



## Radical Covenant: Jews, Christians and the Politics of Neo-Liberalism

31/10/2009 | Gorsky, Jonathan

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### Radical Covenant: Jews, Christians and the Politics of Neo-Liberalism.

[Jonathan Gorsky](#)

For nearly three decades the culture of Britain's welfare state has been transformed by an ideology that privileges competitive individualism and the values of the market place. This paper argues that this ideology, often called neo-liberalism, is intrinsically flawed and unable to sustain societal coherence. Competitive individualism is contrasted with covenantal relationships that are essential for the well-being of society. The paper traces the development of neo-liberalism and examines its impact on social welfare. It offers a new analysis of covenantal relationships and argues that they constitute a valid alternative to the atomisation of civil society.

#### The problem analyzed

Allyson Pollock, in her very well researched study of the travails of the National Health Service, utters the following *cri de coeur* about its current situation:

...what lies at the heart of the most distressing problems experienced by both patients and staff is not scientific and technical change, but the application of a new business model and business culture to hospital management .... It is the business model that underlies the drive for 'efficiency savings' and 'performance targets', such as higher 'throughput', leaving fewer nurses and staff looking after more patients with greater levels of health care needs. It is the business model that makes NHS 'bed managers' behave, against their will, like bailiffs acting for a ruthless landlord, eager to evict one set of patients to make room for another (the existing patients have used up their quota of care, the next patients bring new cash). Lack of bed capacity, and pressure for the earliest possible discharge, see patients moved from ward to ward or marooned in remote parts of the hospital....those who can't be evicted soon enough to make room for new patients, are known as 'delayed discharges', or 'bed blockers' – second class citizens cluttering up the wards. As hospitals compete for trade, they trade away care and humanity.<sup>1</sup>

Clearly, we are in the presence of a thorough-going ideological shift that goes far beyond the simple improvement of hospital management. When we turn to education, we find ourselves in similar territory. In an article written in 1995, Hugh Willmott discussed developments in UK Higher Education and spoke of 'academic labour' being commodified in terms of the exchange value that flows from research output and teaching quality, rather than its contribution to the personal development of students. Students are to be regarded as 'customers' and a degree is a commodity that can (hopefully) be exchanged for a job, rather than a liberal education that

prepares students for life.<sup>2</sup> As early as 1984 Lyotard noted on a European level that knowledge was legitimated in terms of skills and profits rather than ideals, and Stephen J. Ball, in his very useful work on contemporary education debates, sums matters up when he speaks of the subordination of education to economics with the alleged needs of the 'knowledge economy' at the heart of New Labour rhetoric on educational purpose.<sup>3</sup>

Like their hospital counterparts, educators have had to learn to speak of their work in entrepreneurial terms: Ball's analysis of the new regime includes the key concepts of 'market form', 'management' and 'performativity'.

Market form assumes that competition between providers – schools, colleges and universities – in order to maximise their income, is the only way to achieve progress in education. Ball sees the market paradigm as a new moral environment for both consumers and producers in which educational institutions are to be inducted into 'a culture of self interest', or institutional survivalism, as opposed to previous concerns with the well-being of the community. In practice this has meant some schools playing down established work with special needs children in order to appeal to more 'able' students or abandoning mixed ability to satisfy the more lucrative preferences of ambitious middle class parents.

At the heart of the new culture is the ubiquitous presence of management – Ball describes the manager as the cultural hero of the new public service paradigm. The role of the manager has been transformational: professional–ethical regimes had to be replaced by an orientation that was entrepreneurial and competitive, a process that one scholar has dubbed 'deprofessionalisation'. New Public Management (NPM) involves a complex of interrelated goals and practices: combining delegation with different modes of surveillance and self-monitoring – appraisal systems and target-setting – its key concerns are 'quality' and 'accountability'.<sup>4</sup>

One of its most unpleasant and disturbing features is seeing organisations as 'chains of low trust relationships'. This means precisely what it says: in 2000 a case study carried out in a sample of UK primary schools found a 'culture of distrust'; a proliferation of formal 'security seeking tactics' and a consequent physical and emotional toll on teachers who displayed high levels of anxiety.<sup>5</sup> In 2002 Onora O'Neill devoted her Reith Lectures to the 'crisis of trust' in contemporary society that was a product of new and overtly caring forms of accountability that were distorting professional practice and integrity. A simple example at university level is the marking regime in which a second marker has to re-mark all examination papers; neither marker is given the identities of the students and further moderation by an external examiner is necessary because only then can we be absolutely sure that no one has indulged in nefarious practices.<sup>6</sup>

Low trust is backed up by performativity, a system of databases, appraisal meetings, annual reviews, reports, quality assurance exercises, visits, peer reviews and inspections that are intended to ensure that everyone is accountable all the time and no one will slacken the pace or take undue advantage.

Before engaging theologically with this set of ideas and practices, it is important to try to understand why entrepreneurial models have been applied so rigorously and with such determination to fields so far removed from industry and commerce. It is not immediately obvious that business values should be paramount outside their proper frame of reference or applicable across the entire field of public policy.

There are several levels of explanation. The first involves the relationship of contemporary political parties with the business world. Major political parties require a great deal of money – New Labour is said (by Lord Levy) to be twenty million pounds in debt at the time of writing, and mounting election campaigns is very costly. In order to raise funds, parties now need the support of wealthy

entrepreneurs as their previous sources of income are either inadequate or no longer available. Such entrepreneurs frequently identify political competence with applying the discipline of the market place to the public realm and needy politicians will be expected to deliver. New Labour was in particular difficulty because its previous associations with unions, socialism and 'tax and spend' were not calculated to endear it to wealthy donors and had to be very visibly jettisoned, in as far as was possible. Additionally, given the background of politicians' financial needs it is not entirely surprising to find parties competing to open the public domain to private enterprise, albeit that they might sincerely believe that this is good for country as well as party. <sup>7</sup>

Entrepreneurialism has the support of powerful press barons and the city, and New Labour was particularly vulnerable to any perceived backsliding, but narrow political advantage is not sufficient to explain the hegemony of new ideas or the transformation of Britain's public services. To understand what happened, we must engage with the displacement of Keynesian economics by neo-liberalism in countries across the world in the final decades of the twentieth century. In the United Kingdom the key political figure was Margaret Thatcher.

In the opening paragraph of his recently published history of neo-liberalism, David Harvey offers a very clear summary of how ideological triumph is achieved:

<blockquote>For any way of thought to become dominant, a conceptual apparatus has to be advanced that appeals to our intuitions and instincts, to our values and our desires, as well as to possibilities inherent in the social world we inhabit. If successful, this conceptual apparatus becomes so embedded in common sense as to be taken for granted and not open to question. <sup>8</sup>

</blockquote>

Neo-liberalism emerged as a predominant mode of political thought against a background of international economic crises in the 1960's and 70's characterised by unemployment and inflation. Tax revenues plunged, social expenditure soared, and in 1975-6, Britain had to be bailed out by the IMF when inflation surged to twenty six per cent and unemployment topped one million. 1974-8 were very difficult years: in 1974 a Conservative government called a general election to seek support for its battles with striking miners: power blackouts, a three day working week and a state of emergency had preceded the decision to go to the country: the Conservatives lost and (Old) Labour was returned.

Labour settled the miners strike on terms favourable to the miners, but had to obtain credit from the IMF which entailed massive budgetary restraint and drastic cutbacks to welfare state expenditure. Labour failed to solve the economic crisis and the government fell following the 'winter of discontent' in 1978, when Labour supporters were in open revolt and public sector workers initiated a series of crippling strikes: hospital workers went on strike and medical care had to be severely rationed, truck drivers refused to carry unessential supplies, gravediggers would not bury the dead and a rail strike brought public transport to standstill.

This was the backcloth to Margaret Thatcher's 1979 victory, which gave her a mandate to tame the public sector trade unions seen as responsible for the chaos. Against a background of the failure of *dirigiste* fiscal policies and considerable middle class animosity to the unions, neo-liberal radicalism became powerfully persuasive and has remained so ever since.

The core ideas of neo-liberalism are very simple, and at that time they satisfied Harvey's criteria. Neo-liberals affirm the absolute values of human dignity and individual freedom: these values can only be realised in a free market which provides the one sound way of distributing resources and mobilising even the basest human instincts for the good of all: gluttony, greed and desire for wealth would be guided by Adam Smiths' invisible hand to the benefit of everyone concerned.

State intervention perpetuates economic inefficiencies and deprives individuals of the capacity to make their own decisions: it diminishes their human dignity with consequences that are economically detrimental. The role of the state is to provide an institutional framework for entrepreneurial freedom by guaranteeing property rights, free trade and the rule of law. State intervention must be kept to a bare minimum because whatever the state does will be better done by the mechanisms of a free market. The state does not possess sufficient information to second guess market signals, and state interventions will be biased by powerful interest groups for their own benefit.

Margaret Thatcher applied these ideas with great zeal and determined to dismantle the social democratic state that had hitherto characterised post-war Britain. Public enterprises were to be privatised, welfare state commitments rolled back or entirely abandoned, trade unions ruthlessly confronted and all forms of social life that hindered competitive flexibility, including municipal government and professional associations, drastically curtailed. Taxes were to be reduced and entrepreneurial élan nurtured by creating a favourable business climate that would encourage foreign investment and foreign competition.

Much of this programme was achieved, but the welfare state survived: it proved politically impossible to dismantle it because even the Thatcherite faithful were famously divided between the 'wets' and the 'dries'. As David Harvey says, the best she could do was to try and force a culture of entrepreneurialism and impose strict rules of surveillance, financial accountability and productivity on institutions such as universities that were ill-suited to them.

Mrs Thatcher famously observed that there was no such thing as society, only individual men and women and their families. Individualism, private property, personal responsibility and family values were what truly mattered and Mrs Thatcher wanted this rammed home and internalised. 'Economics', she is reported to have said, 'are the method, but the object is to change the soul.'

[9](#)

These observations remind us of the scope and depth of her project. One commentator has cogently argued that neo-liberals value market exchange 'as an ethic in itself, capable of acting as a guide to all human action and substituting for all previously held ethical beliefs'.<sup>10</sup> The market is the decisive and definitive metaphor for every aspect of social existence: it forces us to respond to circumstances as free and rational individuals and places our destiny in our own hands – we are responsible for our own fate and what happens is up to us, not the state, whose unfortunate interventions deprive us of the freedom that is the salient characteristic of our humanity.

Mrs. Thatcher's statement about society was perhaps intended to imply that any conception of the state as provider was wholly mistaken. Ultimately we are not merely dependents but responsible individuals who must learn to take decisions for ourselves in a free market; only thus would the nation's prosperity be restored and, as she did not tire of repeating, there is no alternative.

For Thatcherites the entrepreneur was the one true moral exemplar, taking courageous decisions in a risk laden environment that was the true locus of the human situation. Entrepreneurs did not expect the state to provide for them. Acting in their own considered interest they were the only agents who could guarantee national prosperity and trade unions impeding their progress had to be dealt with ruthlessly. Those who did not have the character to cope with market realities had nevertheless to be conformed to its disciplines, for only then could they be expected to behave with any sense of financial responsibility and a managerial regime was essential to instill effective and businesslike conduct into their institutions.

The neo-liberal project has been tempestuous and beset by tensions: how was the non-interventionist state to regulate natural monopolies, such as railways or power? Breaking up a

national grid made no sense and efforts at partial deregulation in California led to profiteering, abuse and the 2002 power crisis. The British experience of railway privatization was accompanied by deadly muddle and much confusion. What of polluters who dumped noxious waste in the environment free of charge, and what was to happen when the free market ceased to be so, as powerful players acquired databases that were not available to their competitors? As major companies expand they acquire a hegemony that means newcomers are so disadvantaged that they cannot compete, so the free market is effectively self-liquidating and gives way to the oligopoly of a few international corporations. What if health care provision is privatised, and I am obliged to choose responsibly between the various schemes on offer, but market forces mean that insurance is so expensive that I cannot afford to buy it? <sup>11</sup>

Neo-liberal ideas have been discussed since the 1940's: as early as 1944 Karl Polanyi expressed concerns about an unregulated free market when he distinguished between good and bad freedoms. The latter included 'the freedom to exploit one's fellows, the freedom to make inordinate gains without commensurable service to the community, the freedom to keep technological inventions from being used for the public benefit and the freedom to profit from public calamities secretly engineered for private advantage'. Polanyi believed that true freedom depended on regulation and he lamented that 'the freedom that regulation creates is denounced as unfreedom: the justice, liberty and welfare it offers are decried as a camouflage of slavery.' <sup>12</sup>

Neo-liberals seemed wholly unaware of nineteenth century industrial history and they did not engage with Karl Marx, preferring to rely on the authority of Adam Smith and his notion of the invisible hand that ensured even the most selfish of economic behaviour would ultimately be socially beneficent. But Smith himself did not share the Thatcherite idealisation of the heroic entrepreneur and he could be scathing about commercial wrongdoing. Adam Smith did not see the market place as the ultimate source of moral wisdom and he believed in state intervention to curb abuses. He saw the economy in the larger context of achieving a good society and recognised that the invisible hand was not always entirely reliable. <sup>13</sup>

The most troubling feature of the neo-liberal project is social rather than economic. How can society be sustained by an ideology so committed to individualism and competition that its members are atomised and set against each other in every domain of their social existence? Even the much touted notion of responsibility does not extend beyond the immediate family circle and there seems to be no warrant for any form of wider social engagement.

Entrepreneurialism means that even charities are encouraged to be primarily concerned with their own self interest rather than pursuing *caritas*: charities are businesses that must interpret their remit in a manner that will ensure their niche in the market place. Donors are now 'customers' and the 'customer' is always right. Any activity, even within the charity's remit, that does not make money is off the agenda so, for example, an educational charity will only work with schools who can afford its services, and managerial jargon is much in evidence.

The introduction of the internal market to the NHS was horribly divisive, and some of its most damaging elements were abandoned by New Labour: a summary of the impact of the internal market in Frank Dobson's 1997 White Paper makes very grim reading. However, the business ideology has not been dismantled and a Healthcare Commission Survey in 2007 revealed that only forty-six per cent of NHS staff surveyed thought that care for patients was their organisation's top priority. <sup>14</sup>

The impact of neo-liberalism on the public realm is equally troubling: membership of political parties, voter turn-out at elections and trust in politicians have all plummeted. The fate of the public realm in the new order has been acutely analysed by David Marquand in his 2004 book, *Decline of the Public*. In an Observer Review of this book Will Hutton argued that the nub of the problem was

the privileging of individualism over public service: 'To constitute a civilisation around the nostrum that the public realm is morally, economically and socially inferior to the private realm is to submit to an alien barbarism in which what we hold in common is permanently placed as second best.' In his prologue, Marquand writes bitterly of a 'relentless *Kulturkampf*' designed to root out the culture of service and citizenship which had become part of the social fabric: 'De-regulation, privatisation, so-called public private partnerships, proxy markets, performance indicators mimicking those of the private corporal sectors and a systematic assault on professional autonomy narrowed the public domain' and blurred the distinction between it and the market place.

Neo-liberalism has been shown to be divisive in another sense and that is a tendency of the unrestrained market to encourage conspicuous consumption and redistribute wealth very visibly in favour of the rich: the loss of any locus of community, combined with political alienation and unwarranted mega-salaries for a fortunate few leave the poorest in society alienated and embittered. The dialectical consequences of neo-liberalism are rarely appreciated: as the public realm disintegrates new social formations that are neither benign nor benevolent rapidly appear among the alienated and the disadvantaged. In a recent incident in Croydon two policemen reprimanded a teenager for littering the pavement and had to be rescued by colleagues from a very ugly confrontation with a crowd of passers-by who clearly saw the police as hostile interlopers rather than public servants. The vote for the far right BNP in poor white working class areas has significantly increased since the 1990's. In Liverpool, where I come from, conspicuous wealth in the city centre is a striking contrast to the poverty of the rarely newsworthy North Liverpool estates where a gun culture has taken hold among gangs of young teenagers who find support, identify, and purpose in a criminal subculture that celebrates violence, intimidation and mayhem. <sup>15</sup>

#### **Covenantal relationships**

A key feature of neo-liberalism is its inability to conceive of any form of covenantal relationship. Such relationships abound in British society but their nature is rarely articulated and in consequence the public realm is governed entirely by the metaphor of the market place. Millions of women and men who devote their lives to looking after a spouse or relative who needs constant care, wives and husbands who share their lives faithfully and nurture their children with unlimited love and affection, men and women who put their lives on the line for their country or work selflessly in the emergency services, all of them live in a covenantal relation that is the heart and soul of a good society. The old fashioned GP on call at all hours of the day and night, the doctors and nurses who care for their patients above and beyond any reasonable call of duty, the college administrators who can be found at their desks when everyone else has gone home, the volunteers who spend their spare time in a myriad different forms of charitable endeavour and the students who use up their summer vacations teaching in poor countries or doing peace work in places of conflict, all of these are lives of a wholly different order from the conceptions that have come to define the conduct of Britain's public affairs.

Covenantal relations can be unspoken but nevertheless tangible and present. In April 2007 a gunman gained access to a college in Virginia and murdered more than thirty students and staff. One lecturer, seventy-six year old holocaust survivor Professor Liviu Librescu, blocked the door of his classroom with his own body allowing his students to escape through the windows. Liviu Librescu gave his life for his students and his action illuminated the depth of commitment that inspires all levels of teaching.

The relation of teacher and student that seems so transient and task-oriented – it rarely if ever trespasses on the personal life that characterises our more intimate relationships – has as its ultimate purpose a commitment to the intellectual and spiritual nurture of young people and their enrichment as human persons. One day they too will teach either in their own families or their own classrooms: teaching is a trust for the students of today and for future generations. Tutorials are about essays, but that is not all they are about. Students are introduced to the conversation of

scholars: its courtesies, its values, its rigour and its passions will become a part of their own spiritual development. What they encounter is a covenantal relationship, a fidelity untouched by self seeking or thought of personal gain but moved instead by remembrance of one's own teachers and reverence for a tradition that we are privileged to pass on to future generations. None of this can be reduced to the values of the market place. <sup>16</sup>

Covenant is a key concept in Christian-Jewish relations. Both Christians and Jews understand their relationship with God in covenantal terms and there is much discussion as to how the respective covenants relate to each other. Covenant is usually seen in purely formal terms by both traditions but it is rare for its radical social and political consequences to be fully appreciated.

This narrowly focused interpretation has been unwittingly underwritten by twentieth century scholarship which concentrated on retrieving covenantal models from the Ancient Near East and correlating them with Biblical texts. Its findings are very important. For example, the form of the Sinai covenant turns out to bear striking resemblances to Hittite formularies defining the relationship of suzerain and vassal: clearly the Bible borrowed from the diplomatic lexicon of ancient imperial practice. But covenant was rooted in absolute royal prerogative and was certainly not associated with political or social innovation: it came from a world that understood the significance of justice and was actively concerned for the plight of the poor, but exclusive social structures were inviolable and established privilege was buttressed by the full weight of a fiercely punitive legal system. <sup>17</sup>

Nevertheless the Biblical notion of covenant was both radical and unprecedented. Ancient covenants were purely political: there was no notion of covenant in which the royal role would be taken by God. The consequences of the Biblical development were momentous, for what was previously in the domain of Caesar now became a matter for God alone. Hammurabi's prologue to his famous code makes clear the status quo ante: Hammurabi piously invokes the gods, but it was his divinely ordained task to bring about the rule of righteousness in the land and a massive paragraph extols his royal achievements. Following the text of the code, an epilogue notes that it consisted of laws of justice which Hammurabi the wise king established: 'Hammurabi, the protecting king am I..... I have .....set up there my precious word, written upon my memorial stone, before the image of me, as king of righteousness....my words are well considered; there is no wisdom like unto mine.'

The code is an expression of absolute power and the heart of it is the king's capacity to make and enforce laws that underpin and sustain the social structure of his realm. In the Biblical version, it is God who is both king and lawmaker and the imperial role that Hammurabi took as his right is effectively abolished because the major instrument of royal power, the capacity to legislate, now resides elsewhere. Hammurabi's laws, despite their expressed idealism, were clearly intended to serve as an instrument for maintaining the interests of the propertied and the powerful. Under the new dispensation this is not the case, and law will be recast as a means of realising the kingdom of God. <sup>18</sup>

A further Biblical innovation is that unlike ancient covenants, which are discrete documents of state, the Sinai covenant is embedded in a narrative. The ancient treaties were based on unspoken assumptions about the order of the political world that went unstated because they were taken for granted. The narrative framework of the Sinai covenant accounts effectively for the establishment of a new order that brings the old world to a close. The destruction of Pharaoh and the Exodus, the community of the wilderness, the subsequent overthrow of the Canaanite states and their replacement by a new Israelite polity are the essential context of the Sinai covenant.

The Ten Commandments and the later Covenant Code are placed within the covenantal framework, and this too is an innovation which was not present in ancient treaties. Whereas

covenantal treaties regulated relationships within an established political order, Sinai was intended to construct a *novum* and law was the instrument that gave it both clarity and definition.

Unlike ancient legal codes, Biblical law did not separate ritual and social legislation. This too reflected a new order in which the social realm was no longer distinct from the sacred because both pertained equally and absolutely to God, so previous distinctions were no longer valid or applicable. The sacred was indeed at its most profound in the Tabernacle and there were different degrees of holiness, but the realm of God now encompassed all social life, and the whole people were to be a kingdom of priests, meaning that sacred observance was no longer confined to the domain of the priesthood. There was certainly a priesthood, but non-priests were likewise to live according to community rules that were part of the domain of the sacred: 'You shall be holy for I, the Lord your God am holy', applied equally to everyone. Religion was no longer confined to the ritual service of God in sacred spaces: it now defined social conduct and gave new significance to the mundane practice of everyday life.

Narrative context is crucial for understanding the *novum* that has come about, and it remains significant for our lives in contemporary society. Studying the covenant passages in isolation or insisting that they are theological rather than political misses the point of what is happening.

The slavery narratives at the beginning of Exodus establish a particular and extreme mode of political possibility. The state has certain goals and its people will be compelled to achieve them; achieving these goals will be the sole purpose of their existence. Personhood is of no significance nor is physical well-being: if a slave dies another will take her place. God hears the cry of his suffering people but no-one else does and their anguish is a matter of supreme indifference. Politics is distant, brutal and anonymous. Pharaoh, at least for his subjects, has no name and is known only by his title: his identity is wholly synonymous with his office. The people too have no identity apart from their societal ascription as slaves. There is only one narrative and that is the narrative of the state. Of course there are a myriad other narratives, but they have no place in the public realm and no political significance and to utter them outside the most private spaces is very dangerous indeed.

Covenantal relations begin in a very different context of openness, mutuality and the consent of both parties which bespeaks of each being granted dignity as an ultimate concern of the other. God and Israel exist as persons who speak to each other with great frankness and intimacy, as well as awe and distance. What is established is the greatest of the covenantal relations which is to be the model for all others.

Covenant is not contract: in contract our relations exist because of a particular undertaking that we agree upon because it is to our mutual advantage; when the transaction is complete the contract has been honoured and there are no further obligations. Covenants are the other way around – we enter into particular undertakings because of our relations with each other and it is in these relationships that we realise the plenitude of our humanity. <sup>19</sup>

Covenantal relations are about faithfulness and commitment rooted in a love that is born of the fullness of our encounter. We each see the other as we truly are and we are moved to the depths of our being: our relation might reach crisis and come almost to breaking point as we turn away in hurt and anguish but the storm slowly passes and we remember our love and return in forgiveness. This is the relation of God and Israel and something of it is present in all of our covenants. Covenantal relationship is never concluded: even if we break it we still remain a part of each other. Covenant is eternal, for such is the nature of the covenantal: to believe that a covenant can somehow be 'superseded' is either to misunderstand it by wrongly identifying it with its formalities or to confuse it with the contract that it superficially resembles.



These relations are born against the background of extreme exploitation that forms their context. The people of Israel is constituted in a dialectical relation with its historic experience: covenant is indeed political, but in a sense that becomes ironic, for covenantal politics are wholly subversive of their point of origin.

The contrast between the grandeur of Pharaoh – or Hammurabi – and the humility of Moses, the faithful servant, is very significant. Unlike Pharaoh, Moses has no title and is known only by his given name: his life is simple and accessible and we often see him in close-up as a man who can be both fragile and vulnerable – there is no mystique of leadership and no royal propaganda. His leadership is covenantal to the point of self-sacrifice.

Covenantal society sees leadership in terms of a relationship of faithfulness and commitment. The public realm is not a market place in which different groupings compete for power or engage in what Peter Osborne has dubbed manipulative populism.<sup>20</sup> The loss of the covenantal entails the loss of any sense of public service: politics is now about obtaining a very different sort of power, and language has to be manipulated to that end. Whether one tells the truth is entirely a matter of the expediency of the moment and as trust is corroded so covenantal society begins to disintegrate.

Covenantal society faces the dilemma of how to preserve its engagements in the cold reality of the market place where procedures are rigorously contractual. It is quite possible for legally blameless conduct to be simultaneously responsible for great distress.

There is a clear example of this in Exodus 22:25-6:

If you lend money to my people, to the poor among you, do not act to them as a creditor: exact no interest from them. If you take your neighbour's garment in pledge, you must return it to him before the sun sets.... In what else shall he sleep? Therefore if he cries out to me I will pay heed, for I am compassionate.

The version in Deuteronomy 24:10-13 adds that a creditor has no right to enter his neighbour's house to take his pledge: he has to wait outside until the pledge is brought to him. As in Exodus, the creditor is told that he must return the pledge at sundown if it is his only sleeping garment and there is an additional phrase: 'that he may sleep in his cloth and bless you'.

In these verses there is a dialectic between the community that is the essence of covenantal society and the world of the market. The pure market is a place of abstract financial procedures that are indifferent to particular situations. Money is lent at interest; the rate is defined by the market and the lender is entitled to take it. If he lends money he does so in reasonable expectation of a profit. In order to secure his loan he is entitled to take a pledge: if the pledge is not forthcoming he can remove it from the debtor's possession, assuming due process, as it is legally his until repayment has been made.

Loan, interest and pledge are all warranted by law and sound arguments can be made against interfering with them: if the transaction is not in the interest of the lender then loans will dry up and the poor will be deprived of credit. If the pledge is uncertain then the loan will not be made and the person in need will be in great difficulty.

But all of this presupposes that social relations can only be conducted in the context of market values, which govern not only commerce, but every aspect of life. In such a context there are no bonds between us: relationships are governed solely by the prospect of individual benefit – I will help you if it is profitable for me to do so, or if I stand to gain by the transaction in some other way. I will certainly not help if I am liable to lose out, and your dignity and human need are matters of

complete indifference. Such a society is atomised and prospectively very terrible with all relationships governed by financial calculations and human sentiment counting for very little.

Over against this stands the covenantal community where we are to live in solidarity with each other and respond in all cases to the particular human person who stands before us: if I can help, then it is my responsibility to do so and only in so doing will I realise my own humanity. Such a response, which refuses to reduce personhood to a construct of the market place, is the beginning of a civilisation of love: it is what is truly meant by loving our neighbour.

To return to the verse in Exodus 22, we are asked to realise that the person who stands before us is one of 'My people', and that she is poor. We engage with this in two ways: firstly we understand that the person we meet is infinitely precious in the eyes of God and secondly we try to be present for her in her poverty, and fully understand what it is to be 'poor'. When we have grasped this it is truly inconceivable that we will be moved to respond as 'creditors', a formal legal abstraction, or worse to use her situation for our own gain and take interest on our loan. If we take a pledge, it will not occur to us to leave the person without anything to sleep in at night, or, to add insult to injury, deprive him of his dignity by entering his home uninvited. Even if we are in a position only to loan rather than make an outright gift, which would usually have been the case in simple societies, and even if the loan is insecure, we will still help and it will not occur to us to turn away from the need of our neighbour.

We can now see clearly the distinction between market place and community, and understand the immeasurable loss that comes about when market values undermine a covenantal society. Covenantal community is based on relationships that are incompatible with the behaviour of an unrestrained market. The assumption that when private health care is substituted for the NHS the service will be the same or better and the only difference will be who is providing it is unwarranted, as Allyson Pollock's close examination of what actually happens has shown. In a wholly privatised and intensely competitive environment unprofitable medical services will swiftly disappear and pressures on doctors and nurses drastically intensify.

In a sense Thatcherism was correct; if the marketplace is our governing metaphor then there is indeed no such thing as society. Governments install the values and practices of the market at the heart of Britain's community of care at the same time as making 'social cohesion' a major aim of public policy. The black hole of neo-liberalism is that the market does not do 'social cohesion'; you can have one or the other but as the two are ultimately incompatible you can not have both.

Readers of the Hebrew Scriptures will recall that when covenantal community develops into a monarchical state it rarely succeeds in sustaining its values. Walter Brueggemann has argued that scriptural narratives can be understood in terms of a dialogue between the community of the wilderness and the later monarchy: the monarchy was characterised by an 'urban, imperial consciousness' while the wilderness represented a community of liberation. The great confrontations of Amos and Amaziah and Ahab and Elijah were part of this dialogue.<sup>21</sup>

I have taken issue elsewhere with the conventional view that the wilderness was a way station to the Promised Land which lost its significance at the end of the journey.<sup>22</sup> I maintain, following Brueggemann, that the wilderness was always a dialectical presence, with its values embedded in popular culture and passionately advocated by the prophets. The presence of the covenantal community meant that neither the brutalities of the market nor the all encompassing imperial consciousness – royal propaganda – could ever obtain unchallenged or absolute hegemony. There was always an alternative, or as Brueggemann terms it a 'destabilising presence' that fiercely articulated the cause of the afflicted and oppressed, ensuring at the least that neither the state nor the unrestrained market could ever obtain purchase on ultimate reality. Kings who sought to impose their power by grandeur and intimidation would always be haunted by the image of Moses

and the fate of Pharaoh.

If we are to preserve the covenantal heritage that is the guarantor of Britain's civility it is important for religious leaders to challenge the current hegemony of the unrestrained market which should have no place in our hospitals, schools and social services. They must speak out for the alternatives that are richly present in our respective traditions, in the lives of our people, our religious communities and for all those who serve with devotion and self-sacrifice in so many walks of life. Such people rarely seek acclaim but we must recall them to our politicians and restore their inspiration to our governing discourse. The verse from Exodus 22 cited above respected the norms and practices of the market place but sought to enable all concerned to retain their humanity in dealing with those who were vulnerable and in need. It recognized that normative practices might become instruments of callousness and oppression which are destructive of covenantal community. The people of the market place are at the same time members of that community and if this is forgotten we are all equally imperilled.

### Summary

I have argued that the key shortcoming of neo-liberalism is its inability to conceive of covenantal relationships and its insistence that the public realm must be governed entirely by the metaphor of the market place. Market values are inappropriate for covenantal relationships and destructive of the fabric of community. The black hole of neo-liberalism is that it cannot sustain social coherence: its reduction of all relationship to an atomised competition which sets each person against her neighbour is both unwarranted and wholly destructive. It is incorrect to see covenant as a purely formal theological construct: it articulates our most meaningful relationships and offers a radical critique of political and social exploitation. Covenantal relationships abound in society and are a crucial counter to any all-encompassing imposition of market values. Neo-liberalism is not the only alternative and religious leaders must challenge its assumptions in the public realm: covenantal ideas enable them to do this constructively and with great integrity. For both Christians and Jews covenant offers a politics of hope that is our abiding contribution to the well-being of British society and the peace of the international community.

1. Pollock, A.M., *NHS plc: The Privatisation of Our Health Care*. London: Verso, 2005, p. 87. For an early and graphic anecdotal description of the impact of the internal market on the NHS see Bruggen, P., *Who Cares? True Stories of the NHS Reforms*. Charlbury, Oxfordshire: Jon Carpenter, 1997. Bruggen is a retired consultant psychiatrist who was one of the first medical directors of an NHS Trust. See also Young, J. et al, *The Hospital Revolution: Doctors Reveal the Crisis Engulfing Britain's Health Service*. Metro, 2008. On league tables and compassion, see Simon Caulkin's Observer article at [www.guardian.co.uk/business/2008/jun/29](http://www.guardian.co.uk/business/2008/jun/29). See also Leys, C., *Market-Driven Politics: Neoliberal Democracy and the Public Interest*. London: Verso, 2001, which uses the forces of globalization as an explanatory model for developments in the UK. He seems to admit (p. 216) the model has to be handled carefully as the UK path is different from other European countries; it should also be noted that currently the NHS in Scotland and Wales is diverging markedly from the English model with respect to both managerialism and private medicine.
2. Willmott, H., 'Managing the Academics: Commodification and Control: Labour Policy in the Development of University Education in the UK.' *Human Relations* 48, 993-1027, cited in Ball, S. J., *The Education Debate*. Bristol: Policy Press, 2008, p. 23.
3. Lyotard, J-F., *The Postmodern Condition: A Report on Knowledge*. Manchester: Manchester University Press, 1984, p. 38 cited in Ball, *The Education Debate* p. 23. For an astute critique of the knowledge economy idea that inspires government educational rhetoric see Elliot, L. and Atkinson, D., *Fantasy Island: Economic, Political and Social Illusions of the Blair Legacy*. London: Constable & Robinson, 2007, pp. 71-93.
4. Ball, *The Education Debate* pp. 42-53.

5. Ball, *The Education Debate* p. 48 citing Troman, G., 'Teacher Stress in the Low-trust Society', *British Journal of Sociology of Education*, 21, 331-53.
6. O'Neil, O., 'A Question of Trust: The BBC Reith Lectures 2002' at [www.bbc.co.uk/radio4/reith2002/](http://www.bbc.co.uk/radio4/reith2002/) See in particular Lecture 3, 'Called to Account'.
7. For an analysis of these matters see Preston, R., *Who Runs Britain: How The Super-Rich are Changing Our Lives*. London: Hodder and Stoughton, 2008, especially pp. 1-27 and 256-303. Preston is the BBC's Business Editor. Estimates of New Labour's current debt run from £17-24 million. Lord Levy has given several interviews on BBC News recently. See for example [news.bbc.co.uk/1/hi/uk\\_politics/7472252.stm](http://news.bbc.co.uk/1/hi/uk_politics/7472252.stm)
8. Harvey, D., *A Brief History of Neoliberalism*. Oxford: Oxford University Press, 2005, p. 5. The discussion that follows is primarily indebted to Harvey's account. When I had concluded this paper I discovered Stephen A. Marglin's very recent book *The Dismal Science: How Thinking Like an Economist Undermines Community*. Harvard, MA: Harvard University Press, 2008. In a quite technical treatise Marglin argues that current economics is rooted in an individualist account of society whose premises are taken for granted in its findings. He is also very interesting on abstract or algorithmic language models that preclude any respect for individual or professional experience.
9. For the historical material, see Harvey, *A Brief History of Neoliberalism*, pp. 56-63. For neo-liberalism and its tensions see pp. 1-4 and 64-81. For the Thatcher quotes see p. 23. It is important to understand that individualist ideas can also shape market behaviour: asset stripping, short term profiteering, sub-prime mortgages, irresponsible lending, unwarranted bonuses and hugely excessive salaries are all products of their cultural and political context: they are not simply business concepts. To see the market as secluded from its ideological matrix is quite erroneous.
10. Treanor, P, 'Neoliberalism: Origins, Theory, Definition.' [web.inter.nl.net/users/Paul.Treanor/neoliberalism.html](http://web.inter.nl.net/users/Paul.Treanor/neoliberalism.html) cited in Harvey, *A Brief History of Neoliberalism*, p. 3.
11. In addition to Harvey's analysis, see Hutton, W., *The State We're In*. London: Jonathan Cape, 1995, especially pp. 169-192 on the economic consequences of drastic social inequality, which severely damages the case for an unrestrained free market. Hutton's work provides an economic context for my argument. It includes (pp. 262-8) a very clear introduction to the social market as an alternative to the current British model. See also Bakan, J., *The Corporation: The Pathological Pursuit of Profit and Power*. London: Constable & Robinson, 2004. Bakan is a Canadian legal scholar whose work shows precisely why corporate business is incompatible with public service.
12. Polanyi, K., *The Great Transformation*. Boston: Beacon Press, 1954, pp. 256-8. Cited by Harvey, *A Brief History of Neoliberalism*, pp. 36-37.
13. I am grateful to Tristram Hunt (Guardian, March 19, 2007) for alerting me to recent developments in our understanding of Adam Smith. The key work is Rothschild, E., *Economic Sentiments: Adam Smith, Condorcet and the Enlightenment*. Harvard, MA: Harvard University Press, 2001; see also the same author's 'Adam Smith and the Invisible Hand.' *American Economic Review Papers and Proceedings* (May 1994) 319-22, and 'Adam Smith and Conservative Economics.' *Economic History Review* 45 (1992) 74-96. For a full summary which quotes the most important primary sources verbatim, see Walter Eltis, 'Economic Sentiments and the True Adam Smith.' *European Journal of the History of Economic Thought*. 11.1 (2004) 147-59.
14. For charity and the culture of self-interest see Ball, S. J., *The Education Debate*, pp. 45-6. Ball also refers to 'survivalism', which means that educational institutions focus on their own well-being rather than attending to the more general concerns of the community.
15. For inequalities see Hutton, *The State We're In*. See also Leys, *Market-Driven Politics* pp. 74-6 on the social costs of market-driven politics. See also Marquand, D., *Decline of the Public*. Cambridge: Polity Press, 2004. Marquand's work is an outstanding analysis of the impact of the new ideology on the conduct of government. For a well-informed and accessible survey that is very troubling indeed see Osborne, P., *The Triumph of the Political*

Class. New York: Simon and Schuster, 2007. For the BNP see e.g. Guardian, May 28, 2008 on the nine BNP councillors in Stoke-on-Trent, a former Labour stronghold.

16. For Liviu Librescu see [www.vt.edu/remember/biographies/liviu\\_librescu.html](http://www.vt.edu/remember/biographies/liviu_librescu.html)

17. The seminal work is Mendenhall, G. E., *Law and Covenant in Israel and the Ancient Near East*. Pittsburgh, PA: The Biblical Colloquium, 1955. For an excellent survey of covenant scholarship see Hahn, S., 'Covenant in the Old and New Testaments: Some Current Research (1994-2004).' In *Currents in Biblical Research* 3 (2005) 263-292. See also Cross, F. M., *Kingship and Covenant in Ancient Israel: From Epic to Canon: History and Literature in Ancient Israel*. Baltimore: Johns Hopkins University Press, 1988, pp. 3-21. Cross focuses on the use of covenants in non-political relational contexts which is of great importance for Biblical models. It is possible that covenants originated in familial contexts and were later adapted for political purposes; this would explain the very personal language sometimes found in them which appears inappropriate in a political context. For discussion of this see Moran, W., 'Ancient Near Eastern Background of the Love of God in Deuteronomy.' *Catholic Bible Quarterly* 25 (1963) 77-87, and Dorff, E. N., *For the Love of God and People: A Philosophy of Jewish Law*. New York: Jewish Publication Society, 2007, p. 124, n.15. Dorff offers a useful Jewish perspective on covenant on pp. 87-117. For a clear introduction to the Sinai covenant see Sarna, N.M., *Exploring Exodus: The Origins of Biblical Israel*. New York: Schocken, 1996, pp. 130-189 to which my discussion is indebted.

For concern with injustice in the ancient world and the Bible see Nardoni, E., *Rise Up O Judge: A Study of Justice in the Biblical World*. Peabody, MA: Hendrickson, 2004 especially pp. 1-39. Pleins, J. A., *The Social Visions of the Hebrew Bible: A Theological Introduction*. Louisville, KY: Westminster John Knox, 2000, alerts the student to the significance of Old Testament legal material for the study of social justice. For covenant and cultural contexts see also Walton, J. H., *Ancient Israelite Literature in its Cultural Context: A Survey of Parallels Between Biblical and Ancient Near Eastern Texts*. Grand Rapids, Mich.: Zondervan, 1989, particularly pp. 99-110 on 'Covenants and Treaties'. For contrasting concepts of poverty see Lohfink, N., 'Poverty in the Laws of the Ancient Near East and the Bible.' *Theological Studies* 52 (1991) 34-50. Covenantal community is not averse to wealth creation but it roots it in social responsibility and engagement rather than undiluted selfishness and conspicuous consumption. See Job 31:16 for an example of social responsibility and Amos 3:15 for conspicuous consumption. This is at odds with the so-called 'trickle down effect' which obviates social responsibility and seems to confuse the problem with the solution.

18. For the text of Hammurabi's code see 'The Avalon Project: The Code of Hammurabi' at [www.yale.edu/lawweb/avalon/medieval/hammenu.htm](http://www.yale.edu/lawweb/avalon/medieval/hammenu.htm) One scholar who fully appreciated the radicalism of the covenantal idea was the nineteenth century Biblicist, Julius Wellhausen. Wellhausen, a fervent Prussian nationalist, was dismayed by what he took to be its political unreality and attributed it to late prophetic theology. For a discussion of Wellhausen and citation of the relevant sources see Mittleman, A. L., *The Scepter Shall Not Depart from Judah: Perspectives on the Persistence of the Political in Judaism*. Lanham, MD: Lexington Books, 2000, pp. 51-9.

19. For an illuminating approach to covenant, contract and political thought see Sacks, J., *The Politics of Hope*. New York: Random House, 1997, pp. 55-65. The biblical sources I have cited are well known: for the kingdom of priests see Exodus 19:6. The covenant code is in Exodus 21-23 and the injunction to be holy is at Leviticus 19:2. For the eternity of covenant see for example Isaiah 54:7-10 and also Hosea 11 which illuminates the depth of covenantal relationships. Jeremiah 3:8 does speak of the bill of divorce given to the ten tribes, but see also the much loved verse at Isaiah 27:13, which is a part of the liturgy of the Jewish High Holy Days, and the beginning of Isaiah 50. There are rabbinic sources that draw on Exodus 38 to emphasise the importance of accountability: accountability is an inherent element of covenantal relation which is far more profound and effective than the plethora of paperwork beloved of modern administrators.

20. Osborne, P., *The Triumph of the Political Class*. New York: Simon and Schuster, 2007, pp. 297-309
21. For Brueggemann's analysis see Brueggemann, W., *A Social Reading of The Old Testament: Prophetic Approaches to Israel's Communal Life*. Edited by P. D. Miller, Minneapolis, MN: Fortress Press, 1994, pp. 13-42. See also pp. 221-244 for the prophet as 'destabilising presence'.
22. My argument is in an unpublished paper entitled 'The Old People of God: Roman Catholic Perceptions of Judaism since *Nostra Aetate*'.