A Conversation with Brian Griffiths

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Introduction

Brian Griffiths—since 1991, Lord Griffiths of Fforestfach—is known for many accomplishments. After more than a decade on the faculty of the London School of Economics, he was Dean of the City University Business School in the early 1980s. From 1985 to 1990 he served Margaret Thatcher as head of the prime minister’s policy unit, and was also special advisor to the prime minister for domestic policy making. He currently serves as vice chairman of Goldman Sachs International, having joined in 1991. Along the way he has directed the Centre for Policy Analysis, served on the boards of numerous major firms and non-profits, and, in his writing and in his work promoting Christian perspectives on economics and other contemporary issues, has been a prominent Christian intellectual.

This conversation, in its discussion and flow of questions, aims to introduce American economists and students to Lord Griffiths, the economist and the person. The conversation took place at Lord Griffiths’ Goldman Sachs offices in London on May 14, 2019. Hope College professors Stephen Smith (“SS” below), Marcus Fila (“MF”), and Steve McMullen (“SM”) were in the room, while Tom Smith (“TS”) joined via Zoom from his office at Hope.

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I am in your hands gentleman. I do have to go to the House of Lords—I am on a Select Committee on Science and Technology—so I have to finish this by about 2:15 if that will be alright. You fire away and I will answer because you want this thing to be very conversational.
First, thanks for explaining how to pronounce “Fforestfach” in your title. I’ve never quite known how to fathom it. That’s the town you grew up in?

Yes, though it is not a town, but it was once a village. But then Swansea expanded. Swansea was the world’s metal capital in 1900. It had steel, lead, zinc, aluminum, tin plate, a whole lot of things.

Before you went to University, and perhaps even before you knew you wanted to be an economist, which economists and professors did you find the most helpful when you were a student and forming your views?

I initially wanted to be a lawyer when I was young—to be a barrister—but my parents were a modest family and didn’t have money to educate me as a barrister. So, I was never a barrister. I had a friend who liked to dabble in stocks and shares, which was very unusual for the place I grew up. Swansea was a sort of low-middle income town, though there were some parts that were well-to-do. Anyway, this friend of mine dabbled in stocks and shares and we used to talk a lot. He got me interested in markets and investing. Not that I did any investing myself at that stage. I was also very interested in politics—I was never a member of the Labour Party but I would have been on the center left of politics.

In your undergraduate coursework, were there particularly influential books or articles, or people who influenced you, in the development of your economics thinking?

Yes! I think one person who influenced me later when I was a graduate student, and then later when I joined the staff of the London School of Economics (LSE) was Lord Robbins. He had written a book in 1936, The Nature and Significance of the Economic Science, in which he laid down what economic science really is. I don’t think everyone would agree with him today, but it was a major thing back then. And he taught a course on the history of economic thought. He was quite influential. There were other people in the school, for instance, Karl Popper, who wrote on the methodology of science. This was a time when economics was, in Britain at least, becoming quite mathematical and when econometrics was becoming important and so on. He influenced me. When I did my undergraduate degree, the first two years you had to do eight
subjects of which economics was only two. There was a political philosopher at the LSE called Michael Oakeshott and he was an interesting sort of person who also influenced me. But I would say that it wasn’t until later that I was really influenced by key people. And there wasn’t one single individual whom I would say was a huge influence on me.

(SS) By “Lord Robbins” you mean Lionel Robbins, right? A towering figure!

Yes, Lionel Robbins indeed. And yes he was! I did not realize what a towering figure he was. Later, when I became a post-grad student, he really was a big influence. Also, when I became a member of the faculty, even though he had then retired, he took a great interest in me and was very helpful. That’s when I would say I was influenced by people. I had a room in LSE next to a man called Bill Phillips, of the Phillips Curve. He was a New Zealander, chain smoker, quite a short man and he’d been an engineer and he never studied economics! In fact, he did a degree in sociology, but he devised the Phillips Curve, and so on. When he went to give his first seminar, I think at MIT, everyone was amazed because they didn’t expect somebody who came up with this idea to be so young. Another person who was very helpful to me was Michael Harry Johnson. He had a chair at the LSE and he also had a chair at the University of Chicago. So when people came across, and he knew a lot of people like Milton Friedman and James Tobin and others like that, he would introduce me to them. I didn’t realize at the time how significant these people were. He also introduced me to the Institute of Economic Affairs in London. This was the major pro-market think tank in the UK, and through that I met people like Hayek and James Buchanan, and a whole lot of American visitors who would come to London. He would invite me to their working lunches. I was still quite young, and so this was a big privilege for me.

(SS) How was it that you came to faith, and what were the theological influences on you?

Well, I grew up in a Christian family, and I became a Christian, really, at a Christian summer camp—it was a distinctive experience, but you know you have to continually affirm your faith if you grew up in a Christian background. I was brought up in a combination of a Welsh
non-conformity and independent evangelical tradition. It was quite a strong evangelical and pietistic tradition—but it was not a charismatic tradition and it was not a reformed tradition. And I think that would be the key thing: there was a great emphasis on evangelism and on teaching, but not in a reformed way.

(SS) At some point you must have read some theology, and I’m curious when that happened and how you got into that.

When I was in the sixth form [12th grade], my friend who dabbled in stocks and shares and I decided to read a book together, which was called In Understanding Be Men by T.C. Hammond, who was the Anglican Archdeacon in Sydney. I believe that today this is a first-year undergraduate text in certain theology faculties. But as I look back on it, I was brought up in a world which was a Christian world and quite large—at least it was in Swansea because there were quite a number of younger people who were Christians, of which I was a part. Some of them were very able, with a number doing PhDs and so on, even in things like philosophy which you wouldn’t normally get in a Christian background like that. There were two people in particular who attended King’s College, Cambridge—again, that was not a typical place to go from where I came from. I remember when I went to see the headmaster and said I wanted to apply to the London School of Economics. He looked at me, raised his eyebrows, and said: “That’s very difficult to get in to.” I think he was trying to dissuade me.

(SS) At what point did you come to the conviction that economics and Christianity really needed to be thought about together?

I was 18 years old when I went to the LSE as an undergraduate. There was a person who really reached out to me—Oliver Barclay. He was the secretary general of the Intervarsity Fellowship in the UK. During the Second World War, the London School of Economics, because of bombings, had moved to Cambridge, and the LSE Christian Union met in Oliver’s room in Trinity College. Oliver took a real interest in me. He was a very interesting man because he was from the family of Barclay’s Bank, but his father had been a missionary in Japan. Oliver had done an undergraduate degree and then a PhD in Cambridge, in science, and he
was very interested in the relevance of the Christian faith to the world. So we talked often about it. In addition, his forebears had been part of Wilberforce's friends in fighting slavery in the second half of the eighteenth century. He was a big influence.

Later, when I was on the staff and slightly older, probably late 20s or early 30s, he introduced me to a group that met in John Stott’s flat. There were about ten of us. We met twice a year. The other people included a bishop, David Shepherd, who became the Bishop of Liverpool. He was also a very famous England cricketer. Another man was Sir Fred Catherwood, who was the son-in-law of Martin Lloyd Jones. Fred came from a business family in Northern Ireland but he was the chairman of a thing called the National Economic Development Council. Another person in the group who was also very kind to me was Michael Alison, a Conservative member of parliament. He took a year in Cambridge to read theology. (He was the prime minister's political parliamentary secretary when I was the head of policy at Number 10.) But, it was that group with John Stott and Oliver that had an immense influence on me. I also, as an undergraduate, lived with a family that didn’t have children—she was from near Fforestfach and he was a Baptist minister in East London and quite well known. So I was exposed to a lot of clergy, who came and stayed in the house. They would engage in debates and so at dinner I was sort of an onlooker and possibly a participant in these debates.

(SS) In terms of the Stott group, was this before he founded the Institute for Contemporary Christianity?

Yes, I joined it before that and, in fact, he asked me to become its first chairman. So, he wanted to get it off the ground. There was Ward Gasque, a large man, a Canadian, who was a character—he had a center like that in Berkeley. Then there was James Houston, who'd gone to Vancouver and set up Regent College. And there was a group in Washington, DC, the C.S. Lewis Institute. John wanted to have something like that in London. Regent College became a much more academic institution, formally, but Jim originally saw it as not a training institute for clergy and he was disappointed it went that route. He saw it as a way of bringing lay people together with theologians and with the kind of interchange that that would lead to.
(SS) That is an enduring question for the church, to bring lay people into connection with theologians, to think about theology well.

Yes. If I can just jump years ahead, about ten years ago I was asked to give lectures in Wycliffe Hall at Oxford, which is in the evangelical tradition. And the person who was the principal, Richard Turnbull, and I decided to start something called the Centre for Enterprise, Markets and Ethics, which is up and running. It's very small. But we have publications, and we recently had a roundtable of about twenty-five people in Campion Hall, one of the Catholic halls in Oxford. The event was called, The Economics of the Hebrew Scriptures. It was about the relevance of Old Testament theology, and we had a Regius Professor of theology there, two retired professors of theology (both I would say liberal, one of them an outstanding scholar of the subject), we had a professor of law from Bristol University, and we had some business people. This was an attempt in a different way from John Stott’s to bring lay people and theologians together. We’re still very involved in doing this. Unfortunately, there was not much interest shown by members of the divinity faculty at Oxford. They basically said, “We don’t do any of these things within the divinity faculty,” because they are in their silos on Greek or Hebrew or ancient manuscripts or church history or whatever. But building bridges between the laity and theology has always been a passion of mine.

(SS) To shift gears, it’s interesting to see an economist on a board. In your board work, across a number of firms and organizations, what have been the things you’ve wanted to impress on leadership?

Until you asked the question, I’ve never thought of myself as an economist on a board. And certainly when I came to Goldman Sachs, I came here as an adviser without being even on the board, and I talked to the chief economic advisor here and said, “You know I have a background as a professional economist and my views are slightly different from yours.” He was a Keynesian or neo-Keynesian and I was a monetarist. But, I said, “I don’t want to tread on your territory and therefore, I will not make any statements as an economist.” If you were to ask Max De Pree or Bill Pollard why they invited me to be on the board of Herman Miller or Service Master, I believe it was much more than being an economist. One thing that was very important for them
was that I had an international dimension and my specialty in monetary economics was a helpful perspective. But that’s not really why I was asked on the board. I think the major reason was that I was a Christian. They felt that my worldview was similar to their own worldview. Therefore, in terms of service and ethics and a certain view of the human person and so on, they thought I would fit in well. Certainly, I think that Herman Miller and Service Master were two of the best boards I have ever sat on.

(SS) Right. So those boards were a really good fit for you. Would it be fair to say that you were selecting those opportunities and not joining other kinds of boards?

No, I joined and went on very different kinds of boards. I was international. I had worked for Margaret Thatcher, and many of them had a high view of Mrs Thatcher. I’d been involved in policy making and I had been in a very kind of privileged position at 10 Downing Street and that would have given me insights about how decisions are made, how you judge somebody’s character, and exactly how you define an ethical dimension to a problem. Also, I suspect they all thought I was really very independent and I think that mattered a lot. I always felt that if you were a non-executive, you should above all be independent and bring an independent perspective to the board. You should challenge anybody and everything if you feel it’s appropriate. But on the other hand, at the end of the process, you should also recognize we are playing in the same color shirt as that of the chief executive. And, if you don’t feel you can do that, you should just leave the board. That happened to me once—I left a board at the same time as another senior member because we felt like the whole direction it was taking in terms of executive compensation was the wrong one.

(SS) So what do you see as some of the current issues at the board level? You’ve mentioned some concerns about firms getting too large, but are there opportunities, too?

One tremendous opportunity and one real issue is this debate on what is the purpose of a company as opposed to making profits. And not that I think the stakeholder and the shareholder are opposed to each other: to be successful financially, you also have to be successful with your
stakeholders. The heart of the issue is what the ultimate purpose of your business is before you come to profits. I think more people are tackling that particular issue today than in the past.

(SS) True. In the United States there’s a whole new class of incorporation that’s allowed. Is there anything comparable in Britain?

Well, we don’t have anything exactly like the B-Corp. But, we do have impact investing, especially with smaller companies, and we do have social enterprises, which can be powerful vehicles. But today we also have so many other issues—for example, things like climate change, the gender pay gap, and culture. In particular, the views of millennials are really putting pressure on any board in terms of recruitment to show that they have a purpose which is much greater than just making money. For example, in London, if you want to recruit the best people, you have to show them what you are doing, how it’s relevant to the challenges of climate change, how it’s relevant to equality within a company, and how it’s relevant to creating a culture which people can be proud of, where they can say: “This firm is a great place to work!”

(SS) We’ve come a long way from Friedman’s famous article about the purpose of the corporation.

It’s very interesting that Friedman made a statement years later saying there was no difference between his views and stakeholder theory. There is a very interesting article in a recent issue of Acton’s Journal of Markets & Morality that tackles this.² It quotes Friedman’s response when challenged about his particular viewpoint.

I have sat on boards, at least Herman Miller and Service Master, which had a very strong ethical foundation and core to them. But on the other hand they were also very concerned with profit. And at every quarterly meeting, we were concerned with the bottom line. What Friedman really said was that profit maximization was within the context of the culture, the customs and the ethics of the community of which you were a part. So, I think today a lot of companies, not least in the whole banking sector, find it very hard to cover their cost of capital. It’s a very tough business. So you can’t sort of ignore the profit side, I mean it’s there, and it’s very important. But it has to be in the context of the bigger picture.
(TS) Let us stay on the topic of business. Do you see business becoming more of an influence, or less of an influence? Do you have reasons for optimism, and perhaps see specific challenges?

From where I sit, I think business is becoming more important in our society as governments seem to become more dysfunctional and break down. Look at the role private business has been playing in schools, in this country as well as in America; look at the role that it has been playing in the renewal of the inner city areas, and rust belt areas. Also, look at business in terms of its role in the life sciences, the whole issue of ageing, the genome, and the norms and implications of that. There is a huge role for business in there. So, in these examples, I don't see the role of business declining. When it comes to the environment, the interesting question there is that businesses provide a challenge to the environment, but they also can provide solutions. In the last year I joined the board of the Environmental Defense Fund, the largest pro-business, pro-environment think tank. A great friend of mine, Carl Ferenbach, is the chairman. (I got to know him through a deal with Goldman regarding the railway business.) What I find fascinating are the things we are doing in terms of the oceans and in terms of efficient farming so that you don't have undue loss of fish or extinctions. So, I see business as having a big role in these issues.

Also, just in terms of what it is that gives people satisfaction in their lives, I feel, as a Christian, that work is a fundamental part of life. Much as the God whom we worship is creative, so also is the person who works. So, we work and we get pleasure from working. I think business has to tap into that to be successful. It has to tap into the true nature of the human person. You can see how slavery is the exact opposite of that. As Henry Ford said: “Why do I always get a human person when all I need is a pair of hands?” I think the world of Henry Ford is gone. Therefore, business has something really important to contribute as we move forward.

Going back to B-Corps, the thing I like about the market system is that it allows you to have so many different kinds of ownership structures and have so many different kinds of objectives. You can have partnerships, private companies, public companies, partly state-owned companies, state-owned companies, B-Corps, and so on. You can have many, many different things. Also, microfinance impact investing. I think that is the genius of having freedom within a market economy, to able to
experiment with these structures and objectives. I am just amazed, for example, how as an asset class impact investing has grown up over the last ten years and how microfinance has migrated into impact investing. It is all very positive.

(TS) When you say that the government is more dysfunctional, do you see it allowing business to do the things you are suggesting and observing? Or, is part of the dysfunctionality the actual suppression of what businesses can do?

I think that is a very profound question because even from the beginning of modern corporations, like the East India Company in the seventeenth century, people have always been suspicious of business. It handles a lot of money, and people have made a lot of money out of it, and so on. Then, Marx came along and said we need state ownership, and that clearly was a huge experiment but after 100 years we know that doesn't work. Even so, people are still a bit suspicious and feel the need to watch these businesses closely. This is where regulations come in. One concern I have at present is that government could easily use regulations as a backdoor, or maybe not so backdoor, way to control business and make it more inefficient. I would definitely argue that in the banking system we are in danger of being over-regulated. It's something the ex-governor of the Bank of England, Lord Mervin King, has expressed publicly, and it is a sentiment I very much share with him.

(SS) Some of your most recent writing has been about impact investing and microfinance.

I first got involved in microfinance in the spring of 1971. I was doing some research on invisible barriers to invisible trade, which is the services industry. I went to Washington to talk to various people about aspects of it, particularly shipping and banking. There was a man called Doug Coe who used to run the Senate Prayer Breakfast. He said to me: “There is somebody I want you to meet, a man called Paris Wheathead.” He came from the same church as A.W. Tozer. We became very close friends and I was a pallbearer at his funeral. Paris said to me: “I have got an idea. I’m working on translating the Bible into languages in the southern Sudan among the Dinka people. When I am there, there are others like doctors, engineers, agriculturalists, and they’ve got great ideas about how
these people could either grow things or do things which would be much more productive." And he said: "I then come back to America and I try to raise finances for various things and I meet a lot of business people who have made some money and want to put some back into it." And I think Paris was, possibly even before [Muhammad] Yunus, the first: he set up an organization called International Investment Development Ltd, and it was really the first, or one of the first, microfinance institutions in the world.

(SS) That’s an interesting piece of economic history.

I should say that at the time I was 30 years old and I actually thought of leaving my job at the LSE to work permanently with him, but I ended up not doing it. But I kept up with that, and then got involved in other microfinance institutions, which were really based on the same principle. And I am still involved with microfinance.

(SS) You have been a lecturer, university professor, and dean of the City University Business School. How would describe what should be the foundation of education?

I think ultimately we are in danger of making education too technical—maybe it’s wrong to say too scientific, but certainly too technical. Too technical in the sense that is does not see the basis of education as being a worldview. You can only have a proper education, a full education, if you look at it in the context of a worldview. Certainly, in the past, American education has recognized the importance of this through Great Books courses. It also plays an important role in a Christian university, or maybe a Jewish university. It plays out by actually examining basic texts and relating that to a worldview. It’s something which I think is terribly important.

Let me expand on this through my experiences of being dean of a business school. First of all, it was like being the chief executive of an opera company or a ballet company: it was full of prima donnas. Secondly, I made no headway whatsoever in teaching ethics in the business school. I was actually asked by Michael Porter (professor at Harvard Business School) to teach business ethics at Harvard. I said to him: "Michael, I think ethics is about right and wrong, and you wouldn’t allow me to teach right and wrong." He said: "I am afraid that’s so."
In trying to teach ethics in an undergraduate program in banking, I was trying to get them to do something about banking history, which is very interesting, and I tried to introduce some great texts about banking history from people such as David Hume, Henry Thornton, Mill, and Keynes (his Treatise on Money that he wrote in the 1920s). But, it was a difficult thing trying to get some ethics into the course and curriculum, and in the end they didn’t want to know. You can create a course, but if nobody signs up for it... So I would say the university is a very difficult world to be in, especially today.

(MF) How might MBA programs weave ethics into business education? Henry Mintzberg’s book Managers Not MBAs notes the critical lack of cement between the bricks of functional business disciplines in business education. How can business schools do better without telling students “Don’t major in business, major in ethics”?

I am so far away at present from leading a business school. To the extent that I am very interested in culture in banks, I think I would not do it head on. But I can imagine having an examination of the business principles of various companies. Maybe study the business principles of companies which have clearly dropped the ball—you know, a case study of something like Dieselgate. But I would tackle it from the side, not head on. You see, if you tackle it head on, you have to face the question, which you can do, of what is the source of your ethics. And, if you do that, you are back to the Greeks and to civilization and Kant and everything else, and I think that is too heavy. So, sort of a slowly, slowly catch your monkey approach—that I think is what I would do.

(SS) In The Creation of Wealth (1984), you wrote: “It is only through the renewal of business with a moral purpose that we shall ever be able to meet the challenges facing us.” That was 35 years ago, and I very much feel I’m listening to the same person speak. Do you sense some movement towards a renewed moral purpose in business since then, and are there offsetting elements that worry you?

If I look back to when I was younger, there is much more explicit reference today to ethics, to morals, to standards in business, and to purpose, than there was then. Now, it is out on the table that this is a real issue that
firms have to grapple with. Also, if you look at the social responsibility of business—corporate social responsibility—and so on, what we had in the 60s is like a side-car to a motorbike compared to what we have today. Back then, the whole issue of the social responsibility of business simply was not fundamental. It’s what people did after they finished the boardroom agenda, and then there was a section on it, where they could stand up and say, “but we are interested.” They could say, “We are interested in the future of energy” and so on, but it was not central. Today, the issue is raised about a moral purpose, about the purpose of business. It’s entered the DNA of corporations. So, whether it is our environment, climate change, whatever your view, I don’t think you could stand up anymore as a chief executive of a major company and say it wasn’t something on your agenda. For example, you have to have worked out how the buildings you are putting up fit in with our environment, because the people who vote in the ballet box, your consumers, your workers, your suppliers, your regulators and so on, have concerns about these issues. That has been an important change.

Also by way of example, one needs to think through the way you address the whole issue of gender inequality, or racial inequality, sexual preference, and so on. Not only have the laws changed but business has to have a concern for the person as a person, and how you manage that person. In the past, Human Resources focused on what kind of form you had to have, getting a standard pay system, figuring out pension plans. Today there is a different feel about it. When I talk to people in our Human Resource management, there is a genuine concern: How can we help mothers with very young children, or how can we help people who have to look after aging parents? How can we make their lives easier for them? How can the health facilities we have help the people who work here? I would say it’s much deeper and more embracing than it was in the past.

You look skeptical. I would say that Herman Miller was actually one of the leaders of all of this. There were small things that impressed me about Herman Miller. Things like their Design Yard. It is in the middle of fields. In the plant, people make freshly cut sandwiches for people to have in the canteen. Once a year, Herman Miller still has a picnic which celebrates the community. I think that is a terrific occasion and is a celebration of what Herman Miller is about.
(TS) Going back a bit, you mentioned the need to engage with great books. Can you give us a few examples?

Well, I would say something like Aristotle, his *Ethics* or *Politics*, John Locke, or Edmund Burke on the French Revolution, and de Tocqueville on America. Those are the sort of works I was thinking of, just in order to broaden people’s minds.

(TS) This is in response to the technical direction that education is going?

Yes. I think it’s very easy in the present for somebody to do a university course which could be very mathematical, very science-oriented, very information science-oriented, but without really exploring what it is to be a citizen in this world. And I think something to broaden people’s minds is very important.

(TS) Is there any specific Christian book, other than Scripture, that you would have a student engage in?

Well, that’s a big question. For myself, I find some of the major Catholic theologians a bit hard going. Like Thomas Aquinas and so on. I would equally find Calvin really hard going. The people who opened my mind were Francis Schaeffer in his very simple book called *Escape from Reason*. For me, that was the beginning of understanding worldview. The work of people like Richard John Neuhaus and Peter Berger also influenced me a lot.

(TS) That’s a good start. You are tapping into our liberal arts inclinations.

(SS) You must have at some point met Michael Novak?

Yes! And *Democratic Capitalism* would be one of my great books.

(SS) Did you happen to be part of the group of economists who advised Pope John Paul II on the development of *Centesimus Annus*?

No, I’ve done a lot with the Vatican since. I helped start a course there, E4E—Economics for Ecclesiastics. It’s for priests, seminarians, and consecrated lay people. Pope Francis had assigned Cardinal Pell to clean up the Vatican banks, and when the Cardinal saw it he said: “This course should be the equivalent of an MBA, but in church management.” So,
today the course is up and running—we just started the second year. I was in Rome the weekend before last at a coming together of donors, a number of Americans. The course is year-long, but it's in concentrated parts that I still teach. I teach basic economics, mainly microeconomics, and I teach it within the context of Catholic social teaching. Not that I don't have some questions about Catholic social teaching, but by and large I am very sympathetic to it. I think there is a coming together of Catholic social teaching and reformed social teaching. As an aside, and speaking to this issue, another great book would be Richard Mouw's book on Abraham Kuyper, *Abraham Kuyper: A Short and Personal Introduction*. I also enjoy Kuyper's 1898 *Stone Lectures* at Princeton. Two other authors I would recommend are Neil Plantinga and Nicholas Wolterstorff. Plantinga wrote an excellent book on the Kuyperian worldview, and Wolterstorff wrote an essay in a book published by the sociologist Robert Wuthnow at Princeton. The essay refers to Max De Pree and Herman Miller along with John Locke and his view of humanity.

(SS) Your research and writing spans multiple genres and topics. Which piece has the most meaning for you in retrospect, and which has had the most lasting influence?

[Sigh] No, I hate to say it, but “I don’t have a clue” is the honest answer. I actually want to write something in the present on the theme of the crisis of democratic capitalism. Novak said it beautifully and I think the heart of the current crisis is culture. And the heart of the culture has become so libertarian that, you know, we are undermining our economic and political system. I would distinguish freedom in a liberal tradition from a libertarian who really says anything goes, and from a personal libertarian ethic on such things as the distinction between male and female, between adult and child, between family and no family. These are basic building blocks of a social order. I think what’s happening with the undermining of the Christian faith and with the undermining of the family, is that we are seeing the breakdown of a social order. That is a very worrying development because the only way to counter that is to have a less liberal society ultimately.

(SS) That’s worth a book, in my opinion.

That is kind of you, Stephen. A short one. I am very interested in this. If you look at the rise of the free market in Britain, it was not like the
belief in the free market in America. In America, you have had a belief in 
the free market for a long time. I remember as an undergraduate picking 
up a Friedman’s book, *Capitalism and Freedom*, and thinking, “This guy 
is crazy.” With vouchers, I had no idea what he was talking about and 
I just thought he was crazy. It was so far from where the debate was in 
the UK. People in Britain think that the rise of the free market was an 
American import, and they think it was a totally different kind of culture 
that’s been brought in. Therefore they see Friedman, Hayek, and they see 
deregulation, and they see Thatcher, and she comes out of this very badly 
because she encouraged all these people in implementing these policies. 

I see it very differently. I think after the Second World War there 
was a major change in the social contract in British society. Churchill 
won the war and lost the election. We had the most left-wing Labour 
government we ever had. We nationalized swathes of British industry. 
We introduced a welfare state. One of the architects of it was William 
Temple, who was the Archbishop of Canterbury, in his book, *Christianity 
and Social Order*. I see fundamentally that growth of the free market 
in Britain was a response to the failures of that social contract because, 
from an economic point of view, the state-owned industries proved ineffecteive. Keynesianism had no answer to rising unemployment accom-
pained by rising inflation. Prices and income control were a disaster. In 
1966 in Britain, we had a white paper called “The National Plan.” It was 
an idea that we would plan the British economy. You know, all of those 
things failed. The welfare state, meanwhile—a terrific innovation and 
very important—also found itself with people just abusing it and abusing 
what it offered. So, I see the rise of, say, Thatcherism, the market, privat-
ization, monetarism, understanding the dangers and the cost of inflation 
alongside the cost of unemployment, I see that increasingly as the failure 
of that new social contract. Therefore, what happened in the rise of the 
free market in Britain was a response to failure. It wasn’t like somebody 
came along, standing on a soap box, saying we have this new philosophy 
and so on. It wasn’t that at all. It was something very pragmatic. 

Then of course, we have the excesses of it at the same time as you 
have the secularization of British society. I just read a book in which 
the thesis states that between 1957 and 1970 the “South Bank” religion 
emerged as a mixture of John Robinson, Bultmann, Tillich, and people 
like Bonhoeffer—though he is in a bit of a category all his own—and
Harvey Cox at Harvard. This view was a major spur to secularization because it said you can be a Christian but you don't have to go to church. You don't have to believe all these things like the resurrection; all of that can be dismissed, “modern man come of age,” and so on. So it is fascinating that first of all we have a social contract led by an Archbishop of Canterbury and then the failures of that in human terms; then the church turbo-charging that failure through [Robinson's] “Honest-to-God” theology. And then, of course, the rise of the opposite, the rise of neo-conservatism in Britain—not libertarianism, though you see in popular culture some elements of libertarianism—and so where we are today the response has been the growth of socialism again.

(MF) Having worked so closely with Margaret Thatcher, do you think she was essentially wasted in the UK? Had she been the same person in America would she have been received better as a president, compared to here, where she was loved on one side and hated by the other?

It'd be interesting to think, which state would she have come from if she were an American? Texas?! That is a very interesting question. She was in some ways very English. When it came to writing a speech, she would always start with Magna Carta, written in 1215, which is basically the king against the barons. The barons had land but they wanted to limit the powers of the king. (I'm a baron myself but I have no land!). This is really the beginning of liberty in Britain and of the constitutional monarchy. Then, from there you have civil war, the importance of Parliament, the increase in suffrage, people voting and so on. She sees there the growth of liberty and I think to me she was actually quintessentially English. I say that as a Welshman. She was very much part of a sort of traditional English society, with everything that's good about it. You know, she was brought up in a very small town. I remember her telling me that every Christmas her mother (who she didn't talk about very much, but she talked a lot about her father) would make scones and cakes to distribute to a lot of people in the town. And, when she was in Number 10, she always insisted on having singing around the Christmas tree. I started there in the summer and by the time it was Christmas, she said to me: “Brian, your name is Griffiths, you are Welsh, so you are a good singer. You can join the choir.” [Laughter]
(SS) When you look back on the Thatcher era, which of the policies you worked on has seemed most lasting, most beneficial? And are there things, looking back, that you would do differently?

Well, since the period before Mrs Thatcher, we have actually controlled inflation. So, in that sense, the advent of monetarism was something very important. Thus, her commitment to having control of inflation is key. After that, the control of public expenditure is key, so you don't run budget deficits which you may have to finance by printing money. After that, reforming the structure of the economy is required to make you more efficient. I would say that has been a lasting part of it on the economic side. For myself, I was very involved in education reform. Without boasting, we basically changed the school system. We gave parents much greater control, much greater choice of areas they can send their children to. And state schools—we created new kinds of schools, city technology colleges, a bit like some of the new kind of schools you've created in the US. I asked Mrs Thatcher to meet William Bennett, for example. He then asked me back to the States, and sent me to see various schools in Spanish Harlem and down in Camden, New Jersey, where new ideas had been put into these schools. We introduced a testing system and a national curriculum (which was quite small). That policy was taken over by John Major, who expanded it. When Tony Blair came in, he ramped it up throughout the whole system. When Cameron's government came back in, it was expanded once again. So, I think the major building blocks of that education reform—even though there are problems that I wouldn't deny for a minute need to be addressed—was something which was lasting.

I would say that the privatization of companies, by and large in steel and the airways and so on, has been a good thing. I think where we have run into trouble with privatization is in something like the railways. I don't think people want to go back to the era of British Rail, but there are things that need sorting out. When it comes to having regulatory bodies regulating an industry, then I think sometimes the industry can form a kind of oligopoly against it. But that is not my special field. I think energy companies, electricity companies, and the like need looking at.

I think the other thing that's worked really well was the sale of council houses (public housing) to people who otherwise would never really have a chance of owning. That was a policy. If you ask me today, what is the prime requirement of our system, I think it is the need for
much greater ownership. People don’t have enough of a stake in economic life. To me, the sale of council houses was almost a Jubilee kind of policy and I think at present we need something desperately in housing policy. But, in terms of the ownership of firms and so on, I think people actually owning a stake in the firms they work in is a great thing. I think we could be doing more in that direction.

(TS) Whenever I sat and listened to you with our students, it seems you had a plethora of activities outside of your “full time” work at Goldman Sachs. How do you go about deciding when to say yes to certain opportunities and no to other opportunities?

I think with great difficulty, and I am very bad at it. So, I am not a very good example. I mean, I think you have to be ruthlessly disciplined. It is very hard, particularly when somebody who has helped you a lot asks a favor in return. But I have never been full time at Goldman, and I have never had an executive job, otherwise I could not have done what I have done. I was asked not long after being here if I was interested in being a partner. And I just laughed; I said: “I couldn’t do what I do”—and that laugh cost me quite a lot of money! [Laughter] But you know, I couldn’t have done what I have done. On the other hand, Goldman has been very kind to me, and still are, and very understanding. But as John Weinberg said when he offered me the job back in 1991: “You can do whatever you want to do, but occasionally the cash register has to ring.” It has been like that since I began and I think that they wouldn’t still have me in the building if I wasn’t of some value.

(TS) Have any of your volunteer efforts been especially meaningful or surprising for you?

It’s helping the person you never thought you were helping. One time I observed a very interesting situation. It was in China, and my wife and I had been looking at a particular factory, which made tiles. Afterward, we went off to have some dinner with this person, who was a Harvard business graduate—this was back in 1993 or 1994, so there weren’t many of them at the time. He said to my wife and me: “We have been watching you.” And what he wanted to know was why we seemed to have such a good relationship. I thought that was really very interesting. So you know, the way we treat people, everyone, is very important. Sometimes,
taxi drivers, if they know I am coming to or leaving Goldman, they start talking about what it’s like dealing with people in banks. Some of the stories are hair-raising—that is, the lack of respect there is for taxi drivers by we who are professionals. And it’s the small things which have really often meant a lot, by just helping somebody you know. For example, I hosted someone from the small town in Wales where I have a cottage—just to come to London and see what is in here, to see what job opportunities could be had after university, and so on. To see someone like that really develop—that has given me a lot of satisfaction.

(SM) What advice would you give to a young Christian economist today? Are there particular topics people should be reading or writing about, or things you would caution the profession about?

I think that is a very good question. I would say there are some issues in economics which anyone can tackle, and you would not bring anything distinctly Christian to it. I have said how I believe history is very important, hence the great books and so on. But, the whole history of economic thought, and the way in which that has been fashioned within the Judeo-Christian approach, is actually something which is very interesting. In the past, some scholars have really tackled that. It would be a fascinating study to see how, say, John Stuart Mill’s utilitarianism and liberty, or Bentham’s utilitarianism, would fit in with or not fit in with the Christian perspective. Or Mill’s view of liberty and how liberty spills over from the economic to the social. I think there are some really interesting things there including the whole issue of what happens inside institutions, particularly in a business school. I think today a business school would be far more open because of everything that has happened. Just look at the speeches made by heads of state—Obama’s speech about the 2008 crisis, and Theresa May’s on the need for greater involvement in the governance of companies by the governed. This was a very interesting speech she made when she first became the leader. People said it went back to Chamberlain’s Birmingham speech at the beginning of the century. There are things like that, there are lessons to be learned there, which are not at the cutting edge of economic theory, but they are very important.

One of the things I have always been interested in is the minimum wage. What we found in Britain is that even though we upped the
minimum wage quite a bit, unemployment hasn’t been affected. But what has been affected is the nature of jobs. This is because we have more zero-hour contracts and things like that. That’s where I think economics is very powerful in showing the unintended consequences of the policies of good people—the unintended and bad consequences of policies of good people.

(SS) That was the final question. Thank you, thank you.

It has been my great pleasure.

Endnotes

1. Editors’ note: “Fforestfach” is Welsh for “small forest.” In spoken English, “Fforest” is pronounced as “forest” and “fach” rhymes with “Bach.”
