

# FAITH JOURNEY: RADICAL POLITICAL ECONOMY AND THE EMPIRE OF OIL

## EVANGELICAL ENGAGEMENT AND REFORMULATION

When John and Vannie Atherton used to drop me off at the old Reebok Station, by the new Bolton football ground, I was reminded of my faith journey. Coming out of Manchester on the Blackpool train, on what used to be my route to 'Nana's' this is the first time you glimpse a good view of the Pennine Hills. When John Atherton mentioned this series of essays on the dialogue between social ethics and economics, I first thought of my history, which is why this piece is biographical. Rather than writing a theoretical article for the un-initiated reader, it seemed a better idea to explain my calling to engage with the harsh economic and political realities all too evident on the streets of Manchester, in an Ardwick where my dad grew up, or in Miles Platting where my son worked in a homeless hostel or in Fallowfield, where my daughter attends Manchester University.

My subsequent experience in the oil industry and in the City has re-confirmed a quest to engage my faith with a search for a practical radical political economy. In my present work on the global Empire of Oil I plan to continue as an advocate for justice and for a libertarian Christian socialism. Here all I can leave are some signposts as to why I believe the theoretical reformulation (1) of the dialogue between theology and political economy in the 21st century should be three-fold:

1. Inter-disciplinary, based on classical political economy, but also using the insights of anthropology, history, sociology and politics.
2. Global and comparative, directly addressing the issues of global poverty, injustice and political power.
3. Theologically aware of the biblical and political critique of Empire.

In this article, I will focus most on the first and third of these issues. Globalization, poverty, debt and trade are covered in more detail in my book on global capitalism (2). My faith journey has always been linked to economics and to Manchester. Until I was nine, I went to school at Alfred Street Primary in Harpurhey, Manchester, which Chris Baker describes in this book as now being the second most deprived ward in the country (3). All I remember is the bleak Rochdale Road and parents who were by no means socialists, but much more aspiring working class, in my dad's case or lower middle in my mum's. Discovering Jesus for the first time at 18, from a 'un-churched' background, in Durham's University's strong Christian Union evangelical tradition, my sense of a call to engage with the material and dialectical world of political economy has lasted for thirty five years. The formative years of 'Manchester cotton' were perhaps more influential than I realised then. I have discovered a grand dad who was a cotton warehouseman in Harpurhey in 1901 and another who was the child of cotton bleachers out on the moors of Newhey. Somehow this early up-bringing in Manchester's earthy realities attracted me to a Marxist influenced political economy. This makes an odd theological bedfellow with what can be the most conservative of Christian traditions (evangelicalism).

## EVANGELICAL THEOLOGY AND POLITICAL ECONOMY

My faith journey has evolved into an evangelical perception that 'this Jesus', Peter first proclaimed in Acts (2v36) was rejected by the rulers of Empire and their client elites. The vision of the incarnation, the rejection of the Cross and the hope of resurrection need to be central to our engagement with the harsh realities of poverty and injustice - the global economy - and the ideological veil with which it is so often obscured - conventional economics - and the spiritual powers of the ruling global elites - Empire. It has been a fascinating journey from deciding that my Christian faith and the discipline of political economy were locked in a dialectical relationship. This is the conceptual story of that journey - from the early days of studying economics to my work on the Empire of Oil and its importance for understanding the political economy of global capitalism.

At 19, I made a vital academic decision. After nearly three years on economics, which I had always intended to study, it did not seem to be able to enlighten me as to why so much of the world was poor and why the USA was fighting it through a war against 'terrorists' in Vietnam. Sachs admits to part of the same problem: even though he had gained academic tenure at Harvard, he had no clue about 'development economics' even as he began to advise the Bolivians on their problems with hyper-inflation (4). Sociology, so derided as an academic lightweight, seemed more promising. Even in the less job orientated undergraduate world of 1972, I had learnt early to compromise: I would do joint honours in Economics and Sociology.

When I read the CTBI books of 2005, I was reminded of my criticisms of thirty years earlier. For here the results of global capitalism drop from the skies: 'industrialization, urbanization, and globalization' - even democracy - all, as in neo-classical economics, are exogenous givens. Even the neo-classical view on entrepreneurship as a reward to Capital is borrowed; as is the concept of 'economic' Capital, so that 'moral' Capital is brought in from the outside (5).

When JustShare asked the Economist's Deputy Editor, Clive Crook, to speak on globalization and I read his piece in September 2001, it brought back the same memories (6). Such economists would have benefited from some education in good old fashioned sociology; they seemed unaware of the debate that lay at the heart of the discussions on sociological theory (7). How can we analyse a society - particularly one undergoing an experience like 'globalization'? Sociologists learnt, through the lack of respect for their academic speciality, that it was impossible to say much without knowing about history, culture, 'politics' and ideology - as well as 'economics'. Far too many of the economists, secure in their greater prestige as a hard (8) social 'science', were too busy discussing theoretical models of general or partial equilibriums in 'micro' economics to take much notice of silly sociological theory. If that was rather obtuse; better still do 'macro' economics, cobble together a bit of Keynesianism (don't bother with Keynes himself or 1914-1945) add a dash of monetarism, and before you knew it, you too might be a Gordon Brown, 20 years later (9).

Durham had a compulsory course excitingly called "Economics 3". This is where 'globalization' was hemmed in with regional policy, monopoly and competition policy and cost benefit analysis. Despite this, I did not have a clue about 'business' or the stock market either - but this was 1974. I'm not sure I even knew the Financial Times existed, so I wasn't aware of the 1974 stock market crash.

## THE WEALTH OF NATIONS

I voted Labour for the first time and studied by candle light during the Miners Strike (which I don't remember ever being mentioned in the economics department). Going into the sociology department was difficult, on the other hand because one had to decide whether to cross the student pickets, out in sympathy with the Miners. I had three Christian friends who had decided on a third year course in the History of Economic Thought. How amazing to discover that Adam Smith's Wealth of Nations seemed to combine an analysis of why some nations were rich and others poor, with a moral concern (10) and an ability to do micro and macro economics and Economics 3 all at the same time, and all without drawing supply and demand curves. Remarkably a clergyman, Malthus, and a man made rich by stocks and bonds, Ricardo, seemed to have worked to a similar fashion in this funny subject, then known only in Scottish universities as 'Political Economy'. (Unless you were at Oxford, where you were sufficiently clever enough to add another 'P' for philosophy). Who should we come across but that old bogeyman from sociology - Karl Marx? Despite the fact that we had spent time in sociology discussing 'Marx', no-one had pointed out that Marx had daftly decided to spend 40 years of his life writing 3 volumes of Das Kapital and a few more on the Theories Of Surplus Value partly analysing the fallacies of economists who tried to analyse society with no appreciation of history and politics. They had invented a wonderful Robinson Crusoe world, which had apparently dropped down from the skies, where only individual desires mattered and where usually 'corrupt' governments stopped the wealth of nations from being spread (11).

Atherton complains that by 1890, Marshall, the academic guru of neo-classical economics at Cambridge, allowed himself to be 'controlled by the discipline' (12). But this is to ignore what had happened in the intervening 50 years. Marshall came from a tradition of economics, which had deliberately set itself against the Marxist insights and aided the split of the social sciences. Marshall's ethical moralism was subsequently pushed into a corner - rather like religion in today's society - and ignored by the thundering herd of 'modern' 'positive' economics (13). With the rise of the marginal utility revolution after the 1860s, and with the resurrection of a more militant working class after the defeat of Chartism, the 'bourgeois' economists of Marx's own time were eventually to turn 'political economy' into one box called 'economics', another called 'politics' and left another set of people to invent an academic subject called sociology. I got rather interested in this ideological shift and thought of a PHD on 'neo-Ricardian economics' to look at it, but decided it was not practical enough (14). But I had learnt a lot from the history of economic thought; pity most modern economists never take the speciality.

The sociology department, where I was lucky enough to be taught by Ruth First, specialised on the 'Sociology of Development'. Building on work like Barrington Moore, we looked at the UK, Germany, Japan and Russia. We then studied China and Latin America. The latter was particularly interesting, given that in the early 1970s not only 'underdevelopment' theory, but also a new 'liberation theology' was emerging from Latin America. How was it that South America - which seemed on the face of it to have as much going for it as the North - was 'under developed' and the United States was 'developed'? The South had got massive resources, plenty of immigrants from Italy and Spain, independent governments, lots of capital injected from the West. To answer such questions, I discovered requires an analysis of history, politics, sociology, culture and ideology, as well as 'economics'. This is what Sachs discovered in his Bolivian experience.

## BIG BANG AND 1979

To properly analyse the wealth and poverty of nations also required an understanding of the global connection between 'periphery and metropole'; colony and empire. A wider political economy then asks: How is the surplus of any given society created? Who keeps it? And what do 'they' do with it once they have it? Answering these questions with reference to the differences between the USA and the lop-sided political economy of Argentina takes a chapter of my book on global capitalism. After a few years teaching the dismal science and business at A level, when I chose to do a PHD I did so in what I regarded as Political Economy but Sussex called Development Studies. In Business Studies, teaching the importance what are today called Trans National Corporations (15), took me on to a thesis on an oil company's (now BP) impact on Trinidad (English speaking South America). This was a major introduction into the developing global economy despite the TNCs in the 1970s being excluded from most of China, India and Russia, while being nationalised in parts of Latin America and the Middle East. Fascinated in Trinidad by the workings of the oil industry, my hopes to return to be a strategist for what was then BNOC, or for imperial BP or bureaucratic Shell were to be doomed. Ending up in a US multinational - now Exxon Mobil, my life until 1991 was then dominated by 'the Empire of Oil'. After three years, a 15% mortgage rate drove me to the City and I began work as an oil specialist salesman in UK equities.

Once into the new Big Bang City culture, there were many strange lessons to learn. Conventional economists use their macro economics to pretend they were in the Treasury and predicted Thatcherism's next call on interest rates as they celebrated her and Reagan's return to full blooded capitalism; the welfare variety that had served so well in the post war boom to the mid 60s was getting rather costly. When I started to research the oil industry, it was as North Sea production was coming up to full stream, while the Iranian revolution had helped the last great oil price spike of 1979-81. Predicting OPEC pricing policy and strategy became a City game, from 1973-86 when the world economic cycle, the UK exchange rate and bond market and the oil shares all hung on the potential oil price. Apart from a brief time in the first Gulf War, oil prices from then had been in decline to 2004. Yet even at their lowest in 1986 (nominally \$13) and 1998 (\$12) - the oil price never returned to being as low as those from 1929 - 73. Yet as we are learning again, oil price spikes - as in 1973, 1979, 1990 and 2004-6 - are just as likely to have political causes as 'environmental' ones and will certainly have political consequences.

Brown and Ballard make 1979 a dividing point in the British Church's economic life (16). In that pivotal year came the Iranian revolution - the geopolitics of which are still being played out - and the election of a British government based on a Strong State and a 'free' market capitalism. I moved South to Sussex in 1979, tried to persuade my father not to vote Tory and yet became a grown up child of 'Thatcherism'. Even then, conventional economics was not the best academic training in the heartlands of global capitalism. After the Iranian revolution, woe betide any global multinational oil company, almost the leaders of the new global breed from the early 20th century, that invested in the new global markets unaware of the history, culture and politics of where they invested. As with Shell in Nigeria not much has changed on that score since 1979.

## THE EMPIRE OF OIL

In a final stint in the City at Barings, I soon learnt that investing in Emerging Markets was an exercise in pricing the risks of political economy. On all conventional market indices Russian and Chinese stocks were cheap and those in Singapore were expensive. To understand global capitalism then is not only to analyse the dynamics of the system - for which globalisation is the propaganda jargon - but to understand that it is made up of a series of capitalisms - each with its own history and political story. One example in this book is John Kennedy's piece on the German Social Market model (17). The real practitioners in industry and the City knew with Marx that politics and history and economics were not to be kept in separate boxes; has anyone told the neo-classical economic propagandists out there in academia? Because neo-classical analysis assumes government and societies drop down from the sky, they make poor use of the real laboratory of the social sciences - the history of particular societies. We need instead to ground our theology and political economy in the work of empirical history - as I attempted briefly on El Salvador (18).

Engaging with political economy should not be confused in a dialogue with neo-classical economic orthodoxy: it becomes impossible even to discuss the role of economics as a justifying ideology (19). No-one in the City questioned the ideology either: capitalist profit accumulation explained all. Propagandists don't really want to know what causes poverty. Fighting 'wars against terror' is a great excuse to rattle all that military hardware, while increasing the powers of an authoritarian centralised State. A visitor from Mars, even marooned in Manchester, could only assume that our global expenditure priorities tell us that the dominant ideology prefers to fight poverty with a sword (20).

When the USA invaded Iraq in 2003 most of the wars' critics argued that this was a war for oil. The argument of my last book was that it was more than this alone - it was a war for Empire; not just the US Empire, but even more a war for the expansion of global capital (21). The need to further control oil in the Middle East and potentially then in Central Asia, Africa and Latin America was nevertheless at the heart of the war. For the wars in Afghanistan and Iraq, and the pressures put on 'rogue States' - Iran, Libya and Syria - plus US interventions elsewhere, as in Colombia and Venezuela for example, tell us a great deal about the new century's imperialist project - to remake the world in the image of, and for Capital. The life blood provided by oil is still a key political resource. Even the re-incorporation of Russia and China back into global capitalism has particular interacting consequences for the political economy of oil and the possibilities of development. It is the irony of oil production that while the geo-political and economic power it bequeaths on the owners of Capital is huge, as the global oil companies once again stride the world like the old Seven Sisters, it does provide an opportunity for the poorer nations of the periphery to transform their possibilities.

There is a consistent biblical narrative against empire - starting with the Egypt of the Exodus, the Babylon facing Isaiah, the Seleucid Empire that dominates Daniel and the Roman Empire that crucified Jesus and probably killed Paul. The biblical story deals far more with such hard political, economic and military realities than in an abstract theology or in a-historical political economy. This is one radical way forward for theology in dialogue with political economy. The geo-political quest in my present work will be to see the empire of oil at work, as one of the core components of the empire of Capital.

## MARK AND THE ORACLES OF TYRE

A major reason for choosing Mark's gospel in my book was because it was the first of its genre to subvert the Roman propaganda for empire with a new message about an Emperor who died a slave's death on a Cross. Coming from a culture of popular protest, with a new model of a popular assembly - ecclesia or church - Mark uses clever symbolic language parables to critique the empire and its client states. The legion of demons, the swine that oppressed Israel did so with the collusion of the religious mountain on which the Judean Temple State stood. Both needed to be cast down and out into the sea of chaos from which they came (22).

This critique is also illuminated, as Richard Higginson points out, through the 'Oracles Against Tyre'. Isaiah 23 and Ezekiel 27-8 stressed the dangers of the hubris of wealth and power (23). The island and City of Tyre has a downfall akin to that announced in Mark's gospel for the Judean State and for the Roman legions; Tyre is to be submerged in 'the heart of the sea' (Ezek 27.25-7). The condemnation of Tyre is reflected in John's description of Rome as Babylon in Revelation 18. Tyre, Babylon and Rome are all symbolic biblical expressions, of economic, political, social - and indeed spiritual - power. There are all case studies of the dangers of empire.

What Higginson stresses less is the long and largely hostile relationship between Israel and Tyre, which forms the context for Jesus' trenchant dialogue with the woman asking for healing for her daughter in Mark chapter 7. First, we have a story of the abuse of autocratic political power by Israel's monarchy. Kings 9.10-15 tells a story not only of the use of forced labour to fortify Megiddo (9.15), but the ceding of 20 towns in Galilee (9.11). Second, we have military and imperial power: if Israel as a whole suffered from a loss of independence for 600 years before Jesus; being dominated and ruled by imperial outsiders was even worse and lasted longest in Galilee. When the Northern Kingdom broke away after Solomon, Galilee was often in the path of invading armies. The key link between Tyre and Galilee was economic. The resentment of Tyre was linked to the poverty of the peasantry, particularly in years of drought, as in the time of Elijah. Galilee was the breadbasket, which provided Tyre with its food. The agrarian Jewish economy was largely a self sufficient one not geared to the market economy. The pressure of Herod and Rome's taxes often meant that to pay their debts, Galilean wheat would be sold to Tyre whilst their own children would go hungry (24). In the biblical critique of Tyre, we have an inter-linked warning of the dangers of military, political and economic power, as we can see today in the empire of global capital.

In Mark, the scorched earth policy and the swooping 'birds of the air' from Rome combined with the Herodian state's rents, taxes and tithes were preventing the miracle of the natural productivity of the land and resources (25). Summing up the experience of the Niger Delta, which has had one of the worst consequent experiences of environmental degradation, James Marriott says: 'This is our Empire. We were born in it, we inherited it, its comforts and cruelties. This is our Empire. Ours to retreat from and ours to dismantle' (26).

In the empire of oil, what possibilities of resistance and of transformation have been thrown up? What chance is there that popular movements, as Christianity was and is, have any hope of seizing any opportunities thus presented?

## AUFHEBUNG: OR ON A SOCIALIST TRANSFORMATION

Peter Heslam and I share a similar call. Where he looks to 'transform business' with its Christian past present and future vocations, I look to see, with John Atherton, the whole of capitalism potentially transformed or transfigured (26). There is one piece of jargon which I believe can help here. This is the German word - *aufhebung* - which Marx uses in his works on the transition from capitalism to socialism. For *aufhebung* is often translated as abolition, which is only half the story. The other positive half of meaning is to supersede or to transcend, to move to a higher level, whilst at the same time preserving the best of the old (28). We can build on the best of capitalism.

This means not setting the State against the 'market', but building on the best of a decentralised, open and liberal economy (29). The problem with Capital - and thereby capitalism - is not the 'market' - but the unequal ownership structures of Capital itself. This in turn causes unequal control over the mechanisms of production and automatically unequal distribution. The attempt to remedy this through State or Stalinist nationalisations, has been a disaster. Likewise, a welfare bureaucratic redistribution has equally failed because you cannot control the distribution of wealth without controlling its production.

In a libertarian socialist alternative therefore I do not reject, to use John Atherton's words, the market, nor even 'reject' capitalism, but I do reject the present fact that Capital is owned and controlled by the few not the many. My proposal (30) is to democratise the voting structures of our major corporations: a revolutionary proposal that would strike at the heart of Capital's control of our lives. The contradictions of Capitalism - its ability to generate 'prosperity' and the 'commonwealth' can be recognised by radicals, whilst never forgetting its equal contradictory ability to generate poverty. Capitalism can be built on, the benefits of a true globalization can be welcomed. Empire in the service of unequal global Capital is however to be rejected. Christ is against Empire: not against culture or business.

Unlike Bolton's football stadium, there is as John Atherton puts it: 'no radical starting again' (31). We have to build on the capitalism we have. To replace the old Christendom, new democratic assemblies will have to grow around discipleship groups where ordinary people can start to control the politics and economics of their lives. There will still be the space for each to pursue our individual faith journeys, but despite empire, there is also the possibility of transforming our world. This may be as difficult as squeezing a camel through the eye of the needle, but with God all things are possible.

ENDNOTES. This article was originally published in Atherton, J & Skinner, H - 'Through the Eye of a Needle. Theological Conversations over Political Economy. Peterborough, Epworth 2007 p 154-168. The chapter references later in the notes are to this book.

1. John Atherton made an eloquent case for a reformulation of Christian political economy. See Atherton, J. - Marginalization London, SCM 2003 p 142f.
2. Wilde, W. Crossing the River of Fire. Mark's Gospel and Global Capitalism. Peterborough, Epworth 2006.
3. Baker, C. Chapter XI in this volume.
4. Sachs, J. The End of Poverty Economic Possibilities for Our Time. London, Penguin 2005 p 90-2.
5. Churches Together in Britain and Ireland. Prosperity with a Purpose. Exploring the Ethics of Affluence. London, CTBI 2005. On globalization and democracy p 12, 17-20. On entrepreneurship p 11, on economic capital p 16.
6. See the Economist. Globalization and its Critics. 29 September 2001.
7. Giddens, A. Capitalism and Modern Social Theory. An Analysis of the Writings of Marx, Durkheim and Weber. Cambridge University Press, 1971.
8. The claim of neo-classical economics to be a 'hard science' of 'positive economics' is accepted far too easily by Britton, A and Sedgwick, P. Economic Theory and Christian Belief. Bern, Peter Lang 2003 p 13, 27-33 and even by the far more critical by Meeks, M. D. God the Economist. The Doctrine of God and Political Economy. Augsburg, Fortress 1989 p 2. Hay, D.A Christianity and the Culture of Economics. University of Wales Press, Cardiff 2001, the academic economist, argues on the other hand that there is no 'such pure positive economics' (p 167).
9. Despite many speeches on economics and Keynes, Brown trained as a historian. See Brown, G. Maxton. Edinburgh, Mainstream Press, 1986.
10. Sachs comments that going to Bolivia he had to read Smith for the first time in years (p105). The CTBI quotes Smith approvingly but only on his moral critique of 'conspiracies against the public' (p30).
11. I have not seen a Christian critique of Marx which notices that most of his work would be today with what we would call economics. Preston, R. Religion and the Ambiguities of Capitalism notes that economics played little part in the Christian Marxist dialogue of the 1970s (p 49). If they do deal with Marx's economics, it is usually to dismiss him to economic history or as 'meaningless or wrong' for today's 'professionals'. See Britton and Sedgwick p 177-8.
12. Marshall, A. Principles of Economics London, Macmillan 1890.



It is ironic that this work drops the concept of political economy when the year of the dock strike marked at the same time the symbolic - and very political - entry of British trade unions and society into the era of monopoly capitalism and imperialism. Also see Atherton p 145-50.

13. The invention of the term 'positive' economics is in Friedman, M. Essays in Positive Economics. Chicago University Press, 1953. The history of Friedman's influence on policy points to the ideological basis for what passed itself off as a non-ideological economics.

14. For an introduction to the thinking of this time see See Dobb, M. Theories of Value and Distribution since Adam Smith. Ideology and Economic Theory. Cambridge University Press 1973.

15. For an excellent summary of the US experience of a Christian critique of the TNCs in the 1970s see Gillett, R.W - The New Globalization. Cleveland, Pilgrim Press 2005 p 86-94.

16. Brown, M and Ballard, P. The Church and Economic Life. A documentary study 1945 to the Present. Peterborough, Epworth 2006

17. See Kennedy, J. Chapter 8 in this volume

18. See Wilde, W. (2006) chapter 2 on Argentina and chapter 8 on El Salvador.

19. Britton, A and Sedgwick, P. Economic Theory and Christian Belief. Bern, Peter Lang 2003 p 26 explicitly rules out discussing the role of economics as an ideology. Despite its claim to engage with the 'philosophical foundations of economic theory', this work only deals with neo-classical theory.

20. The CTBI does point to globalization as a form of economic imperialism (p11-12), but sticking to its economic approach it goes no further. The reference here is to the BBC documentary 'Life on Mars' filmed often in Miles Platting, Manchester.

21. For an excellent summary see Wood, E.M. The Empire of Capital. London, Verso 2003.

22. See Myers, C. Binding The Strong Man: A Political Reading Of Mark. Maryknoll, Orbis, 1988.

23. Higginson, R. Oracles about Tyre: Pride before a Fall. Faith in Business Quarterly Vol 9 No 2, Summer 2005 p 3-8.

24. For a fuller exposition and references see Wilde chapter 6.

25. Herzog, W.R. Jesus, Justice and the Reign of God. A Ministry of Liberation Louisville, John Knox Press, 2000 p 193-5 stresses that the words used to describe the failure of the seed in the Parable of the Sower to grow are violent and lost in some translations: the birds did not come and eat they 'devoured' (Mark 4.4); some plants are 'scorched' (4.6) while others are 'choked' (4.7).

26. See Peter Heslam (Chapter X), John Atherton's conclusion (Chapter Y) and Ken Leech on Anglican social thought and transformation in Gillett p xiv. Note also the April 2006 Ridley Hall, Cambridge Conference called 'Past Present and Future: Christian Faith and Business Practice'.

27. Marriott, J., Rowell, A., Stockman, L. The Next Gulf. London, Washington and the Oil Conflict in Nigeria. London, Constable 2005 p 246.

28. Marx, K. Early Writings. A Glossary of Terms. London, New Left Review p 432.

29. I can share Malcolm Brown's vision here quoting David Marquand, Chapter 3.

30. Wilde Chapter 9

31. Atherton (2003) p 2.