

Faith and finance around the world

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When we think of economic doctrines, we tend to think of ideologies founded by names like Marx, Keynes or Hayek. Great thinkers have offered their observations on how money makes the world go round and how the exchange of goods and services happens. They have also created disciples who have outlived them. The debate is hardly settled.

Yet, despite the quantity of thought, most of the economic thinkers have remained remarkably silent on what – in their view – should be done. Marx decries the battle between capital and labour in nineteenth century industrialising Europe, but actually says very little about what he proposes as an alternative. Hayek deliberately implores us to actively do nothing at all. Economic theories attempt to tell us how the world works, not what to do about it.

The vast majority of people worldwide are far too busy actually earning a living and feeding their young to indulge in academic discussions of how economic systems work. For someone trying to put food on the table or make their next million, are Adam Smith's musings about the sources and workings of wealth of entire nations really all that relevant?

One person is unlikely to change the system – whatever system they may have had the fortune or misfortune to find themselves in. For real people, economics is home economics. Money is tied to private life and actual reality, and finance is always personal.

Perhaps no other subjects are as personal as religion and personal finance. Yet the two are seldom discussed together. It would seem that the religious avoid speaking about finance and the financial experts avoid discussing religion. The two are treated as mutually exclusive subject areas.

But there is a case to be made for understanding principles of personal finance through the prism of religious doctrine. Religion affects the lives of adherents and non-adherents in very real, very immediate, economic ways.

Unlike political systems and economic doctrines, which may fall in or out of favour, religious doctrines endure. One might think of Wall Street as the least religious place on earth; and yet, firms like Bank of America, Merrill Lynch and Morgan Stanley have formed Christian focus groups to help them manage funds in ways that would appeal to Evangelical and other Christians. Even those with no interest in religion at all have heard of the term 'Islamic Finance'... and some may even be aware that the Islamic finance industry is growing at a rate of between 10% and 12% annually*. If that were the GDP growth of a country, people would notice.

The world's great religions have quite a bit to say about money – and the advice is active, direct and personal. The consequences on individuals' private lives tend to be far more immediate than many of the postulates promulgated by some of the more conventional and secular economic thinkers. And there are real world consequences.

Where would the Massachusetts Bay Company have been, had it not been for its Puritan work ethic? The founding of the United States of America might have been very different – or may not have happened at all – had the original colonists been cut from a different cloth, so to speak. The Puritans who landed on the Mayflower were a stoic people. They may no longer be around, and the Massachusetts Bay Company that was the vehicle of their settlement may be a name only known to history buffs, but today there is an America. Had it not been for those early settlers – for good or for ill – the world today would be a very different place.

In Judaism, the Mishnah and the Talmud demand critical thinking skills – essential elements of good, solid careers. Proverbs demand that children be taught skills and trades by their parents. The bar or bat mitzvahs are rites of passage that mark a maturing sense of financial accountability, as well as overall maturity. This impacts on the lifecycle of Jewish boys and girls, to be sure. But it ultimately also has effects on the Jewish community as a whole – and its business and investment dealings as a collective of individuals.

In Hinduism, which one might assume is far less concerned with materialist values, we find highly pragmatic guidance. To take one example, the Bhagavad Gita relates a tale in which Arjuna's attempt to hide from the realities of life by seeking refuge in mysticism is scoffed at – by Lord Krishna, no less.

The Karmic implications of being in business must factor into the Buddhist's quest for enlightenment. Right action, right thought... nearly all the tenets of the Noble Eightfold Path can have a direct impact on business and business dealings.

Debt crises are less relevant to those who refrain from Riba (roughly translated as 'usury') and keep their finances Sharia-compliant. The Islamic investor can also not purchase regular bonds and earn interest... but they could invest in Sukuk vehicles.

The tithe keeps churches – and the communities they serve – going and growing. Authors and radio personalities like Larry Burkett and Dave Ramsey have reinvigorated a sense of biblically-based, spiritually-aware principles for personal financial management among a growing group of contemporary Christians worldwide.

My dual interests in comparative religion and finance, gave me the privilege of exploring a wide world of moral money and faith-based finance. It's a fascinating world, with lessons and implications for believers and non-believers alike. Please join me on my bi-monthly pilgrimage as I explore how different faith systems approach personal finance, financial markets, business ethics and social economics. There is something to be learned from each of them and, despite the origin of those ideas, some elements can be tried and tested without necessarily taking them on faith.

We will journey from the ancient folk religions of Africa, to the Abrahamic faiths (Islam, Judaism and Christianity) and the Eastern religions of Hinduism and Buddhism. We'll continue to Taoism and Confucianism. Along the way, we might just pick up some useful truths or insights that could, at the very least, enrich our consideration set.

We'll explore one religion at a time. What are its basic tenets and beliefs? How does it approach money, business and finance, historically and today? We will deal with each one respectfully... we are neither trying to prove or disprove any single one. Rather, we are looking for anything the wide world of timeless wisdom – or at least enduring practices with real world consequences – can teach us. Or at least give us some insight into the practices of current or potential business partners.

According to the Forum for Sustainable and Responsible Investment (a US Non-Profit Organisation), around \$8.7 trillion was managed using faith-based or other socially responsible screening methods in 2015. This number is up from \$6.6 trillion the year before and continues to grow.

Faith often involves ideals and symbolism, metaphors and abstractions. It appeals (or attempts to) to our highest morality, compassion and ethics. By contrast, a popular misquote is that money is the root of all evil (more on that in a future article). Nothing is more simple and real than earning a pay check in the day-to-day grind. It often seems or feels devoid of any empathy or humanity. Just numbers that flow in or out of accounts.

Yet, we spend so much of our lives earning money and spending it. So little of what we do, from having children to burying our parents, involves no money at all, that money may in fact be central to our highest aspirations.

Paradoxically, money may just be the one thing keeping us honest.

How and where people spend their money can tell us a lot about what they truly value and believe... perhaps more so than any public pronouncements or value statements.

Please join me on a soulful sojourn through the world of cold hard cash.

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