and pre-eminence.
- The fundamental importance of virtue and the rewards most proper for encouraging industry, prudence and self-command.

- The fundamental difference between those who live by deception, the effective cause of people's avarice and rapacity, and those that live with a strong conviction being the effective cause of enjoying the splendour, happiness and beauty of universal benevolence.
- Habitual sympathy, which is essentially founded upon a person's conviction as the conditional imperative of being successful in life and to engage the greatest quantity of happiness.

Central to these tenets is the benevolence that resonates universally, or as Smith put it, the greatest possible quantity of happiness that is maintained and administered by God (Smith 1759:237). As Smith asserted, this benevolence of God, who is called many names [the Author of nature (Smith 1759:128); the all-wise Being (Smith 1759:235); the Deity (Smith 1759:132)], is available to all people of the universe, the meanest as well as the greatest (Smith 1759:235). According to Smith's ethics, it is God 'who is determined by his own unalterable perfections to maintain in it, at all times, the greatest possible quantity of happiness' (Smith 1759:235). The focus in Smith's (1759:235–237) account of universal benevolence is not merely on the existential aspect of happiness. Smith asserted that those that contemplate the idea and suspicion of a fatherless world (Smith 1759:235) will never experience the splendour of the highest prosperity that the rational and sensible person would. This is because the rational and sensible person has a habitual and thorough conviction of the truth of the contrary system (Smith 1759:235). With this reference, Adam Smith referred to the unalterable perfection of God that is the effective cause of human happiness. With this averment, Smith asserted that God's splendour, which essentially is God's unalterable perfection, will be enjoyed by the rational and sensible person. By implication, those who toil and bustle in this world because of their own deception of what true wealth and power is will enjoy happiness, but true joy, contentment, peace of mind and tranquillity will not spring from their endeavours. To the contrary, their idea that their own wealth and

power will bring them joy will be the effective cause that their existential happiness will not enlighten the gloom that such a dreadful idea encompasses and must necessarily overshadow the imagination and experience of the splendour of the highest prosperity. For Smith (1759:235), to be rational and sensible is one and the same as being wise and virtuous, which is central to the enjoyment of universal benevolence. It is indeed the focus of the administration of the great system of the universe to care for the universal happiness of all rational and sensible beings, which is the business of God (Smith 1759:237). According to Smith, humans have been allotted the task of acquiring virtues through learning and cultivation to be stable and enduring and developing the inner strength to act rational and sensible with a great degree of regularity and reliability.

This then concludes my examination of Adam Smith's ethics in terms of the eight *posteriori* criteria that resonate the fundamental tenets of the unfolding postsecular paradigm. In terms of the new conditions created in the postsecular paradigm, people's search for meaning and fullness of life will be greatly enhanced and encouraged should the ethic of Adam Smith and his account of universal benevolence be adhered to. As such, Smith's ethic is transcending the human existential experience of happiness and standing behind and above it. His ethic is not grounded, like utilitarianism, in the existential experience or utility deduced from it. From my perspective, the true essence of life, the universal happiness and the splendour of the highest prosperity are standing behind Smith's ethic.

■ Conclusion: Towards a new ethic

In this chapter, I have examined the validity of Adam Smith's classical values and ethical precepts in terms of eight *posteriori* criteria deduced from the postsecular paradigm. The aim of the examination was to establish if Smith's classical values and ethical precepts are suitable or responsive to the new conditions and narratives that are evolving. I now, based on the above examination

and in an indicative mood, summarise Adam Smith's ethic in terms of the new conditions of the postsecular paradigm. This would be indicative of the validity of Smith's classical values and ethical precepts as a foundation or nucleus of a shared ethic for a globally diversified postsecular economy. Based on this summary, read together with the examination in terms of the postsecular conditions, I reached my conclusion of the validity of Smith's ethic as the foundation for a new ethical paradigm for the postsecular economy that is emerging.

Firstly, Smith's ethical precepts and values are sufficiently responsive to the highly multicultural and diversified global exchange relations. His ethic is free of religious doctrine and allows for pluralism in ideas and world views. The values of prudence, thriftiness, and industriousness that Smith advanced are universal values. Likewise, his conditional imperative based on his philosophical construct of the impartial spectator is a suitable mechanism to enhance social cohesiveness and to find an amicable balance between the multiple interests of a diverse society. As such, the principle of habitual sympathy on which Smith's ethic relies creates harmony between conflicting interests that prevail at a given moment. So, the starting point of his ethic is always 'what is' with a progression from there to 'what is realistically achievable under prevailing circumstances'. In this way, the world is always seen realistically, as it really is and not just as it should be.

Secondly, it penetrates to the deeper ethical levels of virtues, sound moral judgement and advancement of human conscience. The tenets of Smith's ethics aim at social cohesiveness, rational and sensible behaviour and judgement, and a fair realistic societal duty. As such, his ethic sets out binding values of virtuousness, inner moral basic attitudes and moral judgement based on a sympathetic inclination and disposition to other human beings and creation at large. His ethic is not entangled and stuck at the levels of laws, codified rights and legal jargon with which issue can be taken, nor at the political level of proposing concrete political or religious solutions to society. Most importantly, no

religious orientation or doctrine serves as a pre-supposition for his ethic. On the contrary, his ethic is relevant for human prosperity and, taking into consideration his entire corpus of thought, promotes and encourages human liberty, which is founded on a deep sense of duty and responsibility towards one's own happiness and well-being to care for the happiness and well-being of all those who are under one's immediate influence.

Thirdly, Smith's ethic clearly articulated and encouraged a sense of duty and responsibility, not only to oneself but also to others. In this regard, his ethic is more than a legal obligation, but rather its strength and conviction are founded on the principle of universal benevolence. He expounded the principle that all the peoples of this universe, the meanest as well as the greatest, are under the immediate care and protection of God and are entitled to the greatest possible quantity of happiness. As such, Smith's (1759:235) ethic supported the forces working towards the greatest possible quantity of happiness for all peoples and most importantly to manifest the 'splendour of the highest prosperity'. More specifically, his ethic is working towards a just economic, social and environmental order that could sustain the greatest quantity of happiness at all times. In this context, Smith's ethic does not simply conjure up a cosmic consciousness, global harmony, individual liberty, universal unity and co-operativeness, but in a very concrete form sets a framework for economic prosperity that is founded on a strong conviction of universal harmony, societal duty and individual ingenuity and creativity.

Fourthly, his ethic is generally comprehensible without technical and academic jargon of whatever origin. His practical style and simplicity of argument promoted understanding. Likewise, his ethic is more inclined towards moral unanimity than just numerical unanimity that most other economic thinkers are guilty of. His statement of fact is free from a *priori* repudiation by particular ethical and religious doctrines. For instance, although he convincingly and unashamedly advanced the conviction of universal benevolence and the joy and happiness that emanated from it, he remained non-judgemental and did not fall prey to a

priori explanation to the unalterable perfections of God. Smith's ethic was formulated in a very concrete form and in such a way that others that are agnostic or atheistic can make it their own, even if they do not share the transcendental or telic grounds for his ethic. The reason is that Smith's ethic advanced a basic consensus on binding values of virtue, personal basis of judgement based on a person's conscience as deduced from the conditional imperative of habitual sympathy. Even agnostics and atheists would agree and find it amicable to be sympathetic to others and treat others according to the Golden Rule, which is the essential and fundamental basis of an individual's sympathetic disposition. Smith's ethic therefore did not advance any new global ideology, nor promoted one ideology over another. Instead, it worked towards a basic consensus and binding value, irrevocable criteria of judgement and a personal basic attribute. As such, his ethic encouraged a culture of solidarity where own private interests are sacrificed to the public interest of his own particular order or society (Smith 1759:235). By so doing, Smith's ethic promoted and advanced a just economic order with a fair balance between private interests and societal duty. At a more pragmatic level, his ethics promoted and advanced the terms and conditions of honesty and fairness in exchange.

Fifthly, in terms of the practical exchange relations, Smith's ethic is founded on three fundamental principles. The first is a fair and just balance between private interest and societal duty. More pertinently, his ethic advanced frugality and parsimony and spoke with contempt about human selfishness and rapacity. The second is the social nature and essence of human existence. His ethic was rooted in the telic human dispositions that are founded in natural law and promoted the social nature of human beings. The third is human happiness, which is founded on people's disposition to enjoy ease of life through acquiring conveniences, necessities and amusement of life. However, of equal importance, his ethic advanced the deeper meaning of happiness by encouraging the conditions to achieve tranquillity of mind, contentment, mindfulness and peacefulness. In this regard, he

acknowledged the relative benefits of human vanity but detested the deception upon which human vanity is founded.

Finally, Adam Smith's ethic was founded upon the conditional imperative that encourages two basic principles, namely that every human being must be treated humanely, and that you should do to others what you wish done to yourself. Put differently (Smith 1759):

We should view ourselves in the light in which any other citizen of the world would view us. What befalls ourselves we should regard as what befalls our neighbour, or what comes to the same thing, as our neighbour regards what befall us. (p. 140)

This is the social bond that holds society together – whether it is the economic household or the entire universe.

I therefore conclude that Adam Smith's ethic, in terms of the new conditions and narratives of the postsecular paradigm, is most suitable and responsive to the reality that is unfolding. Smith's ethic may therefore be the best entry point from which a postsecular civilisation could formulate an inclusive adogmatic ethic for the advancement of economic prosperity and the elimination of PUJ.

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Social identity: An organisational barrier and opportunity for developing the South African economy

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■ Introduction

South Africa is a diverse nation that encompasses population groups representing different ethnic and cultural backgrounds

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both from a historical vantage point and in a contemporary perspective. For example, South Africa has 11 official languages, and in the post-apartheid era, there has been focus on rectifying the intergroup injustices of before, which has materialised in social, political and legal initiatives that may lead to a more inclusive society, in which opportunities to partake in society is evenly distributed. Of South Africa's approximately 55.38 million inhabitants in 2018, the main ethnic groups are: black African, 80.9%; people of mixed race, 8.8%; white, 7.8%; and Indian or Asian, 2.5%. In addition to the historically diverse population, the country currently experiences a substantial influx of immigrants, as refugees or economically motivated, and whilst accurate numbers are difficult to access, the number of such uncontrolled immigrants may have reached millions (CIA n.d.). Such a substantial diversity as extant in South Africa leads to tensions amongst the groups, and oftentimes the different alleviating initiatives taken will solely have the problem-side of things as their jumping-off point. The possibility of reaping benefits from diversity is often forgotten, and it may be too easy to focus on bringing different actors in line with each other rather than on creating new possibilities based on constructive outlooks on societal composition (Cox & Blake 1991; Niebuhr 2010).

Whether diversity is seen as a positive with potential for all, or a negative that needs to be corrected, it will be prudent to accept that either side of the topic will be found at most if not all levels of society and organisational life. Thus, diversity needs to be addressed from different angles, and one area of society where this topic often may create tensions is in the professional work life, be it in private corporations or public agencies. It is diversity in work life that will be addressed in this chapter, and in particular, how to use organisations as venues for creating increased acceptance of diversity, and not least, how to make organisations with diverse actor constituency work together in a manner that may reduce tensions, and possibly create new opportunities for the professional work life of South Africa, with ripple effects on the surrounding communities and the whole nation. This may be

a grand ambition indeed, but the assumption here will be that for modern-day citizens in any country, to participate in work life is considered a central good, and for all actors to be able to contribute on equal terms in spite of ethnic, religious or cultural background will be perceived as a benign value to build on.

In this chapter, how individuals in professional organisations may be brought together over perceived diversity divides will be elaborated on, and the focus will be on how to use organisational technology related to professional knowledge sharing in organisations as a means to create perceptions of cross-boundary belonging and constituency amongst the organisational partakers. In particular, as knowledge may be perceived as social-organisational power, perspectives connected to social identity and group perceptions will be highlighted, as well as different modes of knowledge sharing and adjacent organisational theory (Foucault 1994, 1995; Hislop 2013).

■ Context and ethical assumptions

Over the last few decades, there has been an ongoing debate within the business community and the attendant academic field of organisational research as to whether commercial organisations are to have more tasks in society than to create profits for their owners. Notable was the stance of Milton Friedman (1912–2006), who opined that the only task a commercial private enterprise has is to create profits for its owners (Friedman 1970). This position taken by such an influential scholar did not go unnoticed, and from the 1970s this sparked a heated debate with distinctly opposing fronts. Those opposing Friedman's view stated that a corporation touches many other societal interests and individuals other than those directly involved in the corporation, and from this foundation, a theory on organisational stakeholders has emerged. The core tenet of this theorising is that an organisation will involve not only its owners and employees but also its suppliers, government agencies and other representations of public authority, the communities where corporations are located,

the family members of the direct stakeholders (employees and owners), vocational organisations and so forth (Goodpaster 1991). The thinking then is that an organisation needs to be aware of how its activities may involve extra-organisational actors, thus giving them a legitimate interest in the ongoing working of the organisation, and thus granting such actors stakeholder status with the organisation.

Similar to the stakeholder theories are a wide array of theories that expand on how the wider societal interest connected to an organisation is to be seen and expressed. These theories come under a number of differing names and acronyms, such as CSR, ESG, triple bottom line (social, environmental and economic) and more. A common position amongst these theories is that, although they advocate considering social and environmental values and concerns along with the purely financial aspects, they do not promote business activities to become eleemosynary in nature (McManus 2011; Pava 2008). Attendant to these organisational theoretical frameworks are theories connected to investment and ownership, where such extra-organisational values as 'green investments', 'impact investments', et cetera are focussed on (Mulgan et al. 2011; Saltuk, Bouri & Leung 2011).

As the above demonstrates, the theoretical realm of CSR/ESG cognition is by no means uniform in its outlook or application, and most often, the espoused ethical foundations will be secular, mostly based on consequentialist ethical philosophy and Western-centric in its assumption that all aspire to lead a Western materialistic lifestyle. Thus, in spite of the obvious value of the CSR/ESG movement and its connected practical and academic discourse, the main position within the movement seems to be that it is in itself sufficient, and that the actors themselves will auto-regulate accordingly, and moral considerations of religious deontological character is rarely considered within this school of thought (Gick 2003; McDonald 2010).

With the importance now accorded to the place of organisations in society, the need for Christian ethical and pastoral

interpretations of the organisation is much needed. In a South African context, this would be of urgent use, as organisations may be both a place where differences and injustice may prevail and venues where such phenomena may be alleviated and deconstructed. Within the realm of Christian ethical and pastoral research, there have been some budding attempts to define business life as part of a sound Christian expression and experience. For example, Bøsterud (2016, 2018) focussed on how to align corporate life, investments and banking activities with core Christian moral norms as defined within the Reformed paradigm. Core moral norms connected to the organisation per context would be how to promote an inclusive and non-discriminatory business and work life, where all groups and both genders will be given an equal place in all the activities. The principles developed by Bøsterud are general and theoretical, based on scripturally founded ethical principles of pastoral stewardship. In the context here, it will be of interest to investigate how organisations (both public and private) may use their extant management framework to increase co-operation and acceptance amongst different groups, without instituting cost-inducing initiatives from extra-organisational sources or contexts that may be seen as foreign to the organisation, which potentially may be met with scepticism and resistance from the organisational actors (Piderit 2000).

A mode of envisioning organisational development along the above lines could be to focus on how groups in organisations are set up to solve different tasks, and thus, how these groups and their members will be holders of professional knowledge that could be of interest for other constituents in the organisation to share. Actor agency is key here, and if such agency is successfully created, knowledge sharing could be assisted by the general perspective of the constituents' perceptions of their intra-organisational group allegiance, which may be the result of their social identity (Caldwell 2003). The assumption here will be that if organisational groups may increase their perceptions of a wider organisational belonging, it will in turn lead to an augmented

general sense of group belonging across intra-organisational formal and knowledge-based divides. If so, it may follow that this will be brought out of the organisation and into the wider societal setting where the organisation belongs, as informed by the stakeholder theories above. Stakeholder theory will not be further interrogated here, as the focus in the following will be on how social identity in organisations may explain and promote increased sense of unity, by way of sharing the already existing professional knowledge amongst the organisational constituents. The general elements of the research represented in this chapter is based on the author's doctoral research in business administration, as found in Bøsterud (2017).

■ Social identity theory

The concept of social identity can be described as how the individual perceives the self as deriving from his or her awareness of membership of a social group or groups, and how emotion is attached to such memberships (Tajfel 1974). The concept of individual identity perceived in relation to group belonging has been explored and developed since the 1970s within the academic field of social psychology, namely the SIT (Brown 2000).

At an overall level, Augoustinos, Walker and Donaghue (2006) described SIT as a theoretical framework within the field of social psychology that explains how individuals perceive their identity based on group belonging; or in other words, SIT reintroduces the social aspect of the group to the individual self-perception. Social identity theory further demonstrates how it is useful to distinguish the personal identity from the social identity and explains that personal identity is where focus is on the individual's perceptions of self-experience, such as 'I am hungry', and social identity is when an individual perceives his experience as participation in a group, such as 'I am South African'. Thus, through the application of SIT, connections between inter-individual and intergroup behaviours may be revealed (Augoustinos et al. 2006). Central aspects of SIT relate to in-

group and out-group cognition, where the individual identifies favourably with the in-groups to which he or she belongs, and derides the out-groups and their members, which in this context is where all the others belong (Turner 2010). As it will appear then, group membership is based not only on the positive in-group membership but also by delineating out-groups and their constituents negatively. Thus, Ng (2010) explained that the in-group identification may render a chauvinist state of mind in the individual, and the agonistic attitudes *vis-à-vis* out-group constituents may be strengthened by fear of in-group exclusion.

The concept of 'group' in SIT is central, and Jenkins (2014) explained that traditionally there have been two perspectives in use: one which states that the collective of the group is defined by the conscious and salient discretion of the members, and the other, where the group members may not be aware of their group membership or even the group's existence. Jenkins (2014) contended that this distinction is merely conceptual and an abstraction, and that neither of the collective versions is more concrete or authentic than the other. His position is that whether one or the other version is applied, the group is determined and defined by the observer, who is the partaking individual. Another aspect of SIT when applied to organisations described by Hogg and Terry (2001) is that the social identity does not only describe the pattern of behaviour the individual will follow in social structures, but it also prescribes it. Thus, they explain, the individual will self-regulate his or her behaviour and form stereotypical perceptions of self, the in-group members and the out-group constituents. To relate this to the typical organisational reality, the constituents will represent different professions, different levels of formal education, both genders, salary levels, and as an additional element of complexity, the staff collective may include different ethnic and national backgrounds and different native languages. Thus, there are typically several potential areas of division amongst the organisational actors that may present challenges as well as opportunities for an organisation (Cox 1991).

Whilst organisational diversity potentially creates boundaries between professions and ethnicities, it could also be an opportunity as diversity brings together cultural and professional competencies not so easily accessible in more homogenous social structures. Findings from professional fields indicate that such diversity could enhance the level of corporate innovation, to mention only one aspect (Niebuhr 2010). There is some evidence that socially based organisational boundaries, such as perceptions of gender and race affiliations, could be bridged by defining extant diversity along task-determined and functional lines, and that this could release further constructive organisational task-oriented inter-actor capabilities (Mannix & Neale 2005). In other words, one way of breaking down organisational actor barriers could be to define the constituents in terms of their socially based group belonging and into communities where joint goals and sense of belonging revolve around task orientation. The individual constituents will then be seen not only through one lens, as professional, as high earners, as South African, as foreign, et cetera, but in a multilevel approach, where different aspects connected to the individual could be included in the creation of a new, inclusive, organisational collective, where new, previously out-of-reach opportunities are found (Jackson, Joshi & Erhardt 2003).

That diversity is substantial and prevalent in South African organisational life is the assumption here, and like other findings from studies in other diverse workforces, for example, by Ely and Thomas (2001), high levels of diversity brings some challenges, many of which may be mirrored in the diversity challenges extant in the extra-organisational societal environment (Hughes, Sharrock & Martin 2010). Given this situation, it will be expected that South African organisational life will not be free from the ongoing impulses of discrimination, marginalisation and social stratification evident in the wider society (Bottero 2005). The societal 'them and us' thinking is likely also to be a part of most organisational dynamics (Arnold et al. 2010) as well as group-based identity and cognition (Augoustinos et al. 2006). It is of

interest to mention that, even amongst the South African ethnic groups, some will be accepted and measured statistically in official settings, whilst others, such as the unregistered (illegal) immigrants, may not be included in all governmental and societal circumstances – which shows that even amongst the outsiders, we will find outsiders and insiders (Stats SA n.d.). Therefore, the issue of workforce diversity, both professionally and socially, is very likely to have a significant impact on any organisational operation.

■ Knowledge management

■ The general construct

The construct of knowledge management (KM) as used in organisational sciences pertains to the process of apprehending, dispensing, recovering and utilising an organisation's knowledge in an integrated manner amongst its constituents, spanning all available storage locations (Alavi & Leidner 2001). As can be seen from this explanation, the academic realm of KM spans a wide field, and harbours thinkers with philosophical as well as practical outlooks. Thus, I expect this strand of academic thought to contribute insights to the current South African context and will in the following elaborate some theories focussed on managing and sharing practical professional knowledge in an organisational context (Griffith, Sawyer & Neale 2003; Prusak 2001).

■ The knowledge construct

When exploring knowledge sharing and management, a central focal point needs be what is considered as 'knowledge', and realising that this term is unclear and elusive, a natural starting point will be to determine what constitutes knowledge, and how it is constructed (Dalkir 2011). What is at the core of the knowledge construct in the KM field is practical, useful and professional information, as it resides amongst organisational constituents, and how such knowledge can be accessed and dispersed

(Styhre 2011). With such an explanation, the key is that knowledge is perceived from the perspective of the individual and connected to the context where it is expressed and experienced (Derrida 1997; Foucault 2002; Weick 1988). In the KM field, the knowledge construct is divided into different categories, giving rise to a widely used KM nomenclature (Hislop 2013). One distinction is between declarative knowledge and procedural knowledge (Becerra-Fernandez & Sabherwal 2015). Kogut and Zander (1992) suggested that what typifies declarative knowledge is that it may be in the form of expressed propositions and formulas, for example, mathematical formulas, or assigning specific features to a product aimed at a specific customer. They describe procedural knowledge, on the other hand, as pertaining to assumptions connected to incremental sequences of activity, resulting in expected, desired or undesired outcomes. It can be summed up that declarative knowledge pertains to knowing 'what' and procedural knowledge to knowing 'how'.

This alone is not enough to explain what is available as knowledge from a KM perspective, and it is customary to divide knowledge according to the taxonomy of explicit and tacit knowledge (Hislop 2013; Smith 2001). According to this division, explicit knowledge is knowledge relatively easily available in a salient mode, such as giving directions to a specific address, whilst tacit knowledge is knowledge that can be accessed and made explicit only with great difficulty, if at all. The concept of tacit knowledge was introduced by Polanyi (1966) and would typically refer to knowledge that is informal, and at times knowledge which the bearer is unaware of or cannot clearly articulate. According to Hislop (2013), a typical characteristic of tacit knowledge is that the carrier may be aware of it but finds it difficult or impossible to share with others, such as when an experienced driver knows when to shift gears whilst driving a car as an automatic action but would struggle to explain the process to others. Dalkir (2011) reminded that with regard to this terminology, the degree of knowledge salience could differ amongst individuals, and that what to some is easily retrieved

and mediated to others and seen as explicit, could for others be difficult to explain, and thus, be viewed as tacit knowledge. This is perhaps a reminder that tacit and explicit knowledge are rather too simplistic knowledge divisions, and some authors, for example Spender (1996), expanded the taxonomy to include implicit knowledge. Implicit knowledge will then be knowledge that may not exist in a palpable form but which could be made apparent with some effort applied, and which is called embodied or action oriented by Blackler (1995). This taxonomic fine-tuning could, however, be seen only as an overly intricate way to divide and define explicit and tacit knowledge, and if tacit knowledge is accepted as knowledge that cannot easily be made practically tangible, the implicit category will not be of much practical use (Day 2005).

Hislop (2013) is a proponent of a constructive practice-based application of the knowledge construct in KM and seems to perceive tacit knowledge as impractical and of a more philosophical nature. Nonaka and Takeuchi (1995), on the other hand, as based on philosophical underpinnings of the theories of Polanyi (1966:59), seem to accept the usefulness of tacit knowledge in KM efforts, viewing it as subjective and 'context-specific', without the 'codified' properties that typify explicit knowledge. Nonaka (1994:15) perceived knowledge generation as a dialogue involving tacit and explicit knowledge and presented a theoretical framework explaining his views on organisational knowledge creation. According to his system, it becomes necessary to distinguish between 'information', which he sees as the flow of messages, and 'knowledge', which he views as the result of organising these messages. It is, however, not clear from his distinction exactly when a message becomes organised into 'knowledge', but it seems that he accepts information or messages as knowledge when an organisation or actor attributes meaning to the message. From this starting point, Nonaka (1994) developed a quadrant system involving conversions of tacit and explicit knowledge aimed at explaining his theory on knowledge creation. Although this theory sheds some light on the general

aspects of organisational knowledge generation, and thus, indirectly, on knowledge sharing, his model will not be directly useful here, as Nonaka's focus is more on the generation of knowledge than on how to share it amongst organisational actors. Furthermore, to complicate the knowledge categorisation, other KM authors find it useful to divide knowledge according to it being viewed as causal, conditional, social, individual, pragmatic or relational (Alavi & Leidner 2001), to mention but a few added taxonomic entries in the KM lexicon.

Without delving deeper into the details of the above intricacies, the practical question then is how these different versions of knowledge may lend themselves to management efforts and actor-centred intra-organisational sharing; and, based on the above taxonomy, the question is not as much about how it is branded, as whether knowledge may be made tangible and thus, subject to sharing. This is a practically based perception shared by Alvesson and Kärreman (2001), who understood knowledge as fluid, abstract and ambiguous, and found the construct in organisational KM settings to relate more to personnel-based management efforts of knowledge distribution than to knowledge retrieval and creation. For purposes of this chapter, and as mentioned briefly above, the category of knowledge which will be of interest is professional knowledge, and whether it can be determined to be tacit or explicit is not thought to have direct implications in the context here.

■ What constitutes professional knowledge?

According to Styhre (2011:20), the concept of knowledge, as connected to professional activity, is connected to practice, or 'work', performed by members of a professional community. In Styhre's view, what constitutes the basis for professional knowledge is that it is connected to the profession where the holder is perceived to belong, and which, amongst the main body of constituents of the professional community, is accepted as typically recognised. Such generally recognised professional knowledge is defined by Turner (2001:140) to reside with professionals who can

be termed ‘experts’, as opposed to those holding more esoteric types of knowledge, which is accepted mainly by certain groups, such as religious sects. In defining professional knowledge, however, it is of value to apply Turner’s (2001) thoughts on general acceptance of professional knowledge with some degree of caution, as, for example, within the medical services industry, there may be supplied professional services of which some are typically recognised by public authorisation bodies (medical doctors, dentists, chiropractors and physiotherapists), whilst others oftentimes do not enjoy such general societal acknowledgement (acupuncturists, massage therapists and osteopaths). In spite of the difference in public acceptance by way of authorisations, there will in such organisations be no doubt that all the mentioned professionals will possess professional knowledge as it is utilised in the practical world. This point is taken further by Malhotra and Morris (2009), who explained that professional work may be based on either normative assumptions, such as lawyers; on technical competence, such as engineers; or on a combination of the two, termed syncretic know-how, typical amongst accountants, who utilise both normative assumptions and technical expertise. Finally, to delineate professional knowledge against work-related activity not based on either normative assumptions, or technical expertise, would be to include that professional action should be relying on an indeterminate set of group-based rules, and that as such the activity need be on a certain level to be acknowledged as professional (Malhotra & Morris 2009). Thus, even work tasks that are highly dependent on technical and standardised behaviour, such as work in fast-food restaurants, would not fit in this definition of professional knowledge (Styhre 2011).

■ Organizational knowledge distribution

■ Introduction

As the assumptions referred to above indicate, in a typical organisation, most constituents do not possess sufficient

knowledge of the practices of their co-workers representing different professions, and if such interprofessional knowledge could be augmented, it could possibly lead to increased levels of intra-organisational interprofessional actor interaction. To attain such increased interaction, the type of knowledge that should be sought, managed and shared will pertain to how the different professions perform their tasks. The level of shared knowledge sought will not be on a highly detailed level, as the aim is not to teach one professional group to become another but only to inform the different professionals about their co-workers' vocational capabilities relevant to the wider aims of the organisation. Thus, in my efforts to expound possible avenues to promote augmented knowledge sharing, I will relay some main schools of thought related to professional KM in the following section.

■ Knowledge management

The academic realm of KM was defined in the 1990s, and within the attendant multidisciplinary community of scholars a substantial volume of literature has been produced (Dalkir 2011; Koenig 1998). Within this extensive body of knowledge, a realm-specific nomenclature has been developed, and in this section I will attempt to decipher this speciality nomenclature, and develop an understanding of KM that will add practical knowledge and be applicable to the context of increasing inter-actor interaction in a South African organisational setting.

Styhre (2011), who theorised within the realm of professional knowledge sharing, argued that 'knowledge' and 'professionalism' are closely interlinked and interdependent constructs. His proposition is that knowledge and professionalism in practice are two aspects of the same phenomenon, and that there are preconditions to possessing profession-specific knowledge. Examples are lawyers and medical doctors, who, in his view, have achieved the pinnacle of what constitutes professionalism and knowledge. This is a logical and pragmatic addition to the above

explanation of what constitutes professional knowledge and could possibly be of use and shared in organisations. For the context here, this will be a useful guide when inquiring into how to manage and disperse knowledge in organisations, not least when defined according to domain-specific professional knowledge.

When assessing the knowledge construct in a KM setting, another dimension will be whether knowledge is located within individuals or networks, organisations or connected to inanimate objects (Becerra-Fernandez & Sabherwal 2015). This division is represented in the KM literature, which holds that certain types of knowledge could reside with individuals, whilst other kinds reside in groups of individuals (Hecker 2012). Whereas the concept of knowledge held by individuals aligns with conventional perceptions of what constitutes knowledge, the notion of collectively held and generated knowledge is attributed to theories of seminal writers on context-based cognition such as Weick (1988, 2001). Weick's authorship pointed to valuable aspects on what knowledge is, in that it lends attention to individual-based and group-based sense-making as the core of what constitutes knowledge to possibly be shared, and that such sense-making springs out of the context to which it is connected by the knowledge generator(s).

Summing up the above sources will show that the knowledge construct for practical organisational KM use embraces the realisation that knowledge resides amongst individuals and groups, is closely connected to professional roles and may be accessed with different degrees of difficulty.

■ Knowledge sharing

Within the KM community, a certain emphasis is placed on general theories of learning, mainly in a group or organisational setting (Crossan, Lane & White 1999; Kang & Snell 2009). For the purposes here, I will assume that knowledge can be shared amongst individuals and groups at a general level, and rather

focus on aspects of learning particular to organisations and the dissemination of professionally centred knowledge, as this will be deemed most practical when aiming to build bridges across the social divide in the South African business life and society. The place of actor-based networks (Calàs & Smircich 1999) are of interest in the KM realm, as some kind of social framework is assumed to be useful for effective knowledge sharing. Such networks can be of formal origin, such as hierarchical structures and departments within them, or be formed informally amongst the actors themselves. This aligns with the theories of Weick (1988, 2001), where knowledge itself is seen to be originated in group perceptions of reality, and thus, that group perceptions and knowledge could be facets of the same phenomenon. It would follow from this connection that if knowledge can be originated amongst group constituents, wider group networks could be an avenue for knowledge distribution available in organisations.

Within the KM framework, the terms 'communities of practice' (typically formed within organisations) or 'networks of practice' (typically formed by actors outside organisations) are frequently used when such actor networks are investigated (Jashapara 2011; Smith 2003). In the KM nomenclature, communities of practice will typically evolve where an actor group partakes in joint activities and, through this, shares a common knowledge base that ties them together in a communal coherence and joint values (Hislop 2013). Similarly, in the KM terminology, networks of practice typically refer to extra-organisational actor networks based on professional or occupational belonging and may be structured around formal qualifications and examinations. Jashapara (2011:286) explained that although such actor communities and networks may overlap in practice, a typical distinction is that the extra-organisational network adheres to a more set 'canonical' practice and the organisation-based communities follow a more 'non-canonical' practice. The notion is that actors who share common professional interests will appear in social networks where information is shared, and that

these social structures regulate different modes of interaction such as out-group politics and intergroup power dynamics (Brown & Duguid 1991). Such social constructions are also viewed with interest outside the KM dominion, and proponents of systems and complexity theory will view informal networks of practice as actor-based auto-organisations (Bertalanffy 1969; Stacey 2011). It could be of interest to consider this perspective, as the systems perspective allows for a more critical attitude than the communities or networks of practice framework does, because auto-organising could involve activities outside management control that could send the organisation in directions contrary to management strategy. However, the KM theorists do not disregard the self-organising forces, and research conducted by Müller-Seitz and Macpherson (2014) showed that during a crisis, involved groups of professionals may promote knowledge sharing through self-created networks, like spontaneous communities of practice, which align their interests and task orientation with those of their management. Such spontaneous, crisis-driven network building will then be thought to originate from a group-based, joint, sense-making activity (Weick 1988, 2001), where the actors perceive reality in concert, and therefore align their knowledge sharing and subsequent task-oriented activities (Müller-Seitz & Macpherson 2014). It is worth noting that this kind of network-based knowledge sharing is unmanaged, and not modelled on any organisational strategic planning. Indeed, this would represent a management dilemma in that introducing management efforts to self-organised networks may counteract the positive forces and actor-based initiatives such networks harbour (Agterberg et al. 2010).

That organisational network constituency implies political power is argued by Hislop et al. (2000), who recognised the power politics and the possible dark side of knowledge networks, and posited that to disseminate information amongst extra-network actors could augment the perceived level of political power on the part of the knowledge sharer. On the other hand, they argued that organisational networks may not only be

effective in contributing to knowledge distribution as they may well establish knowledge boundaries within the organisation. They suggest that if network members demarcated these boundaries, then resistance to distributing knowledge outside the network may counteract organisational knowledge sharing. According to Hislop et al. (2000), this indicated that political forces in an organisational-based network may act as a means of both sharing knowledge effectively and restricting such sharing.

Although actor networks generally are perceived useful amongst KM theorists, there are sceptical voices as well. Fernie et al. (2003), who are critics of simplistic network lauding, reminded that knowledge is a fluid and ethereal construct, centred on individuals and their contextual experiential perceptions, and that as such, it may not lend itself well to sharing based on systematic management approaches. Furthermore, their position is that knowledge sharing should be viewed from a process-based learning perspective rather than as result-oriented and mechanistic, which is the typical vantage point. Other critics warn that an overly strong sense of community that could develop amongst communities of practice may render the community inward-gazing and uninterested in accepting outside knowledge influences (Alvesson 2000; Brown & Duguid 1991). This again could lead to a lack of innovation, and the community aspect of the knowledge holders could represent barriers to original thinking and knowledge sharing rather than its promotion (Leonard & Sensiper 1998). In addition, such tight-knit communities may reject not only ideas from the outside but also individuals, and membership is strictly controlled and enforced by existing constituents who decide whom to let in to the community, thus bolstering the barrier aspects further (Wenger 2000). Hislop (2013) explained that such elements of group-based, organisational power exertion and political activity could lead to conflict amongst the community members, and when faced with a need to change, such conflicts could fragment the community owing to opposing interests amongst the constituents. If so, what was once perceived as strong and efficient could increase individual perceptions of uncertainty.

This body of criticism is of interest, as it recognises the complexities that could be connected to knowledge creation, context and distribution. It reminds us that taken-for-granted assumptions associated with learning and knowledge distribution could derail critical inquiry into KM-related topics, by way of accepting overly simplified versions of the knowledge construct and its possible dissemination. In this regard, the concept of communities or networks of practice, whether originated within organisations or as spontaneous informal networks, illustrates well how what seemingly could be a benign social structure for creating and sharing professional knowledge may represent barriers for organisational knowledge dispersal (Müller-Seitz & Macpherson 2014). However, established communities or networks of practice that follow the traditional professional boundaries may prove to represent barriers rather than possibilities to share knowledge across the professional delineations contained in an organisation. Thus, creating cross-boundary teams of professionals may facilitate knowledge transfer and, in connection with the type of professional, could be of interest to explore further.

■ **Obstacles to knowledge sharing**

The above elaboration shows that actor networks or communities may be useful in promoting knowledge sharing but that this does not mean that such networks may not be without their disadvantages, as they may give rise to obstacles for organisational knowledge sharing. Such boundaries are viewed by KM proponents as connected to socio-cultural barriers, and contain elements such as knowledge hoarding and 'knowledge silos'. The knowledge silo is a semiotic illustration of how different organisational network models may promote closed-off networks within organisations, where knowledge is contained and barricaded for other organisational members, justified by way of group constituency and attendant knowledge-storage modalities, where network or group affiliation determines what to store and where (Offsey 1997).

In particular, the theory is that when organising according to focussed specialisations and task orientation, groups of professionals create the closed-off 'silos' where their knowledge resides, and where the insiders may portion out their knowledge sparingly, and resist knowledge sharing with other groups (Bundred 2006). Todorovic, Cudanov and Komazec (2014) posited that such mechanisms of professional exclusivism could be connected to traditional modes of organisation, and argued that by introducing a network-based management model, the silo mentality could be counteracted, and knowledge sharing across professional lines increased. They argued further that this in turn could be used as a means of heightening the quality of knowledge and task performance amongst all the different silo dwellers, and would then, in total, augment the quality of service output of an organisation. As will be seen, the silo metaphor is seen typically as connected to professional groups and their practising of their skills, and such fencing-in of knowledge is explained less by social factors such as discrimination and inter-actor competition than it is motivated by professional and narrow task orientation.

As the silo metaphor is widely in use in the KM literature connected to matters of professional focus and task-specific orientation, it is prudent to ask whether such a metaphor could camouflage starker societal realities, such as discrimination, marginalisation, racism, gender aspects and social stratification, in organisations (Bottero 2005; Hughes et al. 2010). Although the silo metaphor could be effective as an academic tool, such imagery should be used with some care in academic theorising, not least when dealing with social processes such as organisational knowledge sharing, where the value neutrality such a metaphor may propose could conflict with the forces operating within practical settings (Morgan 1980).

The concept of silos and challenges of professional character connected to barriers to knowledge sharing may be connected not only to professional practice and narrow task orientation but

also to difficulties in communicating knowledge across professional boundaries and connected professional nomenclature of varied esoteric character. The phenomenon of group-created terminology or tribal language where words attain meanings not known to outsiders is not discussed exclusively in the KM community. For example, Berger and Luckmann (1991) explained that languages act as depositors for objectifications of collective experience and that, through a sedimentary process over time, these attributed specific meaning to group language not easily understood by outsiders. In the KM nomenclature, such interprofessional communication challenges are sometimes referred to as knowledge translation (Carlile 2004). The argument here is that different groups of professionals could not only have different knowledge and expertise, but they also may not even use the same words and metaphors as others; or if they do, they may not attribute a similar meaning to them. In such a case, the barrier becomes not only professional but also semantic (Hislop 2013). Semantic barriers could entail that knowledge sharing is blocked, and applied terminology and use of metaphor will not be effective across professional barriers without active or conscious harmonising of meaning, and such knowledge translation may be seen as one way of making tacit knowledge explicit (Nonaka & Takeuchi 1995). Following from this, domain-specific professional knowledge cannot effectively be shared across professional demarcations without deciphering language specialities, and knowledge translation remains a barrier to organisational knowledge sharing (Wæraas & Agger Nielsen 2015). Alternatively, as Bresman (2013) explained it, recipients of knowledge cannot understand it fully without relating it to their own context through some translation activity, and only through understanding it in their own context-based vernacular can they adjudicate the value of the received information or knowledge.

Although the silo metaphor and translation may cover some organisational social realities, the concept of knowledge hoarding found in KM literature could be moving closer to social realities of

organisations, as this pertains to actor interaction in a broader sense than merely the professional and task-specific, and spans matters of inter-actor performance competition and organisational politics (Hislop 2013). The KM theory here is that organisational actors could refrain from sharing their knowledge with their co-workers for different reasons, such as individual tendencies to hoard professional information, where a typical motivator not to share is that of perceived promotional benefits for the hoarder (Milne 2007). Hislop (2013) explained that the idea then is that by keeping knowledge from others, the hoarder will perceive himself or herself to be better able to shine in the organisation by showing his or her own knowledge to his or her superiors, and thus outcompeting the others. However, this is not without modifications, as a disadvantage connected to hoarding is that it amounts to hiding the knowledge, which then will not be visible for the organisational collective, including management, and thus it could be counterproductive rather than support the possibility of promotion or pay rises and other benefits to the hoarder (Hislop 2013). Conversely, sharing knowledge could counterintuitively support the promotional gain that the hoarding impulse would be expected to provide, and in KM terms, this is referred to as the share or hoard dilemma, where the hoarder is seen as a 'free rider' on the perceived public good that is organisationally based knowledge (Cabrera & Cabrera 2002).

In addition to the perceived benefits of knowledge hoarding, representing one side of the above dilemma, Hislop (2013) argued that power residing with individuals or groups may well be an important barrier to knowledge sharing. He argued that this aspect is not widely debated in the KM literature, and attributed the authorship of Foucault (1926–1984) with seminal importance, and indeed, influential on all aspects of management research. This stance is also aligned with the power politics acted out in networks, and the theory seems to be that power and knowledge are so closely woven together that if knowledge is shared, so is power (Foucault 1994, 1995). Based on this, both formal and informal positions of perceived organisational power could be

blocking knowledge sharing, and should be acknowledged when initiating KM efforts in organisations.

In sum, organisational knowledge sharing may be blocked owing to professional aspects, such as silo building and professional language translation, and by individual aspects such as knowledge hoarding and power positions. Following from this, the next aspect of interest will be how to break down such barriers and build organisational bridges, if possible.

■ **Managing knowledge sharing - Motivation**

From the above, the question arises as how to manage and model knowledge sharing, if at all possible. In the KM literature as presented above, it is assumed that knowledge is shareable amongst individuals, whether viewed as explicit or variations of tacit knowledge, and this assumption will be accepted here (Nonaka & Takeuchi 1995). The topic then will be how to motivate organisational constituents to share their knowledge, and in reality, how to break down the barriers to knowledge sharing presented above.

Traditional voices in the KM domain like Smith (2001) argued that it is possible to manage knowledge sharing by motivating organisational actors to share their knowledge amongst their peers. However, Milne (2007) reminded that empirical evidence showing exact results is yet to be convincingly presented, in particular connected to mediating hoarding impulses. Bearing in mind politics and actor resistance, Bock et al. (2005) contributed further insights on the possible manageability of knowledge sharing, and contrary to Smith (2001), they found that employees are less willing to participate in organisational knowledge sharing and generation by responding to motivational management schemes. Their argument is that motivational efforts of an externalised material nature may counteract sharing tendencies rather than augment them, as organisational constituents would rather be part of a reciprocal social exchange than seek explicit

material recognition. They go on to argue, therefore, that knowledge sharing could be more about corporate culture than about material gain and monetary recognition.

If this is the case, KM should then be most likely to succeed in an operationalised culture of knowledge sharing with employee agency, supported by leadership from management. The matter of what constitutes organisational culture is of importance in KM and has been explored by theorists and practitioners drawing on other academic fields, such as sociology and social psychology. Building on this, Dalkir (2011) argued that shared social norms are at the core of organisational control perceptions assigning sanctions to actor behaviours, and that through this, the foundation for organisational culture is established. If this is the case, she argued that knowledge sharing will be aligned with shared cognitive schemata located in the organisational collective. From this, she theorised that the actors will contribute to organisational culture based on their expectations of roles (group identity), role expectations (competencies), values (social status) and aligned cognitive schemata and models. Such role-oriented perceptions amongst organisational constituents have also been explored from a perspective of organisational citizenship, where the main theory is that when sharing cognitive schemata and value bases, the individual actor will discretionally contribute to his or her organisation by adopting an altruist mentality towards his or her fellow constituents (Can 2015; Organ 1997; Smith, Organ & Near 1983). Organ (1997) explained that such altruist behaviour would then include willingness and motivation to share professional knowledge with co-workers, and the point of this altruism is that it is freely expressed by the individual and cannot be enforced by management and, as such, omitting to express it is not connected to formal organisational sanctions.

It would seem, then, that the cultural aspect connected to management efforts in KM is of importance if employees are to share their knowledge, and thus counteracts the hoarding impulse perceived to earn them organisational recognition. If management builds a culture where employees trust their superiors,

Renzl (2008) posited that sharing will increase, as the fear of giving away their relative competitive edge will decrease with the individual knowledge holder. She further contended that typically, then, the employees will perceive themselves as safe in their belief that the organisational collective has noticed their shared knowledge, and that their superiors have noted the source of the knowledge and attributed it to the individual sharer. Drawing from this, in such a culture, all parties profit, as the sharer is recognised, the collective benefits from the knowledge and the management achieves goal-oriented task fulfilment through added knowledge sharing and culture-driven motivation.

If an organisational culture is trusting and promotes knowledge sharing as described above, it may be assumed that the silo aspect linked to professional task orientation would also be mediated, and if so, management could promote the formation of new actor networks in addition to trusting the employees' self-organising of new knowledge networks (Stacey 2011). McDermott and O'Dell (2001) argued that such networks can be utilised in modelled knowledge-sharing efforts, and that by using existing networks, it is possible to promote and manage the dismantling of organisational sharing barriers and bridge-building. Tsai (2002) further expanded on the intra-organisational network perspective where groups are in perceived competition with each other, and posited that that intra-organisational knowledge sharing is obstructed by the traditional hierarchical organisation, as such structures may instil actor reluctance towards knowledge distribution. His contention is that the hierarchical organisation involves centralisation of decision-making, and that this counteracts with discretion on the part of organisational members when interacting with environmentally determined task requirements, and thus, such centralisation reduces the knowledge-sharing impulse amongst individuals.

In an organisation with different groups, whether based on differences in professional knowledge or mere social or cultural aspects, the trust-building KM efforts will then be about building bridges between groups of individuals, and thus, will disassemble

existing knowledge-sharing barriers (Jashapara 2011). However, how practically to construct such a culture is a complex task, as several of the sharing obstacles are elusive at best and intangible at worst. In addition, whilst the KM literature highlights the problems, it does not devise comprehensive solutions to this but rather leaves management to choose from available management tools and technologies. Suffice it to say that if Foucault is correct and power is interlinked with knowledge, to convince actors to yield their political power could take more than the use of practical artefact-based learning techniques, or benign group initiatives, and should be expected to be met with substantial actor resistance (Søndergaard, Kerr & Clegg 2007). However, the KM sources supply useful information as to what direction management needs to take when attempting to create a trusting, knowledge sharing, organisational environment. From this, it could be concluded that all extant social and management structures within an organisation should be assessed, and that such systems awareness could then reveal possible strategies on how to increase knowledge sharing amongst corporate groups through changed corporate organisational structures and modelling appropriative behaviours.

■ **Social identity theory and knowledge management**

■ **Introduction**

In the previous section, barriers and politics that lead to the creation of different professional or identity groups in organisations were identified. Whilst knowledge-based groups, silo cognition and hoarding might be amongst such boundaries, other social barriers may also exist. Thus, it is worth exploring how other social structures in organisations may be formed, as employees identify with specific groups or networks within the organisation. The discussion here is to take this further and to examine the extent to which it is relevant for the context of increasing inter-actor interaction in a South African organisational setting.

If knowledge is contextual, and is expressed in a social environment, this would further indicate that possible motivators for – and obstacles to – knowledge sharing may be sought at the psychological level of the individual organisational constituent (Fernie et al. 2003; Foucault 2002; Weick 1988). Based on this and the need to attend to social barriers, in this section I will examine elements of SIT that I expect will elucidate organisational knowledge sharing and KM from a social-psychological perspective and supplement the KM sources from a psychological vantage point. Social identity theory will be of particular interest with regard to organisational actors' perceptions of the concept of 'group', and their consequent defining of self in in-groups and others in out-groups (Tajfel 1974). It could be important to understand the mechanics of such group division as they may indicate locations of social barriers that may stymie efficient knowledge sharing in our organisation (Turner 2010).

■ Social identity as an obstacle to knowledge sharing

As SIT may point to antecedent causes of created barriers in an organisation based on group perception, it could be of interest to examine whether such groups could harbour actor dynamics that could further create barriers to knowledge sharing, by way of perceived actor hierarchies and auto-organisation within the groups (Ng 2010; Stacey 2011). In SIT, it is acknowledged that leadership may originate as a group effort amongst individuals. Hogg (2001) posited that attributed individual qualities are drawn from the group to the individual and vice versa. He explained that this indicates how social identification bolsters the perception of both emergent leadership and enduring leaders, and the theory is that the longer an individual resides in a prototypical leadership position, the more he or she is liked. According to him, this further explains that inclusion in a group will reduce individual emotions of uncertainty, which again will increase perceptions of influence and leadership. Therefore, the stronger the social coherence of

the group, the stronger the perception of extant leadership (Hogg 2001). This group perception of efficient and authoritative leadership could give rise to collectivist-based fanaticism and subsequent abuse of power, not least as directed against defined out-group constituents (Hogg 2015).

In addition to emergent, uncontrolled leadership with its possible power implications as explained above, when applying SIT as a basis for introducing management initiatives in organisations, Arnold et al. (2010) pointed out that the even darker aspects of social identification should not be disregarded. They contended that although perceived group belonging may be beneficial in an organisation as a means of network building and team constituency, group identification may bolster stereotypical preconceptions of other co-workers, those defined in the out-groups, and perceived group belonging may augment workplace animosity that could lead to increased extremism. They explained that such development of extremism could stem from tendencies of in-group member glorification and attendant polarisation impulses. The SIT thinking is then that the farther the distance to the out-groups and their cognitive schemata that may be established, the firmer the individual perceives belonging to the in-group (Arnold et al. 2010). Alvesson and Kärreman (2001) contributed a more moderate voice on the darker side of social identity in organisations, seeing it mainly as a matter of group loyalty, and that this would lead to mentalities of excluding out-groups rather than leading to outright conflict. This theorising is centred on information-intensive industries and offers the further point of view that, in addition to loyalty towards organisational in-groups driven by social identity, the professional may also develop loyalties towards clients, which would be outside of management control.

These darker aspects of SIT are of interest because, in a multigroup, knowledge-sharing environment, benefits of group belonging and team perceptions may be lost in increased polarisation and emergent loyalties, which could be detrimental to management efforts to promote knowledge sharing. It would

appear that SIT further explains aspects of organisations that may present barriers to knowledge sharing, and that these theories also shed light on where bridges should be built in the organisation.

■ **Social identity as a motivator for knowledge sharing**

The vagueness of the knowledge construct and ambiguities connected to knowledge sharing as described in the traditional KM literature referred to above could indicate that SIT might be useful to organisational KM research by relating the individual to the groups that make up the organisation, and assessing how social and cultural barriers could be dismantled. Group-based identification by the individual may directly influence how organisational partakers perceive the attractiveness and status of other constituents. Ashforth and Mael (1989) explained that this reinforces preconceived stereotypical perceptions of self and others, which may bolster organisational group formation. With particular interest in organisational research, they emphasised that group formation may not align with formal corporate boundaries but could be built on perceptions of status, friendship, age or other factors. Furthermore, they stated that, even without strong leadership or attractiveness, group formation may occur with the attendant in-group favouritism and out-group derision that SIT may inform, and that it may be sufficient to create a group identity solely by assigning an employee to a specific group within an organisation. Interestingly, they explained that even negative feedback to individuals may support in-group formation, as the derided find solace and comfort in identifying with each other, and thus, establish an in-group of their own by way of forced actor equality and familiarity.

This manner of group formation is supported by Goffman (1990), who perceived social identity from a team perspective, and posited that teams may be created by way of similar social mechanisms as Ashforth and Mael (1989) described through the

SIT lens. Furthermore, the theories presented by both authors supported the idea that individuals tend to choose tasks and activities compatible with salient aspects of their identity, and social belonging enhanced group-based co-operation and inter-actor altruism again leading to strengthened social identification, reinforcing the preconceptions of identity. This will be perceived as adding to the group's value base, prestige and practices, and by allowing groups and networks to flourish, organisational actors will attain an attitude of augmented trust as the perceived in-group grows (Ashforth & Mael 1989). These facets of SIT are of interest in relation to KM, as they raise aspects of organisational constituency, still not often directly presented in the traditional KM literature, but which may shed valuable light on this organisational problem.

When viewing social identity from an organisational perspective, salient and latent politics and power relations as playing a role in identity formation and organisational actor interaction are topics presented in SIT literature that focus on organisations. A familiar situation in many organisations is the introduction of new members, and how to align the organisation with the new member and vice versa will then be of importance. Kane, Argote and Levine (2005) found that in such situations, groups are more prone to alter their work practices to align with a new member if they share superordinate social identity tenets with the new member. Conversely, they posited that if such qualities are not shared, the group will not adopt the new practices, even if they are superior and could increase the quality of outcomes. The point here is that a shared superordinate sense of social belonging could increase the level of knowledge sharing amongst individuals and groups, and that heightening the sense of shared social identity will augment the constituents' ability and willingness to utilise information residing with their perceived fellow group members (Kane et al. 2005). This is of interest when juxtaposed with KM theory, as it demonstrates the value of shared social values by way of social identity, and shows that enhancing this perception may lead to dismantling barriers of learning and increased organisational knowledge sharing.

When searching for an operationally practical perspective on SIT in organisational dialogue focussed on knowledge sharing, Heere and James (2007) explained that an individual may perceive that he or she belongs in several groups, and that this multiple group constituency may exist in a hierarchy defined by degree of saliency and centrality measured against the individual's self-assessment and perceived group strength. They posited that the more central and salient the group belonging, the higher importance the individual will attribute to a group, and relate it hierarchically amongst the multiple groups to which he or she belongs. The main point to be drawn from this is to acknowledge that group identity is a multidimensional phenomenon, and that this would be useful in understanding and creating teams in organisation, not least from a KM perspective. This would indicate that social identity and group belonging may be deconstructed into measurable constructs, and that it could be possible to influence and strengthen the sense of belonging and team constituency across extant organisational boundaries, something that may be useful in a KM context.

■ Practical application

When applying the theories presented above in practice, it will be necessary to adapt them to align with the extant reality, as it will vary from organisation to organisation. In combination, the cited sources, with their different scholarly vantage points and academic pedigree, will be expected to be useful in concrete examinations of organisational problems, and I expect that it will be of particular value to draw from both the SIT and KM literature when preparing possible remedies and managerial designs for increasing knowledge sharing across professional and social boundaries.

It will fall outside the scope of this chapter to give any detailed explication of what kind of management initiatives and technologies could best be used to achieve a cross-boundary organisational knowledge sharing, which in turn may serve to decrease diversity challenges and increase intergroup acceptance

in the organisation. However, as SIT will be a central aspect to consider in such initiatives, it will be the contention here that modes of actor-participatory exercises could be those most likely to succeed. Keywords here will be actor advocacy and agency, as without such amongst the participants it is difficult to envisage how new group perceptions and formations may be created (Caldwell 2003; Raelin 2010). One form of management initiative that may be of interest to pursue in this regard could be different modes of action learning in the organisation, which builds on cycles of joint learning where the organisational actors are invited at all levels of the initiatives and in all learning cycles (Coghlan & Brannick 2010; Raelin 2001). A version of such joint learning methodologies is expressed in the paradigm of appreciative inquiry, which involves including parts or all of the organisational actors in an action learning or research modality where the experienced positives in the organisation are used as building blocks for knowledge sharing – in this context, interprofessional intergroup learning (Cooperrider, Whitney & Stavros 2008; Reed 2007). An advantage of the appreciative inquiry paradigm is that it is not problem focussed like the traditional organisational development paradigm, and when the aim is to increase diversity acceptance, focussing on extant positive qualities amongst the organisation and its actors may be favourable (Watkins, Mohr & Kelly 2011).

■ Conclusion

As described in this chapter, initiating actor collaborative cross-domain knowledge-sharing programmes in organisations may lead to an increased acceptance amongst different organisational groups and constituents. Through such management initiatives, new group perceptions may be formed, which could lead to a sense of organisation-wide actor inclusion that will retrench negative sentiments previously harboured amongst different organisational partakers. If organisations are successful in such initiatives, and they lead to such increased intergroup acceptance,

stakeholder theory informs that this may have positive ramifications in the wider society. As have been demonstrated, such effects will be aligned with Christian ethical and pastoral norms on how business life may be defined as part of sound Christian expression and experience. Thus, to promote professional knowledge-sharing initiatives in organisations could be a prudent method of contributing to a morally benign development of a socially inclusive South African society by way of economic and organisational actor participation.

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This book deals with social-ethics and economy in the context of South-Africa. It reflects on the diverse moral trajectories defined as 'conduits for cultural, political, and economical evolution'. The complicated connection between economy and Christian ethics in the South African context is discussed in various chapters which provide researchers valuable data from investigations into the multifaceted picture revealed by the scholarly debates. The issues related to poverty, wealth and human rights which are discussed in the book transcend time, country and cultural context. Themes that are surveyed are among others the 'Political economy under the reign of God', 'Banking alternative deals', 'Roman-catholic views of capitalism', 'Gender equality in corporate South Africa', 'Christian ethics and entrepreneurship', 'Prosperity ethic and poverty', 'Post secular economy' and Social Identity as organizational barrier and opportunity for developing the South African economy.

Christian ethics and political economy: Markers for a developing South Africa analyses the difficult relation between Christian social ethics and modern economy within the context of South Africa. Many relevant and important aspects of the issue are discussed in differentiated investigations of the function of religion and religious ethics for political ethics. The focus of the debate lies in the complex situation in South Africa. Of central interest is the relevance of biblical ethics for economy, the use of capital in South Africa, as well as capitalism, gender equality, entrepreneurship, prosperity ethics, Pentecostalism and social identity. The nine chapters of the book together show a differentiated and thorough image from different positions in the question of how to relate ethics in modern economics. All authors deal with solutions for the destructive social consequences of modern capitalism, and they are convinced that bringing back an ethical foundation in political economy would change the economy. If this would happen, then the economy could bring more justice into society, with consequences for the poor. So, the book is a strong plea for an ethics-based economy, and for Christian social ethics and its relevance for the future development in South Africa.

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