

University Sermon 5<sup>th</sup> November 2023

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2 Corinthians 8:9, 9:6-15

### Generosity, gift economy and moral hazard

A Christian understanding of generosity is rooted in our understanding of the nature of God and of our nature as God's creatures. That we exist at all is the result of God's free gift in creating and sustaining us. As Christians we understand ourselves to be made in God's image. An image God recognised as good at creation, but one which we are always aware falls short of God's own perfection. So when we think together about the nature of generosity, we always do so as people whose own generosity is rooted in and will resemble, but always fall short of, God's own generosity.

What I hope we might do this morning is to connect our gratitude to benefactors who have generously given to this university and who continue to do so, with the broader question of what gift looks like in the daily life and habits of our university.

We are celebrating generosity of benefactors in a context where we know many in our community and beyond don't have enough to get by, and in a global context where even the basics of safety and shelter have yet again been proved to be fragile. Want to note that context to recognise its significance, but I am conscious also of putting that context to one side, of wanting to take this time to look at how generosity works in social context, what generosity looks like as part of a pattern of behaviour, a practice, embedded in a community.

We know that there are problems 'out there', but of course there are always problems 'in here' as well. In us as individuals, and in our communities and institutions. That means I am conscious of a tension that could be in the air today. Giving thanks today for benefactors, whose generosity has enabled this university to be a place of learning and wisdom through centuries, and who have enabled many to study here, share in that learning, become part of the community that passes on wisdom, who could not have done so otherwise. I hold that alongside the awareness that within our university and within higher education more widely, there is a growing concern that some are implicitly being asked to give out of their lack, not their surplus. You may have seen the recent reports from around the UK that many students don't have enough to live on, let alone give from. Or you may be aware of concerns about how junior academic staff can build a stable path through the early stages of their careers in a way that appropriately draws on them as a resource for teaching

and which continues to form them as members of the academic community and gives dignity to their labour. And we see this conversation in a different way in the discussion that has developed about whether academic authors and peer reviewers should be paid by the publishers for their contribution to creating the content of academic journals.

Perhaps when we have these kinds of conversation, we most often use the lens of justice to examine the issues and to filter out the most significant lines of enquiry in a complex debate. And given that the broader picture spreads across questions of how higher education and research are funded, of what universities are for, of the places of students, staff, researchers, and the wider public in the social economy that holds our university, we need a lens by which to examine these things. We cannot look at all of the everything at the same time.

The lens I want to take this morning, is that of the gift economy, and of moral hazard. Let me explain what I mean by that.

Gift economies run back through human history and appear in expected and unexpected places today. In contemporary Middle Eastern practices of hospitality we see a tradition that we recognise from events recorded among the wandering peoples of the Old Testament. In community run 'pay what you can' cafes we see that ethic breaking through into a far more marketized society. In my own work in the Church of England I share in a widespread practice whereby those of us with full time paid roles will offer bits of our time, with our home institution's blessing, to contribute to teaching, preaching, or mentoring elsewhere in return for our out of pocket expenses.

A gift economy is a pattern of community life based on giving and receiving gifts, rather than buying and selling. In a gift economy goods and services are exchanged without any expectation of immediate reciprocity or quid pro quo. Which means that you cannot put a price on them, because they are not available for sale. It isn't the simplest system to get your head round when you have been formed, as we all have, in an economic system that is mostly about buying and selling. We tend to slip in to our thinking the conviction that there is some kind of rational self-interest at work, a calculation that you will get more this way than you would by buying and selling. But that would be an expectation of quid pro quo, an attempt to work out the underlying number that is "really" the price, and that is not how things work in a gift economy.

Gift economy runs on the trust that you can give and you will still be held, will still be safe within the society. Not about giving from your surplus, but giving from your everyday, a very ordinary social transaction.

What is moral hazard – a situation where if one party to a transaction doesn't do their bit, it's the other party that bears the risk. Used in economic life to describe situations where one party takes excessive risks knowing that they won't carry the can. The moral hazard is that you incentivise someone else to do the wrong thing, to take advantage of another person when they should be playing their own part. A moral hazard is not just another business risk that means that you might lose out. A moral hazard is a situation where social or contractual structures increase the likelihood that someone will do the wrong thing. So a moral hazard might be the risk that you incentivise actions that lead someone to default on a contract that could otherwise have been honoured; or perhaps to rely on state or charitable support when in other circumstances they might have been happily independent; or, to switch from the individual to the social and political, the risk that you incentivise governments to 'price in' support from charities like foodbanks when they assess levels of social need, and hence to embed into the baseline of a system what was supposed to be an additional and generous gift in a time of crisis.

And I wonder if we should name moral hazard as a risk in an ecology of learning like ours? One that in many ways has been founded on shared practices of gift, but which now finds its place in a very different kind of economy. If our practices of gift are so obvious as to be almost invisible, I wonder if we risk failing to spot what it takes to sustain them? In particular, if we end up requiring gift unequally, so that those who have less need to go 'above and beyond', but those who have more face fewer demands, then there is not only a moral hazard, but also a cultural hazard for us to reflect on. And this will be because we apply a seemingly inescapable logic of return to the remnants of an economy of gift, and in doing so create the moral hazard that we cannibalise the community of learning on which the whole edifice depends.

When we talk about generosity and moral hazard, one way of thinking about the risks involved would be familiar and persuasive to my grandparents. Namely, that if you give something to people for free they will never learn to work for it. I suppose I am a cautionary tale in this regard. As a student from what now gets called a 'non-traditional background', I was well supported in my own undergraduate days by the Isaac Newton Trust and Trinity Bursaries, and on one occasion by an unexpected and very welcome cheque in my pigeonhole, when my tutor worked out that I qualified for support from a particular benefaction. I have returned the favour by massively undershooting the earnings potential that comes with kind of education I have had. I am a data point that does not fit the curve that is often presented as obvious, as common sense, about the impact of investing in higher education. I am not 'paying it forward' in any simple financial sense. Does that mean that I am an example of moral hazard in action?

It might not surprise you that I think it's more complicated than that. Which is perhaps why I find it useful to think about a 'gift economy' as a challenge, or perhaps better an offering, to a conversation about generosity and the life of a university like ours.

One of the interesting things about the life of a university like ours, and of higher education, is the extent to which aspects of gift economy permeate its structures and its practices. The sharing of knowledge is not easily reduced to a financial transaction. Even when classes and programmes each have their price, that is not the whole story. The wider debate about the level of tuition fees, the costs of delivery excellent higher education, value for money, and impacts on individuals' earning potential all miss something important. The ways that we talk to one another at conferences and both present and attend seminars and papers in our and others' universities, to test, explore, challenge and refine our ideas is sufficiently resilient to transactional thinking of a financial nature that the idea seems slightly absurd. We discuss our different ideas with one another in part for the sheer delight we take in the subjects we research, and in part because this is what we do; this is our culture, a shared practice so ordinary in its everyday application that it would be easy not to notice its existence.

But my view is that practices of gift are at the heart of what we do, and that this reality should be given thanks for today as well, and indeed should anchor our thanksgiving for the generosity of past, current, and future benefactors.

In doing so we place those benefactions within the ecology of gift that is an integral part of the ecology of learning at the heart of our university. From that understanding we can begin to draw out an ethic of gift that enables benefactions to enrich our university in the hidden or implicit ways we work together, as well as in the obvious financial ones. And what I think this comes down to is enabling giving by benefactors to support wider practices of gift.

That might look like ensuring funded posts are structured so that the people employed in them have the stability and dignity to be givers in their own ways. It might look like supporting students, intending that an increasing diversity of people receiving the gift of university education will result in an increasing diversity of ways that that gift will echo on through generations. It might look like shaping research projects and funding facilities so that there is explicit room for conversation and partnership across the academic community, not least with those who, viewed through another lens, might be called competitors.

I think this view connects with the account of generosity that St Paul sets out in the reading we heard just now. In a gift economy, no single human gift fixes everything, in part because each gift is

not a financial transaction, but is part of a shared practice in community. A gift economy is a practice of giving that is not about being a saviour – which is good, because Jesus has done that already and it doesn't need doing again.

But also, as we heard in our reading, each of us is challenged by St Paul to give cheerfully, and we are told that the one who sows generously will also reap generously. St Paul's description of God 'providing seed to the sower and bread for food' places God's own generous actions in social context and challenges us to see our own giving the same way.

In the end, the moral hazard is not so much that one person's generosity places temptation in front of another to step away from their responsibilities. I think instead that the moral hazard is that we construct our understanding of generosity in such a way that we place temptation in front of someone that leads them to give in ways that prevent the recipients of their generosity from themselves becoming givers. We don't give to save the world, because God has done that already. We give to share in the world that God has given us, to share abundantly in every good work.

Perhaps that is where the cheerfulness comes, in the joy at the abundance God makes possible through his own generosity and by the echoes of it that are found in ours. Perhaps as well that is where God's grace is at work, in blessing our acts of giving so that they enable the diverse and unanticipated acts of giving of others. A shared harvest of righteousness that echoes through the generations. For all God's gifts to us, and for all that God enables us to give and to receive, we give thanks. Amen.

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