

# A Nation in Crisis

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## I. A Catastrophe, but also an Opportunity

The current economic crisis is not just the downside of a normal economic cycle, but is indeed a catastrophe. Honesty and humility are needed on the part of politicians and those advising them, to make clear the truly critical nature of the present situation. This needs to be married with an acknowledgement by the whole population that we all bear some responsibility for the state of our nation.

We have the opportunity to radically turn away from being a selfish, corrupt and inefficient consumerist society, driven by greed. In the face of immense impending human need and suffering, we now have the opportunity to release goodness and compassion into a declining and sick society.

As our nation faces the possibility of financial bankruptcy, we must recognise that this is actually a manifestation of our deeper underlying moral and spiritual bankruptcy. We are now experiencing the consequences of rejecting the longstanding foundations of our nation and the central values of western civilisation. This process of rejection has steadily accelerated over recent decades.

Our origins and very identity as a nation were based on Christian foundations. The Judeo-Christian ethical basis of our society has been systematically eroded. A decision now, by those in public office, to renounce self interest and to work for the common good is the leadership required to turn the nation around.

**With honesty and a genuine, practical commitment to right attitudes in private and public affairs, the desperately serious potential consequences of this crisis can be avoided.**

## 2. What is Happening?

Apprehension, confusion and anxiety have invaded our nation. Fear and uncertainty grip many people. Confidence has been eroded. For many, trust has been destroyed. Countless families, marriages and homes are now at risk as a result of the financial crisis. Many people face extreme uncertainty in their lives, and in addition to this we are seeing new levels of poverty affecting children and pensioners.

With the collapse of banks and building societies, and established companies going out of existence, we face mass unemployment and thousands of people's homes being repossessed. There is a very deep fear of social unrest and upheaval.

With the collapse of the financial system across the nations, we are in a time of unprecedented global insecurity. Blackest economic and financial clouds have now gathered internationally.

In the United Kingdom the crisis we face is more grave than any we have known for generations. It is being recognised that this is not just a serious financial and economic crisis, but a far more serious social and spiritual crisis. Crucial issues are now being raised about the fundamental structure and cohesion of our society and its future wellbeing. Its foundations are crumbling.

**We need to recognise that there is a real battle for the soul of our nation.**

### **3. The End of an Illusion**

In recent years, within the United Kingdom, we have lived with a false sense of security. We have been actively persuaded to live beyond our means. We have lived a credit-fuelled illusion. In our credit culture we have adopted the philosophy of 'live today, pay tomorrow'. The encouragement of debt has been a deliberate act of Government policy, enthusiastically supported by banks and commerce alike. University students now start their working lives owing substantial amounts of money to the bank.

Materialism has become the focus of our hopes and our lives have been dominated by an increasing and seemingly insatiable desire for possessions. Responsible savers are being brutally punished after years during which record levels of debt have generated uncontrolled and very dangerous spending booms. We have become dependent on debt finance. At the same time the 'have now, pay later' motto has been applied to human relationships. We have the illusion to younger generations that sexual promiscuity is normal and even desirable. Commitment has become an unpopular word and faithfulness in marriage has been rejected as being a necessary stability in our society. The price for this is high and is seen in the casualties of broken families and the suffering of thousands of young people with sexually transmitted diseases.

**As a nation we must face the reality of our financial and moral debt.**

### **4. The Truth about our Situation**

In recent years we have been living beyond our means. The United Kingdom now has the highest level of per capita personal debt in the world, and in addition to this the biggest budget deficit in the developed world. Our banks and financial institutions, which used to be seen as totally dependable, have lost their standing as reliable pillars in society. Public confidence in, and respect for, their integrity and their skills has vanished.

The levels of corruption and incompetence which have become deeply embedded within our financial system have been brought to light. Those involved in the financial sector failed to appreciate the enormous risks inherent in the financial products with which they were involved. It is universally recognised that no proper oversight has been exercised and that the banking system had begun to exert an influence beyond that of even Government itself. Now, in running out of control, there is a degree of chaos almost beyond the capacity of governments acting together globally to correct.

There is a widespread sense of insecurity: many private pension plans are in ruins and it is reported that 92% are in deficit, whereas public sector pension schemes continue to grow. This is a direct consequence of government policy. It is reported that in some municipalities 20% of the Council Tax goes to the pension schemes of council employees.

There is a widespread public perception that the financial system has been cruelly exploited by those manipulating it for their own benefits. The activities of hedge fund operators and others appearing to gamble for short-term gain are under public scrutiny. There is also considerable unease about "short selling" by private fund managers, which often appears to have damaging consequences. Similarly, there is incredulity that the inevitable long-term risks of sub-prime lending were apparently ignored by financial specialists.

Public spending has spiralled out of control. We have failed to maintain acceptable standards of stewardship of public money. Unimaginable levels of waste are now regularly reported by the National Audit Office and Parliament's Public Accounts Committee. At the same time there is a growing recognition that tax avoidance and tax evasion have become a major drain on our fiscal system.

**There is a desperately urgent need for a new ethical standard for public and personal life, together with a responsible attitude towards the stewardship of both personal and public finance.**

## 5. An Unsound Economy

Reputable international observers have noted that the United Kingdom is in a worse position to cope with the international financial storms than most other comparable countries. In addition to this we are now burdening future generations with crippling debts.

The nature of our economy gives rise to grave concern. In contrast to many other countries, since the early 1970s the manufacturing sector of the British economy has declined from 32% to 13%. The financial services sector grew to about 10% of GDP. Countries like Britain, which have become dependent on 'weightless' financial services and without a substantial manufacturing sector, now face deeper economic problems. With the financial services industry now in steep decline, the foolishness of allowing our economy to become dependent on one vulnerable sector is belatedly being recognised. Our financial system and our political classes have become detached from the rest of society.

We now have 1.25 million young people between the ages of 16 and 24 who are without education, employment or training. Their numbers have grown by over 15% in the past nine years, and the cost to the economy is huge and the social cost is enormous.

**There needs to be a more honest public recognition of the current state of the nation if we are to build our economic future on sound foundations.**

## 6. The Moral Vacuum

A deep sickness has penetrated the heart of our society. Socially and spiritually we are a nation in steep decline. We have rejected God. We are rejecting morality.

We have seen the emergence of a secularist culture which has no direction and no compass. Absolutes have been abandoned. The distinction between right and wrong, in both personal and corporate terms, has been blurred, or even denied.

With the growth of materialism, naked powers of greed and corruption have been released, and there is much evidence of moral and social disintegration. The undermining of marriage and family and the growth of violence, lawlessness and anti-social behaviour, together with widespread drug abuse and the spread of sexually transmitted diseases, are symptoms of a national malaise. All of these are features of a society without a moral framework.

The cost to the public purse of our amoral decisions is enormous: family breakdown has resulted in the need for housing and benefits to support numerous single parents; violence, lawlessness and anti-social behaviour costs our nation billions of pounds for police, legal, probation, prison and security services in addition to the costs of material damage; the cost to the Health Service of drug and alcohol abuse is crippling and we now have a costly speciality, employing thousands of nurses and doctors to treat the victims of promiscuity.

**There is an urgent need to recognise that a society without a moral framework is unstable.**

## 7. Future Generations

As a nation, we have allowed greed to consume us. We have not only mismanaged and spent our national capital, we have failed to make provision for future generations and are, in fact, burdening them with crippling heavy levels of debt. An influential think-tank has warned that the Government may have to find an additional £39bn a year in tax rises and spending cuts to plug the black hole which is appearing.

The Institute for Fiscal Studies estimates that this sum would have to be found by 2015-2016 if spiralling Government borrowing, exacerbated by the consequence of lower tax revenues and higher spending on recession-related benefits, is taken into account. It predicts that borrowing in the financial year 2008-2009 is likely to reach £95bn, and £150bn in 2009-2010, respectively almost £17bn and £32bn more than the Chancellor forecast in the pre-Budget report in November.

To fund the shortfall, the Government would have to increase taxes by an extra £1,250 per family per year, or cut spending for five years, with even the favoured areas of health and education hit hard, with the tough choice of lower pay or fewer jobs. In the absence of fiscal tightening, net debt would stand at about 90% of national income by the early 2050s, according to the IFS. The IFS also projected that the national debt would hit 73.5% of national income in 2015-2016, or 82.4% if the Government's intervention in the banks was taken into account, based on the International Monetary Fund's estimate that this would cost the taxpayer £130bn, or 9.1% of national income.

In the history of this nation, the greatness of Britain was the result of the application of Biblical principles to the life of the nation and the development of the Commonwealth. The discarding of this 'spiritual capital' has effectively disinherited future generations of the nation from the greatness of the past. It cannot be divorced from the chasm of financial and social insecurity that is now looming.

**As a nation we have the heavy responsibility to make adequate provision for the personal security of future generations.**

## **8. Politicians and People**

A huge gulf has opened up between politicians and people. Public confidence in, and respect for, their elected representatives has diminished. Politicians are held in low esteem, often being seen as out of touch. The political world is seen as tainted by 'sleaze'. Anger has erupted about expenses being claimed by MPs and about the 'dirty tricks' by senior political advisers.

Membership of the political parties has declined. They represent comparatively small sections of the community. The present Government was elected with a substantial majority, having only 36% of the popular vote and the support of only 22% of the electorate. Much legislation does not reflect the will of the people.

The operation of the 'whip' system gives the impression that our representatives are not free to speak their minds and to vote according to their consciences. Increasingly, people, especially the young, do not vote. There is evidence of serious alienation from the political process.

Government and administration have become more costly, more complicated, more inefficient. People are besieged with an ever-increasing volume of legislation, much of it from the European Union.

Our democracy is fragile but we now have an opportunity to breathe new life into our decaying democratic institutions. Do we have the will?

**In the face of this crisis we have the opportunity to rediscover and reaffirm the Judeo-Christian values on which our nation is built. The prevailing societal norms need to be challenged now if our nation is to avoid calamity. We need honesty and a genuine desire for change.**

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