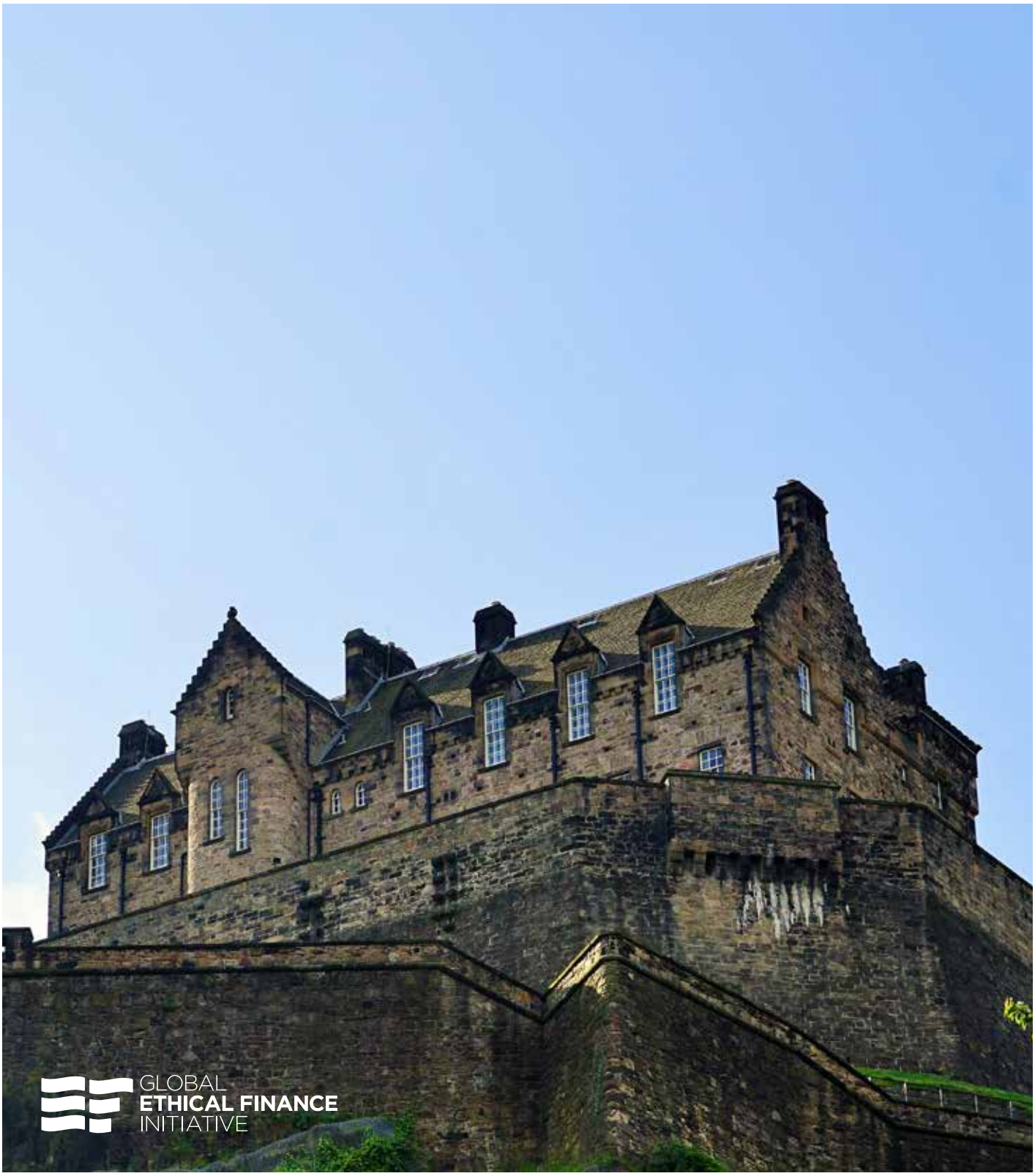
EDINBURGH FINANCE DECLARATION

An Interfaith Shared Values Framework on Ethical Finance



Inspired by the legacy of the Rev. Henry Duncan, on 22nd March 2016 the Church of Scotland and the Islamic Finance Council UK (UKIFC) signed a partnership agreement to co-develop an ethical finance solution open to all society, regardless of race, religion or ethnic background and based on the shared values between the faith traditions.

Over a two year period a robust engagement process, including a series of structured systematic round tables, has been undertaken to identify and crystallise the shared values. The resulting Shared Values Framework (SVF), detailed in this document, was formally launched as The Edinburgh Finance Declaration on 22nd October 2018.

UKIFC

The Church of Scotland

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WHY DID THE UKIFC & CHURCH OF SCOTLAND PIONEER THIS INITIATIVE?

Within the Islamic finance arena, the UKIFC has been the first body to focus on the contemporary ethical finance market identifying areas of synergy and co-ordination since 2010. Over the past eight years the UKIFC has pioneered many initiatives which have been internationally acclaimed and award winning moving the debate in Islamic finance to consider the broader ethical finance thematic which has encouraged other organisations to join the dialogue.

Drawing on its experience and expertise the UKIFC can claim a unique insight into both the Islamic and ethical finance markets to a depth unparalleled by any other Islamic finance organisation. From this it has become clear there is more in common than differentiates the faith groups. In addition it became apparent that there was considerable alignment between these principles and contemporary ESG, CSR and responsible investing trends across global financial markets.

In the relatively recent emergence of Islamic finance, it is widely recognised that Mit Ghamr (in Egypt) was amongst the first attempts at Islamic banking - a pioneer of the modern Islamic finance industry, However a little known fact is that the founder of Mit Ghamr based his model on the savings bank structure originally established by the Rev. Henry Duncan of the Church of Scotland over 200 years ago. This simple fact succinctly illustrates the universal ethical principles shared by the great religious traditions but often obscured or ignored in modern times.

The UKIFC and Church of Scotland both agree that the current financial system has systemic problems, creating serious inequality and the potential destruction of our shared natural resources.

The Christian and Islamic faith traditions share a commitment to economic justice and a call to a fair distribution of the gifts of God. By collaborating and *"putting our money where our morals are"* this initiative presents an opportunity to live out our common values and make a tangible change for those most affected by poverty.

As finance practitioners the UKIFC felt a moral imperative to work with other faith traditions to develop and agree a shared values framework and to explore how this can be captured and embedded into financial innovation that is socially conscious and of value to all in society.

A LITTLE KNOWN FACT IS THAT THE FOUNDER OF MIT GHAMR BASED HIS MODEL ON THE SAVINGS BANK STRUCTURE ORIGINALLY ESTABLISHED BY THE REV. HENRY DUNCAN OF THE CHURCH OF SCOTLAND OVER 200 YEARS AGO.

Background

"A remarkable and admirable document, reflecting very great credit on both the collaborative process and fine draftsmanship that generated it."

Sir David Alan Walker, Former Chairman Barclays, Morgan Stanley

In 2013 UKIFC held a round table with the Archbishop of Canterbury Justin Welby and other leaders from across the faiths to explore shared values towards ethical finance.

Subsequently, following positive dialogue, in March 2016 UKIFC and the Church of Scotland announced a pioneering initiative to work collaboratively to produce an interfaith shared values framework that could underpin the development of an ethical financial solution based on these shared values and open to all in society, regardless of faith or ethnic background.

The UKIFC and the Church shared a collective belief that existing financial institutions have, in recent years, lost much of their social conscience. Action was needed and Scotland, with its proud heritage in ethical finance that includes the origins of the savings bank movement pioneered by the Rev. Henry Duncan of the Church of Scotland, was the place to start it.

By mobilising longer-term, more socially conscious capital within religious groups the initiative aims to respond to the systemic failures of the current financial model that has struggled to recover from the economic, operational and reputational damage caused by the global crisis in 2008/09.

The Edinburgh Finance Declaration has drawn upon the theological and philosophical underpinnings of Christianity and Islam in order to identify commonalities. It has included an analysis of how faith traditions have supported ethical finance in the past and examined the practical commercial viability of different type of ethical economic models that deepen the economy, encourage inclusion and create positive social impact.

Process

The Edinburgh Finance Declaration is the shared values framework that has been developed from the feedback received from a structured programme of engagement that has been led by finance practitioners and sought input from theologians, well-informed faith-thinkers and academics. Although driven by the Muslim and Christian faiths the Declaration is intended to be a 'living document' which will be updated periodically and seek to further incorporate views from across the Abrahamic and other faith traditions.

Activity to date has included:

- Over 150 senior stakeholders have participated across a series of five in-depth round table sessions held in London and Edinburgh over a three year period. This formed the primary data source for developing the SVF.
- A further 50 stakeholders were directly engaged on a one-to-one basis to update them on the initiative and invite feedback
- Via our strategic partner the Alliance of Religions and Conservation (a specialist interfaith body, co-founded by His Royal Highness, The Duke of Edinburgh) the SVF was circulated to a further 107 faith traditions globally.

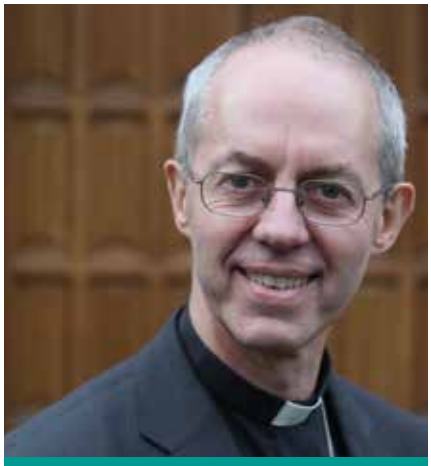
Nobel Laureate Dr Muhammad Yunus recently said that "changes are products of intensive efforts." After over 3 years of hard effort the Edinburgh Finance Declaration provides a blueprint for faith traditions in terms of the norms of an ethical finance in the 21st century and how they operate for the aspirations of all the world's citizens.

Efforts will continue and the shared values aspire to be dynamic and will be updated periodically to reflect further faith input, new thinking and global trends.

"In the Church we don't just want to talk about how we need to do things differently. We want to demonstrate how we can and are. Working with UKIFC is an important part of that work. Not only are we trying to build a fairer economy together. We are also building vital friendships and relationships across our faiths. That is also really significant in today's world where these relationships are so often defined by division."

Rev Sally Foster-Fulton, Christian Aid

Endorsements



"This collaboration is an important example of how different communities can not only talk of, but demonstrate shared values. It is also very encouraging to see the role the faith communities can play in inspiring a more inclusive, ethical and responsible financial system."

Lord Archbishop of Canterbury,
The Most Reverend and
Right Honourable Justin Welby

"The Christian and Islamic faith traditions share a commitment to economic justice.... By collaborating and "putting our money where our morals are" we have an opportunity to live out our common values and make a tangible change for those most affected by poverty."

Rt. Rev Dr Angus Morrison,
Ex- Moderator of the General Assembly of the Church of Scotland

"This is powerful example that many globally can take from, including us in Nigeria. Well done to the Islamic Finance Council UK and the Church of Scotland for showing their vision, leadership and bravery."

His Highness Emir Sanusi Former Governor of the Central Bank of Nigeria

"The Scottish Government is delighted to support this this joint initiative between the Islamic Finance Council UK and the Church of Scotland. In today's world there is far too much conflict and it is important to remind people that there is more that unites than divides us. The shared values between the Christian, Islamic and the other Abrahamic faiths are well aligned to underpin ethical finance. Having this discussion has the ability to bring faiths together – not just here in Scotland, but across the world."

Humza Yousaf MSP, Cabinet Secretary for Justice

"I commend you for the Shared Values Framework you and the Church of Scotland have formulated. I think it is a terrific example of interfaith collaboration at a substantive level of impact."

Rabbi Joshua Ratner, Director Of Advocacy, JLens Investor Network

"Islamic finance is founded on moral and ethical values and these values are shared by different faiths. This joint venture with the Church demonstrates that people from different faiths can work together on the common ground that we share. Together we can strive for the betterment of humanity."

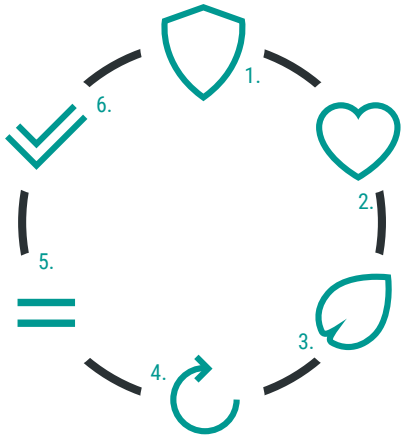
Dr Akram Laldin, Executive Director, Bank Negara Malaysia body
International Shari'ah Research Academy for Islamic Finance

Shared Values Framework for Ethical Finance

Together, Islam and Christianity represent over half of the world's population. They are influential in in-forming not only the value systems in countries where they constitute the majority of the population, but also in shaping the wider moral landscape of others. The scope of both working together to invest money wisely to achieve a sustainable economic system, would be substantial.

It is now commonly acknowledged that short-term and unethical economic practices jeopardise the ability of humans to flourish in their role as God's stewards on earth. In light of the well-documented and systemic financial instability at the onset of the present century and the resultant scrutiny over the workings of the financial sector, it has never been more timely for these two great religious traditions to set forth those inalienable values and principles which lie at the centre of their understandings of what should guide a truly *'Ethical Economy'*.

Their rich intellectual traditions contain clear ethical values for creating fairer societies and provide clarity in the midst of the muddied waters of current financial practices. The values listed below form the core of a shared ethical framework between Islam and Christianity and can help shape a more equitable future for all brothers and sisters in humanity. It is our contention that the shared principles between Christiani-ty and Islam are most accurately represented in the values listed below.



A brief illustration of the operation of the values in practice follows the discussion of each.

1. Stewardship
2. Love of the Neighbour
3. Human Flourishing
4. Sustainability & Purposefulness
5. Justice & Equity
6. Common Good

1. Stewardship

Stewardship of human beings on earth is the principle value upon which both Christianity and Islam base their understanding of an ethical economy. It implies that the wealth we have control over is ultimately a trust from God to be used in accordance with sound moral principles where investments are made with the wellbeing of humanity in mind. Stewardship is one of the shared themes in the creation narrative in both the Christian and Muslim scriptures, with God investing Adam as His steward on earth. In the Holy Quran, God says *'And God said to the Angel 'I am to place a steward upon the earth.' [Quran 2:30]*. Similarly we find in the Bible "*So God created man in his own image ... blessed them and said to them, 'Be fruitful and increase in number; fill the earth and subdue it.'" [Genesis 1.26- 27]*

The command to *'subdue the earth'* is tied to this honour of stewardship. It serves to underline the pur-posefulness with which the human has been invested: that of ensuring that dominion over the resources of the earth is tempered with a responsibility that this be done in light of the divine commands to tem-perance, purposefulness and care. The dominion of humans over the earth is also expressed in the Quran. *'It is He Who created for you all that is on earth.' (Qur'an 2:20)*, and this dominion is understood in the light of other scriptural sources as being one that is not exploitative, but based on cultivating and nurturing civilisation.

The narrative of creation in the monotheistic religions also stresses that humans are created in the im-age of God, thereby investing them with the agency to reflect divine care on earth through stewardship. Tempered with correct moral conduct, they become true reflections of *Imago dei '....created to be like God in true righteousness and holiness.' (Ephesians 4.23)*. The potential for holiness is open to all, and we are thereby reminded that reflecting divine care has the potential to extend beyond ourselves to all of humankind.

> *Effective stewardship benefits companies, investors and the economy as a whole. The UK's first range of retail ethical funds, introduced by Friends Life in 1984, was termed the 'Stewardship Funds'. In addition, in 2010 the Financial Reporting Council in 2010 addressed the importance of corporate govern-ance by issuing seven core principles detailed in the Stewardship Code.*

There are Stewardship Codes in Brazil, Canada, Europe, Italy, Japan, Kenya, Malaysia, Netherlands, Philippines, Singapore, Switzerland, Taiwan & the UK

2. Love of the Neighbour

Love of neighbour has been identified - alongside love of God - as one of the two core shared values between Islam and Christianity. It has a wide-ranging impact on how we view the function of a just economy and follows on from the shared principle of the stewardship of humans on earth. It serves to test of our claim to love God for '*"whoever does not love his brother/sister who has been seen cannot love God whom he has not seen" [John 4:20]*. The implication of 'Love of Neighbour' in both Christianity and Islam is that for it to be a true embodiment of love, it must be marked by both generosity and altru-ism towards the other.

In the Holy Quran, God states: *'Worship God and associate nothing with Him, and to parents do good, and to relatives, orphans, the needy, the near neighbour, the neighbour yet more distant..." [Quran, 4: 36]*

This mirrors the clear intent of the words of Jesus when he was queried over the essence of the Law: *"Teacher, which is the great commandment in the law?" Jesus said to him, 'You shall love the LORD your God with all your heart, with all your soul, and with all your mind.' This is the first and greatest commandment. And the second is like it: 'You shall love your neighbour as yourself.' On these two com-mandments hang all the Law and the Prophets." [Matthew 22:34-40].* Humankind are social beings, and recognising the rights of the neighbour is a prelude to spiritual growth and flourishing.

> *The concept of community, co-operatives and mutuality run deep in the history of the UK's financial landscape. The origins of the early life companies such as Scottish Widows can be traced back to 1812 and with modern trends of technology enabled crowd funding, the ability to direct finances to local phil-anthropic projects is also gaining increased traction.*

There are around **100** credit unions in Scotland serving over **330,000** people with over **£511m** of members' savings and have **£290m** out on loan

3. Human Flourishing

The two faiths share in the understanding that one of the inalienable rights of humans is the freedom and ability to express and nurture our dual functions of creativity and productivity in the service of the common good. It is through this that one is able to fully live a life proclaiming the worship and adoration of God and it is this that is at the core of human flourishing. To encourage this collectively, the two faiths share in promoting and protecting prosperity that reaches beyond the few to the many. The Prophet Mohammed [p.b.u.h] supplicated for the city of Madinah where he had been received after his flight from Makkah, and asked God to allow it to flourish and prosper: 'God! Bless us in our fruits. Bless us in our city. Bless us in our weights and measures.' [al-Muwatta]

To make human flourishing a communal and not just individual exercise is a constant theme in the teachings of the prophets. As Jeremiah advised those that had taken Babylon as their new abode 'Seek the peace and prosperity of the city to which I have carried you into exile. Pray to the Lord for it, because if it prospers, you too will prosper" [Jeremiah 29:6-7]

Part of human flourishing is the ability to fully exercise the qualities of generosity, care and justice within one's community through not only the promotion of commerce, but one which is at the same time atten-tive to the needs of all. This derives from our conceptualisation of God and what it means to be in the Image of God: to flourish as a society is to mirror the beautiful qualities of God collectively and fulfil our purpose.

> *According to the World Bank around 2 billion people do not use formal financial services and more than 50% of adults in the poorest households are unbanked. Financial inclusion is a key enabler to reducing poverty and boosting prosperity and addressing rising inequalities by addressing the challenges of the distribution of economic growth across all segments of human society. The 2017 World Economic Forum report on Inclusive Growth and Development raises fundamental questions of whether a secular correc-tion is needed in the current economic growth model to address the current vicious economic cycle of stagnation and dispersion into a more virtuous one with greater social inclusion.*

There are **13 million people** in the UK who do not have enough savings to support them for one month if they experienced a **25%** cut in income, and only **41%** of British households are saving

4. Sustainability and Purposefulness

Human stewardship over the earth underlines the need for the use of natural resources in a manner that is sustainable and purposeful. These two core markers of an ethical economy derive directly from the idea of stewardship. It is only by taking stock of how resources are used, by nurturing a sense of inten-tionality and purposefulness in our choices, that sustainability can be pursued. Together, these interre-lated values are indicative of a 'Theology of Sufficiency': an acceptance of the limited nature of the earth's natural resources which in turn invokes a moral obligation on us all to place tangible societal re-striction on avarice and wanton greed. Avarice is seen by many in Christianity as one of the deadly sins and, in the Islamic tradition, is considered a cardinal vice precipitating the spiritual death of the soul.

As a means of demonstrating human stewardship on earth, God is said to have instructed man in the knowledge of earth's resources and its creatures. This 'Knowledge of the Names' is used to show the superiority of rank humans have been given over other creatures and implies the prerogative to rule, but only when tempered with equity and justice and not in a manner exploitative of this honour granted by God.

Sustainable finance adopts a long-term view which considers environmental, cultural and social impacts. The challenge for the financial system is to meet present day needs without compromising those of future generations. Impact investing refers to investments (made into companies or funds) with the intention to generate a measurable, beneficial social or environmental impact alongside (or in lieu of) a financial return. A high growth area, currently over $31bn is deployed in impact investment funds.

The London Stock Exchange is home to 78 green bonds that have raised in excess of $24.5 bn.

5. Justice and Equity

The two faiths share at their core a call to fairness, equity and justice in one's financial dealings with others, and is derived from the theme of love for one's neighbour. The Prophet Mohammed [p.b.u.h] taught that 'None of you believes until they love for their brother/sister what they love for themselves' [Al-Bukhari], where brother/sister is understood in an expansive sense of not just being a co-religionist, but a brother/sister in humanity. This deep justice in how one interacts with the other is the hallmark of godly conduct called to in the Bible. "The righteous care about justice for the poor, but the wicked have no such concern." [Proverbs 29:7] and 'What does the Lord require of you but to do justice, and to love kindness, and to walk humbly with your God?' [Micah 6:8].

Many of the earliest revelations of the Quran link dutifulness to God with good and just economic con-duct, a theme emphasised throughout the twenty-three year period of revelation. "Give full measure when you measure, and weigh with a balance that is true." (Qur'an 17:35) The use of natural resources and specifically economic activity should therefore be marked by a commitment to equity and fair dealing for a common good. All human activity, to be morally commended, should be purposive and embody equity and justice.

Against the backdrop of mis-selling and rate fixing scandals both consumer and regulatory demands are increasingly focusing on trust, transparency and professional conduct to ensure financial institutions are dealing fairly with their customers.

Global Alliance for Banking on Values' **50** members serve over **41 million** customers and hold **$127 billion** of combined assets under management

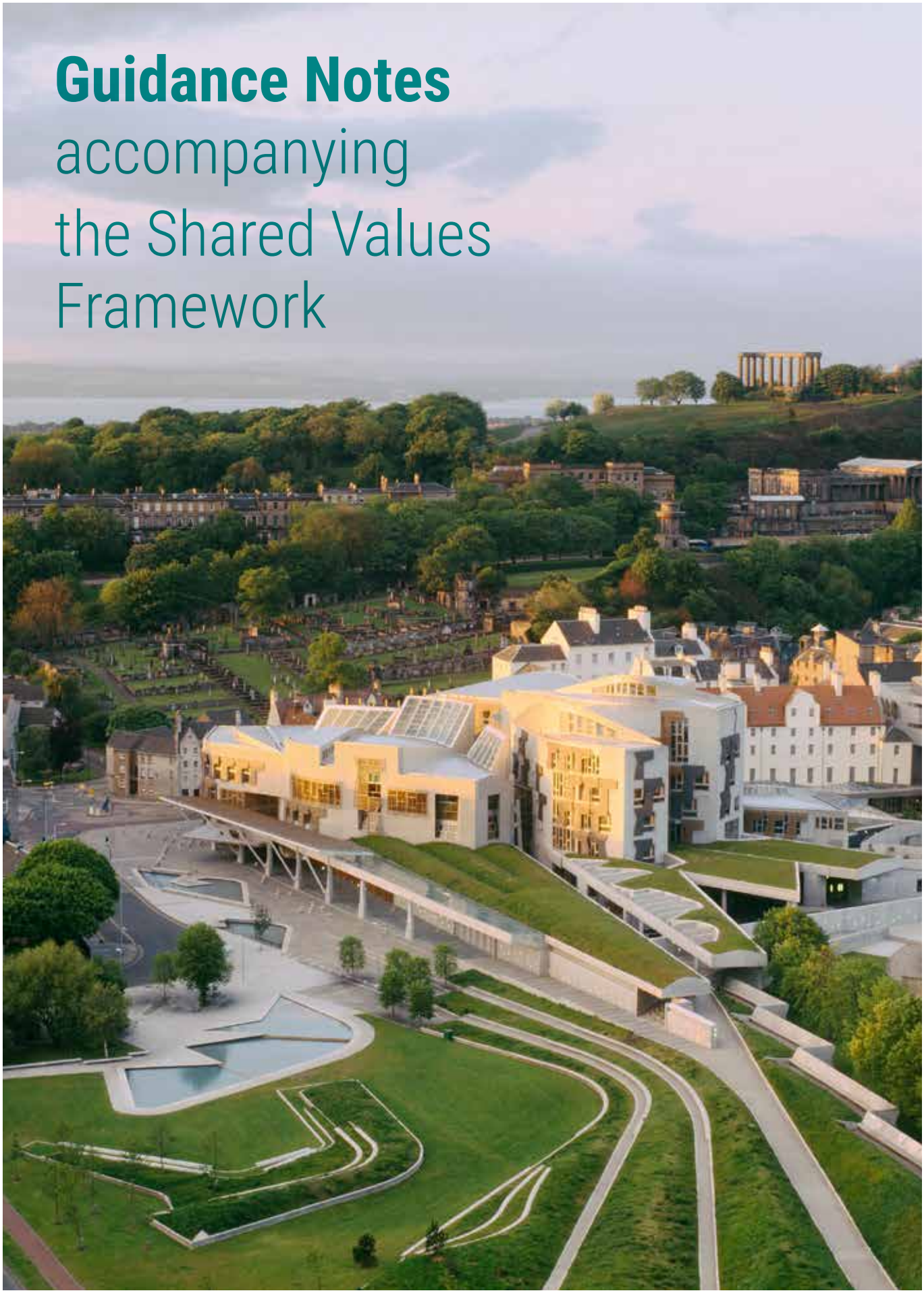
6. Common good

Both Islam and Christianity share an overarching concern extending beyond their co-religionist to include others. A purposeful approach to economic activity is where good is not just restricted to the personal benefit of the individual investor, but to the common good. Those involved in economic activity should seek to promote mutual benefit. In keeping with the expression of the Scholastics, property is private in terms of ownership, but common in terms of utility. For Muslim jurists, this resonates as the very wisdom underlying the institution of Zakat, the poor-due levied on idle private wealth that should be used to cre-ate wider prosperity.

The common good in Islamic law is enshrined in the promoting and protecting of a number of core ele-ments of human societies which ensure the emergence of a viable public space: religion, life, progeny, prosperity and reason. The creation of a strong sense of a common good and mutuality amongst the members and institutions in a community is a hallmark of a society that has placed justice and equity at the core of its values. As in the story of Jeremiah and the people of Judah, the refusal to share common wealth with the needy and the weak, stifling common prosperity, stands condemned.

In 2015, 193 member states of the United Nations agreed a pact to work for the common good by adopting the 17 Sustainable Development Goals (SDGs) to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda.

Guidance Notes accompanying the Shared Values Framework



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A. Introduction

This document is written to accompany the **Shared Values Framework (SVF)** document. It provides a background to the processes through which the SVF document was formulated. The SVF is the culmina-tion of ongoing discussion and dialogue between Muslim faith representatives headed by UKIFC (Islamic Finance Council UK) and its associates and the Church of Scotland towards articulating a shared values framework distilled from the intellectual legacy of these two great faith traditions. As the financial crisis of the last decade is being pushed firmly to the back of the collective memory, the systemic non-sustainability of the current financial model further amplifies the need to highlight alternative practice that places human flourishing and wider ethical values at the core of deliberation on what sound economy should be. At the heart of the malfunctioning of the economic model is an alienation from value and meaning:

> *"So much of what's wrong [in environmental and economic terms] has its roots in a shared cultural and spiritual crisis. The nature of that crisis could be summed up rather dramatically by saying that it's a loss of a sense of what life is."* [i]

In doing so, the process engages those that question the relevance of religion in the creation of the common good, and also provides a new model of Interfaith engagement. The Scottish context of this initiative is rooted within its unique history in the development of the Enlightenment, in ethical banking as well as its pioneering ecumenical work. This serves as the perfect environment within which to set forth this common vision and work on common ground that the rest of the world can also benefit from. It takes interfaith discussion out of the realm of formal pleasantries into the realm of action.

> *"Finding common ground between Muslims and Christians is not simply a matter for polite ecumenical dialogue between selected religious leaders. Christianity and Islam are the larg-est and second largest religions in the world and in history. Christians and Muslims reported-ly make up over a third and over a fifth of humanity respectively. Together they make up more than 55% of the world's population, making the relationship between these two reli-gious communities the most important factor in contributing to meaningful peace around the world."* [ii]

To this sentiment of achieving meaningful peace, we can add the common shared values of a fair and just economy held by both faiths. Indeed, the creation of such an economy is one of the core compo-nents of ensuring such a peace.[iii]

B. Background to the Process leading to the Shared Values Framework (SVF)

The creation of the SVF document is the result of ongoing interaction between representatives from the Christian and Muslim faiths. Following lengthy discussions in late summer 2015, the UKIFC and the Church of Scotland formally agreed to work together to create a practical ethical financial solution. This pioneering initiative is the first time in history the respective faith communities have attempted to collabo-rate on such a scale and with such a specific practical remit. The financial solution is to be based on shared values, to be financially sustainable, to demonstrate social impact, and to be open to everyone in society regardless of race, religion or ethnic background. Accordingly the primary purpose of the crea-tion of the SVF is as a tool for directing the intended market solution to be designed and delivered by practitioners as opposed to a theological or academic exercise.

The initiative follows on from a series of activities the UKIFC has successfully convened which focused on the shared values between Islamic finance and the broader ethical finance community in the UK. This includes the award winning Edinburgh Ethical Finance Roundtable Series (operating since 2010), the House of Lords interfaith ethical finance roundtable with the Archbishop of Canterbury, Justin Welby and two Edinburgh conferences including the 2015 inaugural Global Ethical Finance Forum.

Given the importance of forging a strong and principled ethical framework that informs thinking and poli-cy in the financial sector, these workshops brought together leading industry practitioners with well-informed faith-thinkers to explore and revisit faith reflections on ethical finance and economics. They ex-plored various religious themes and narratives, parallel readings of scripture and common civic goals.

As a set of interconnected discussions, the structure of the roundtables facilitated an informed and fo-cused discussion of the areas outlined for each meeting. This contributed to the development and pro-duction of the shared principles and values of the two faith traditions. Whilst the UKIFC and the Church of Scotland have initiated this process, participants at the roundtables have included those from varying sects, faiths and indeed of no particular faith orientation. The document currently presented is a draft working document and the UKIFC and the Church of Scotland welcome input from all interested parties.

C. Sources used in the drafting of the Shared Values Framework (SVF)

The rich content and discussion that marked the cycle of roundtables facilitated by UKIFC and the Church of Scotland shaped the drafting of the SVF. These include transcripts of the presentations given by the invited contributors on pre-set topics, the resultant discussion and analysis from the other at-tendees accessed via audio files and notes, as well as the detailed feedback forms completed by partic-ipants at the end of the roundtable events [iv]. The feedback forms provided an insight into participants' observations on what values should be at the core of the SVF document in light of the roundtable dis-cussions. These sources were reviewed to identify recurring themes and points of convergence between the two faiths and formed the basis of the drafting process. In light of the theological and ontological remit of the process, wider reading around the values identified in the roundtables was collated and brought together in these guidance notes.

Format of the roundtables

Workshops were conducted in a roundtable format, consisting of anchor participants along with guest contributors and observers. Participants included religious and theological scholars, practitioners and selected stakeholders. Whilst the series was initiated by the Church of Scotland and UKIFC, participants were not limited to these faith groups.

The format was predominantly discussion based with brief presentations from participants to feedback their respective positions on the pre-identified themes. The number of participants was limited to a group of around 15 people to allow for an environment conducive to discussion. The primary output of the workshops was to feed into/create a SVF document to steer the proposed practical financial solution.

Topics discussed to inform the Shared Values Framework (SVF) document

The roundtable meetings consisted of presentations from both the Muslim and Christian perspectives and the topics were chosen to provide a comprehensive overview of the main themes informing the teachings of each faith on the markers of an ethical economy. They principally revolved around an en-quiry on, but not restricted to, the following points:

A. Theological perspectives on ethical finance and just economy.

B. Philosophical underpinnings of ethical finance.

C. The teleology of economy in Christianity and Islam.

D. Mapping a history of the ethical finance movement in relation to the religious teachings that informed it.

E. Contextual factors to the rise of alternative financial models and the role of Christianity and Islam in facilitating such initiatives.

F. Cases of 'pragmatic' solutions used historically by each faith tradition to create a synergy between the letter and the spirit of the Law.

D. Methodology and Assumptions

While drafting the current SVF document, a number of basic research positions were adopted in order to arrive at mutually discernible shared values.

In keeping with the content and tone of the participants' presentations and comments throughout the roundtable events, a realist methodology was adopted when establishing the objective validity of ethical statements presented in the roundtable discussions. This was built on two premises; firstly, that religion is a transhistorical and transcultural reality; and, secondly that the claim of the two faiths, aside from the obvious, clear and acknowledged points of departure, represent a shared manifestation of immutable truth from God. Their shared values therefore emanate from their shared belief in and love of God. The SVF document is therefore derived from a deliberation of what God's intent for humanity is as gleaned from scripture through the reflection and normative commentary of each faith tradition.

Note of Values and Virtues. It would be apt to make a short reference to the use of values as apposed to virtues in the SVF. While the document focuses on abstract values, it also acknowledges that these should find form in aspirational personal virtues embodied in the practitioners operating in the financial sector: It is one thing to aspire to values, another for people to take steps to reach them [v]. However, ex-ploring shared values was deemed more pertinent to the current project given that the cardinal virtues held by the two faiths are largely shared, coming as they do from a similar understanding of the primacy of virtue ethics. A value based perspective is also advantageous given that it is more open to compari-son to current articulations on the nature and scope of an ethical economy. In our roundtable discus-sions, virtues were invariably mentioned in discussions on how the values would be implemented or re-ceived in the financial fraternity. The question of how to nurture such virtues in individuals extends well beyond the scope of economics.

E. Review of other Shared Values Documents

There are a number of international initiatives that aim to articulate shared values and act as guiding principles through which to navigate real ethical impasses as they relate to these institutions or groups. The current initiative is no different, seeking to replicate this within the confines of the shared ethical teaching of the two faiths relating to economic good practice and promoting the common good. The tone and remit of the current initiative has therefore been informed by both the context and purposeful-ness of prior initiatives, which has helped define the scope and function of this charter. The ontological and epistemological premises upon which they are based have also helped in deciding on the best methodology to use in drafting the current values framework. Of those looked at, the following initiatives are directly relevant to the stated aims of this current initiative.

'A Common Word' initiative (ACW) [2007]. One of the most well received shared charters, particularly in the area of interfaith initiatives, is 'A Common Word between Us and You'. This was in the form of an open letter released in 2007 and was facilitated by the The Royal Aal Al-Bayt Institute for Islamic Thought in Jordan under the auspices of the Ministry of Religious affairs. It was signed by high-ranking multi-denominational Muslim clergy and addressed to the Global Christian community to underline the core shared values that both faiths hold, serving as a basis to promote mutual understanding between both faiths.

The initiative was unique in both its wide-scale acceptance within both religious communities as well as the bold confessional nature of the language in which it was drafted. While it does not dismiss the exist-ence of real theological divergences between the faiths, it rightly points out the substantiative areas of convergence as the basis for finding common ground union based on mutual trust.

> *'These principles are found over and over again in the sacred texts of Islam and Christianity. The Unity of God, the necessity of love for Him, and the necessity of love of the neighbour is thus the common ground between Islam and Christianity.' (ACW)*

It should however be noted that the initiative took place in the context of growing tensions between the two faiths and their civilisational heartlands, and so the expressed purpose of the ACW was to restate a commonality in theology that was being superseded by wider geopolitical developments in the world. Be that as it may, the ACW served to provide the most apt ontological position from which to draft the cur-rent SVF in Ethical finance.

The UN Sustainable Development Goals (SDGs) [2000]. These are part of the UN initiative to address social and economic exclusion that affects large sections of the world's population. While the prior UN initiative of the Millennium Development Goals (MDGs) was targeted at alleviating poverty and exclusion in the developing world, the SDGs are of relevance to the current initiative as they are addressed to in-clude the nations of the developed world as well and focus, as indicated in its title, on the ongoing sta-bility and sustainability of the world's economy. One of the unstated corollaries of this is the paradox of economic growth verses a sustainable economy. To what degree can the Eighth goal as set out in the charter, namely to *'Promote sustained, inclusive and sustainable economic growth'* be achieved?

Given the deliberations that took place at the cycle of roundtables at the current initiative, growth used as a marker for a successful economy implies a value based reading of economic policies. A good economy is a growing economy. However, economic growth as a continual phenomena is a fairly recent trend in human history and the policies pursued to ensure such growth seem to do so while jettisoning wider ethical considerations. As one of the participants in the current roundtables stated: *'...it's also im-portant for us to realise that this idea of economic growth is something which is relatively unusual in hu-man experience. If we go back to 1759, Adam Smith writing 'Theory of Moral Sentiments', or 1776 – 'The Wealth of Nations', you will find very little discussion of economic growth as a long term sustained phenomenon. It just was not something which came into the experience of people in that period.'* [vi]

This point was also raised by HRH Sannusi in his own contribution to the discussion when he reviewed the current situation as follows: *'From an economic perspective, in a world where over the last three decades we have had the ascendancy and wide acceptance of what some have called neo-liberalism, it's time to look very closely at the necessary trade-off between growth and equity.' [HRH Sannusi, Shared Values Workshop Transcript - 28th May 2016]*

The Charter of the Commonwealth. One of the central aims of the 16 articles that make up the charter was to provide a value compass for the newly independent states that were formerly part of the British Empire. Together with this, it also developed into an aspirational charter for its founding members. One of the criticisms of the Commonwealth Charter has been the specifically Anglo-Centric framing of its val-ues and the subjective nature of many of the principles it espouses. This has led to internal discussion as to the realignment of the organisation to address new and tangible challenges that face many of its members, such as influencing global policy to tackle climate change. Due to the wide scope of its remit as set out in its articles, it was seen to have limited epistemological value in drafting the current set of shared values.

The Marrakesh declaration [2016]. As with the prior charters reviewed, the Marrakesh declaration came into being as a response to specific challenges that were felt could be best met through collective ac-tion. The document released on the 27th of January 2016 was a response to the pressing need to ad-dress the wide-scale instability many Muslim nations were facing at the time and the strain that this in-stability was placing on historical minority religious communities living there. The title itself is indicative of this: '*The Marrakesh Declaration on the Rights of Religious Minorities in Predominantly Muslim Majority Communities*.'

At the centre of this document is a call for Muslim scholars to engage with the modern conceptualisation of citizenship and the integral and honoured status of all citizens of a nationstate. It specifically invokes the famed 7th Century Charter of Madinah, which not only outlined the terms of contractual citizenship, but did so in a manner that was inclusive of all minorities, thereby guaranteeing full citizen rights to all.

The proceedings of the Marrakesh conference underline the centrality of the Charter of Madinah, but not on account of its content alone. Rather, it focuses on the document being the result of shared and ongoing deliberations from all citizens of the city and not based on it being a strictly religious document.

Of all the charters reviewed, it is the most specific, both in terms of the problem addressed as well as the specific measures proposed. It could be argued that the document and the conference that gave rise to it suffered from an epistemological bias towards set outcomes and that this may limit the ongoing value of the initiative, though this ignores the real and pressing problem it sets out to address.

A Code of Ethics on International Business [1984-1993]. The *'Code of Ethics'* document, which had its inaugural meeting in 1984, focused on producing a code of ethics related to International business. It drew upon discussions between participants from the three main monotheistic faiths of Judaism, Christi-anity and Islam. The initiative, conducted under the patronage of HRH the Duke of Edinburgh and the Al-Albayt Foundation in Amman, constitutes an early attempt at ecumenical interaction between the three faiths and in doing so broke new ground in endeavours for mutual understanding.

The wider context within which the initiative was held seems central to understanding the nature of the final document as a whole - both in terms of its methodology and output - and is in some way indicative of the novel nature of the endeavour at the time. The scene is set out rather candidly in the introduc-tion, where it is noted that *'...Aware of the implicit danger of religious bigotry and the threats to the es-sential fabric of contemporary society, they [the participants] placed a strong emphasis on the benefits of dialogue, forsaking stereotypical portrayals of each other. Constructive dialogue, difficult to conduct at the outset, developed as mutual confidence between the participants improved.' [A Code of Ethics on International Business, pg 5]*

Upon review, it should be noted that the final document does not set out the methodology by which the 'Code of Ethics' was arrived at from the discussions that were mentioned to be part of the initiative, nor does it provide scriptural sources supporting the four principles - Justice, Mutual respect, Stewardship and Honesty - that make up the Code of Ethics. Perhaps due to the timing of the initiative, it provides limited insight into the reason/s for jettisoning a specific values/ virtues based approach, with the final Code made up of a mixture of values and virtues for good conduct in the business sector. As has been noted in the Guidance notes accompanying the current SVF, the methodology and associated assump-tions utilised in collating and documenting inputs into the current initiative, and the distinction drawn be-tween values and virtues, has been one of the key focuses in ensuring a degree of transparency in the SVF document.

F. A Note on Areas of Divergence

As alluded to previously, the current document was drafted with the intention of providing the back-ground to the SVF. In formulating the framework, acknowledged and normative reading of scriptural sources of both faiths were used. The culmination of this process is a set of values that lie at the core of each faith and which at the same time are shared - in an immutable manner - with the other faith.

It is the case however, that substantiative differences exist between the two traditions on questions of both faith and practice in relation to the ethics of a just economy. Two interrelated points - one in the realm of Theology and the other in Law - will be touched upon briefly here. However, even these points of divergence are shown to be nuanced within each faith tradition and were therefor not seen as being an hindrance in the formulation of the SVF.

Divine Love and Divine Law

As set out and articulated in *'A Common Word'* document, love of God is one of the two core shared values between Islam and Christianity. This is undoubtedly true given the many core scriptural sources in both faiths to this end. However that this commonality centred upon love of God still requires an under-standing of how this is manifest in the practical devotion of each faith.

Whereas Christian theology would view love as an eternal quality subsisting in God, the classical Muslim (Sunni) understanding of love as a quality of God is set in the context of preserving God's transcend-ence. Love is considered a manifestation of God's Will, which in its declarative form is represented in the sacred law or *Shari'ah*. *'...God's compassion (rahma), His approval (rida) and His love are alike aspects of His Beneficent will (iradat al-in'am)'*. [vii] The means by which Divine love is initially manifest is through the pathway of the law, and divine love is sought out through an adherence to the law. [viii]

It is worth noting what law means in this context. The earliest Muslim sources that describe the first reve-lation to Mohammed ﷺ, refer to the coming of the Archangel Gabriel as the *'Namus'*.[ix] There are a number of terms in the Arabic lexicon that refer to what loosely translate as Law. *Shari'ah*, *Fiqh*[x], *Qanun*[xi] and *Huquq*[xii] are all used in different contexts to describe particular manifestations of the Law. The word *'Namus'* is also used for law, and it entered the Arabic lexicon as a loan word from the Greek nomos (*νόμος*). The predominant meaning given to it is that of a Divine legal code. As this was the initial impulse for revelation and was identified as such by Muslim scholars, Islam may be described as being essentially based on law and not theology and so *"[i]t is not theocratic but nomocratic in nature, and the religious law which underpins this is all-embracing"*.[xiii]

Muslim scholars saw the new revelation as a continuation of previous revelations, fulfilling a similar func-tion to the Judaic legal code. The use of the word nomos in apocryphal scriptures connected with the Old Testament, such as Testaments of the Twelve Patriarchs, shows that the word was used to denote a divine code containing detailed injunctions and religious mores. This pivotal position of 'nomos' in Is-lam contrasts with the Christian view of the function of the law. It famously espouses that the spirit of the law was to be given precedence over the letter of the law. *'He who loves his neighbour has fulfilled the Law' [Rom 13:8]* [xiv]. Muslim scholars, in turn, viewed this teaching of the Church as a corrective to what it saw as the overt legalism of the Jewish tradition at the time.

So whereas in Christianity, love is seen as the purpose of the law and the ultimate manifestation of God's grace, Islam is insistent on the need for the letter of the law as a marker of that grace. Comment-ing on the *'complex tension'* between divine love and fulfilling the dictates of the law, Siddiqui observes that Islamic thought held that *'In God's grace lies our ultimate salvation but we cannot dispense with the law, for the law is the journey to God irrespective of our constant failure and constant repentance'*. [xv]

One can thereby understand the theological reason for detailed stipulations related to financial ethics in the Islamic tradition. Laws governing areas such as usury should be seen as emerging from a deep commitment to achieving God's grace.

The question of Usury

Most observers would note that a major area of divergence between Islam and Christianity on just econ-omy is the question of Usury. While Islam holds to a standard condemnation of Interest and Usury, some later Scholastics and post-reformation Christianity championed the case for a distinction to be made between Usury, defined as the charging of exorbitant and debilitating levels of interest for monies lent, and normal interest.

Despite a lack of any conclusive condemnation of usury in the New Testament, the early Church articu-lated a consistent stance on usury that spanned around 1400 years. From the First Council of Nicaea in the year 325 AD until the gradual relaxation on the laws of Usury during the Reformation in the 16th Cen-tury, the early Church viewed the practice usury as contrary to the emanation of mercy and love, and in the works of Aquinas in particular, as counter to natural law. This gradually changed through a distinc-tion being identified between interest charged for exploitation of the needy and that charged for the purpose of business. Dr Mochrie explained the reasoning of the Scholastic Duns Scotus on this point thus: *'..If you are essentially advancing money as a business, then there is a skill involved in that, and there is risk involved in*

that. You are allowed therefore to take a return if you are actually creating or making business in that way.' [xvi]

In Islam, the general rule with regards to commercial transactions is that they are permitted unless proven otherwise detrimental to the Common Good, and this generally means that transactions be free of both excessive uncertainty (Gharar) and Usury (Riba). Riba literally means *'an increase'* and in normative readings of Islamic law, no differentiation is made between exorbitant and 'reasonable' rates of interest.

Though this seems to indicate uniformity over the issue, there are those that have argued in defence of charging reasonable interest based on considerations for the lender [xvii]. It is important to point out that there has also been protracted debate as to the nature of the prohibition on Riba, with some early au-thorities questioning whether certain types of contracts should be deemed as usurious. An early case in point being the Companion Ibn Abbas, who denied that one of the two broad categories of Riba identi-fied in scripture was indeed proscribed.[ix]

Selected References and Further Reading

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- The Marrakesh Declaration (http://www.marrakeshdeclaration.org/marrakesh-declaration.html)
- The Charter of the Commonwealth (http://thecommonwealth.org/sites/default/files/page/documents/CharteroftheCommonwealth.pdf)
- The UN Sustainable Development Goals (https://unstats.un.org/sdgs/report/2016/The%20Sustainable%20Development%20 Goals%20Report%202016.pdf)
- The Church of Scotland's General Assembly Special Commission on the purposes of economic activity http://www.churchofscotland.org.uk/__data/assets/pdf_file/0007/9592/23_SPECIAL_2012_P3.pdf

Endnotes

i. Rowan Williams, "The Climate Crisis: A Christian Response" Operation Noah annual lecture, Southwark Cathe-dral, 13 October 2009, http://www.operationnoah.org/node/90]

ii. A Common Word, 2007, page 14

iii. The values listed in the SVF appear in a sequence that reflects their level of frequency and importance as per section C below. The sequence also reflects the theological interrelatedness of one value to the one appearing after it, thereby providing a teleology to the values. Alongside the SVF, it was deemed helpful to add a short contextual note to each of the values, placing them in the contemporary financial landscape.

iv. Two questions were posed in the feedback forms: 'What three shared values/principles do you feel are most im-portant to underpin this initiative?, 'What practical ethical finance solution(s) do you feel are viable and should be considered in the context of this Church and Islamic finance joint venture initiative? The tally of responses show that the numerical frequency of values identified was a follows: Transparency 5; Shared responsibility for profit & loss 9; Economics based on caring 16; Purposefulness/ Sustainability 4; Macroeconomic reform 9; Investment criteria 1

v. As noted by Henley '...economics focuses on outcomes of economic behaviour, rather than the quality of the be-haviour or the decisions that lead to those outcomes.' For further discussion see 'Economics and Virtue ethics, A Henley, pg 109-125, in 'Theology and Economics: A Christian Vision of the Common Good. Ed. J. Kidwell, 2015, Palgrave.

vi. Dr Robbie Mochrie, Shared Values Workshop Transcript, 28th May 2016. http://www.ukifc.com/wp-content/uploads/2017/04/Shared-Values-Transcript-Final-May16.pdf

vii. Kazemi, Reza-shah, (2010), 'God "The Loving", in A Common Word: Muslims and Christians on Loving God and Neighbour, Ed. by M, Volf., & G, B, Mohammed. Pg 88-109, pg92.

viii. See Cumming, J., 2010, Understanding the Meaning of Love', in 'A Common Word: Muslims and Christians on Loving God and Neighbour', Ed by M, Volf., & G, B, Mohammed. Pg147-149.

ix. Why the Namus is related to Moses and not Christ, when Waraqa is described as a Christian, has attracted the attention of various commentators. Al-Suhayli puts this down to the prevalent Triune understanding amongst Christians of the Arabian peninsula of Jesus as the hypostasis of the logos or 'Word of God'. [As-Suhayli, Ibid, vol 2,pg 263]. For early Muslim appraisals of Trinitarian belief see H, Wolfson., 1976. The philosophy of the Kalam, Harvard University Press. Pg 112-132.

x. Fiqh is the understanding of the Shari'ah in particular contexts and situations based upon the endeavours of jurists and legal scholars. It is defined as: "Knowledge containing the practical rules of the Shari'ah which are derived from detailed evidences and proofs" [Taj ad-Din as-Subki, Jam' al-Jawami', Bulaq, 1395, pg 7]. Fiqh is the human understanding of the Shari'ah, not the Shari'ah itself. The shari'ah is closely related to revelation, while fiqh has a larger element of human reason involved. See Weiss, B., 2006. The Spirit of Islamic Law, University of Georgia Press. Pg119-120

xi. Derived from the Greek, it was an amalgam of common law together with the dictates of the state legislature. It mainly applied to areas such administrative decrees, Financial as well as penal Law. Given the extra-textual sources of law at the disposal of Rulers and Judges, it was seen as complimenting rather than standing in contra-distinction to the Sacred law. A prime example of this was the Qanun'name which was enforced in the Ottoman Empire. See Imber, C., 1997. Abu's Saud - The Islamic Legal Tradition, Edinburgh UP. Pg 40. The modern use of this term brings together both the legal codes effected under the influence of the West as well as the modern at-tempts to incorporate Shari'ah provisions into legislature. Bellefonds, Y.L., 1986, 'Kanun', The Encyclopedia of Is-lam, Vol IV. Pg 554.

xii. Meaning legal right or claim, the contemporary usage corresponds to the common meaning of the word Law. H, Fleisch., 1986, 'Hukuk', The Encyclopedia of Islam, Vol III. Pg 583.

xiii. Given this it is important that the different frames of reference are understood while seeking a shared response to contemporary issues. '...many questions - today including issues such as abortion, environmental protection and interfaith relations - which Christians regard as theological, are, for Muslims, not matters of theology but fundamental questions of religious law' A, Umar, 2008, Theological dimensions of Islamic law, in The Cambridge companion to Classical Islamic Theology, Ed. T.J. Winters, Cambridge UP. Pg 236.

xiv. The usage of nomos within these writings also points to the understanding of Judaic law during early Christianity being far from uniform. Commenting on the the Testaments of the Twelve Patriarchs, Slingerland says "...in spite of the fact that the authors of the Testament of the twelve Patriarchs intend their work to stress love of neighbour and other such general aspects of the law, there is no basis for scholarship's consensus that nomos has been limited to this sphere. These authors conceive of the law as a written body of jurisprudence to be read, studied, and taught; they hold the role of Israel's traditional teachers in high regard". D, Slingerland., 1986. The Nature of Nomos (Law) with-in the Testaments of the Twelve Patriarchs, Journal of Biblical Literature, (105): pp. 39-48. Pg48.

xv. M, Siddiqui, 2013, Christians, Muslims and Jesus, Yale, pg 205.

xvi. Dr Robbie Mochrie, Shared Values Workshop Transcript, 28th May 2016. http://www.ukifc.com/wp-content/uploads/2017/04/Shared-Values-Transcript-Final-May16.pdf. For an overview of the trajectory of the con-cept of Usury in Christianity, in particular the medieval period, see J. Noonan,1957 The Scholastic Analysis of Usu-ry, Harvard.

xvii. The review of the rulings of Usury in the light of current financial practices led to a number of modern Muslim writers questioning the wholesale prohibition of interest. This was most controversially articulated by the late Dr Fazlur Rahman in his work 'Riba and Interest', in which he argued that modern interest 'was not usurious and was, therefore, not considered riba. What made it riba was the increase in capital that raised the principal several-fold by continued redoubling. [I]n case the debtor was unable to pay, the term of payment was extended with an enormous increase in the principal amount.' [Riba and Interest, Islamic Studies, (Karachi), 3(1), March 1964, pp. 1-43]

xviii. Early reading of Usury led to the identification of firstly Riba al-Fadl referring to an increase in quantity of one of the two items that qualify for the prohibitions on usury that are of the same nature and type. The second was Riba Nasi'ah refers to a stipulated and fixed increase over and above the loan amount that a debtor agrees to pay his creditor in relation to a specific period of time.

In order to identify and articulate the shared values we held five workshops / round tables bringing together global theologians, leading industry practitioners and well-informed faith-thinkers, to explore and debate faith reflections on ethical finance and economics. Please visit **www.edinburghdeclaration.org** to access these supporting documents.

The Edinburgh Finance Declaration, initiated and driven by the Islamic Finance Council UK (UKIFC), now forms part of the Global Ethical Finance Initiative (GEFI) - a global movement and co-ordinated programme of ethical finance projects and activities originating from Scotland. GEFI consolidates some of the pioneering ethical finance work being undertaken in Scotland under one brand to create a compelling global proposition.

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