

FORGIVE US OUR DEBTS:

Lending and borrowing as if relationships mattered

Nathan Mladin and Barbara Ridpath. Theos & St. Paul's Institute, 2019

Review by Paul Mills

Having just 'celebrated' the tenth anniversary of its last great debt crisis in 2008, the global economy appears to be slowing rapidly and may be about to witness its next one. In the last decade, total debt levels around the world have risen significantly (most notably in China), and Western governments and Companies have borrowed heavily on the back of the lowest interest rates in recorded history. The US government now borrows over \$1 trillion a year despite low unemployment and firm economy.

The Christian policy response to the 2008-9 debt crisis was, in the main, flat-footed and unoriginal. It failed, in large part, to engage with the wealth of biblical material and historic Christian reflection on debt and interest and was largely conformed to this world' (Romans 12:2). Since the next debt crisis could soon be upon us, now is an apt time to do this much-needed groundwork.

In January, Theos and the St. Paul's Institute published a new report '*Forgive Us Our Debts: lending and borrowing as if relationships mattered*'. It highlights the growth of debt (particularly in the UK), reviews the biblical material and Christian responses to debt and interest (including that of the Jubilee Centre) and makes various recommendations for public policy and church action.

There are many elements of the report to commend. It attempts to emphasise the relational dimension of the interaction between borrower and lender - even making this the subtitle of the report. It highlights the theme of debt release that runs throughout the Bible - even noting that the exodus was the release of the Israelites from debt bondage in Egypt. Its summary of the Church's historic and near-unanimous condemnation of lending at interest until the 16th century is succinct and accurate (although Calvin's position was much more balanced than presented here).

On the policy and Church action side, the report rightly stresses the lender's moral obligations to know the circumstances of the borrower to avoid the exploitation of the poor, and to adapt loan terms if the borrower's circumstances change significantly for the worse. The valuable work of Christians Against Poverty in counselling those in debt distress is highlighted. This is likely to become even more necessary given that 16 million UK households have less than £100 in savings (p.34), making them extremely vulnerable to adverse changes in financial circumstances. The report rightly argues for the elimination of the tax subsidy given to company borrowing and highlights the role of public and student debt in perpetrating intergenerational injustice.

Unfortunately, the authors leave their analysis and recommendations at that. They blunt the sharp edge of the biblical and historic Christian critique of debt and interest because they believe that there can be legitimately 'good' debt (see p.26, and p.47). That is, borrowing that has financed business activity and house purchase or resulted in an increase in the nation's capital stock. To arrive at this position, they ignore the truly relational critique of debt in Scripture, grossly misinterpret Jesus's teaching in the Parables of the Talents and Ten Minas (p.61) and fail to understand the Bible's nuanced handling of different financial contracts.

One gets the impression that the biblical material is handled so as not to challenge the prior belief that debt can be 'good' and not to produce policies that would disturb the status quo too much. Remarkably, the report barely mentions banks - the subsidised debt factories of our economy - and makes no suggestions as to their reform.

The key omission that the report makes is to fail to highlight the equivalence the Bible makes between debt and servitude (Proverbs 22:7). How does this come about? Because the promise to repay a debt is a deeply serious one (Psalm 37:21). A borrower gives his or her promise ('bond') to repay - hence, they have lost their financial freedom and are in 'bondage': To charge interest on a loan is to profit from the 'bondage' of another, an inherently unloving act. Unsurprisingly, Jesus condemns such behaviour as that of a 'harsh man; who 'takes what they did not deposit and reaps what they did not sow' (Luke 19:22). The Bible does recognise a distinction between 'good' and 'bad' debt but draws the line in a different place: between interest-free and interest-bearing debt. It is those who lend interest-free who are the righteous and shall receive God's blessing (Psalm 15:5; 112:5; Proverbs 28:8). The relationally positive way to finance business investment is not by debt but through risk-sharing equity, and to finance the purchase of houses through a lease-to-buy (rent-sharing) contract.

God's desire is to redeem a fallen humanity from bondage and bring us into liberty, both in the gospel and through freedom from servitude and debt. Forgive Us Our Debts grasps some of that vision but fails to understand and apply its truly radical scope.

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He's the author of several Cambridge Papers on debt, interest and the Bible.

Further reading:

- Guy Brandon, *Crumbling Foundations: A biblical critique of modern money* (Jubilee Centre, 2016)
- David Mellroy, *Time for a Financial Reformation, Cambridge Papers 26:2* (Jubilee Centre, June 2017)
- Paul Mills, *The great financial crisis: A biblical diagnosis, Cambridge Papers 20:1* (Jubilee Centre, March 2011)
- Paul Mills, *Prodigal stewards: The looming government debt crisis and what to do about it, Cambridge Papers 23:4* (Jubilee Centre, December 2014)