



The Economic Crisis and God's Economy

Revelation 18:11-13. *And the merchants of the earth weep and mourn for her, since no one buys their cargo anymore, cargo of gold, silver, jewels and pearls, fine linen, purple, silk and scarlet, all kinds of scented wood, all articles of ivory, all articles of costly wood, bronze, iron, and marble, cinnamon, spice, incense, myrrh, frankincense, wine, olive oil, choice flour and wheat, cattle and sheep, horses and chariots, slaves—and human lives.*

The new heavens and new earth described in the Revelation of John include the liberation of human beings from bondage to the vagaries of the economy, as well as from sin and death. All the scriptures look forward to that day when God's promises shall be fully realized. This hope that we share for that future moves us to address our present situation as well. As we believe in our response in Morning Prayer—"we shall never hope in vain"—we have the strength and resources to challenge and change the economic ideology that has brought about the greatest financial crisis since the Great Depression.

The United States has slowly begun to recover from the crisis of the past eight years, but we are far from overcoming the intellectual and spiritual vices that led to it. We as a nation have learned little from the crisis. There have been some small structural changes in the organization of the US and global economy, but nothing like the radical reformation that many expected in 2008 and 2009. Some had hoped the basic framework and principles of the discipline of economics would be reconsidered, since that framework and those

principles failed to predict and comprehend the nature and scope of the crisis. So far there has been little evidence of such reconsideration. Our political will is no better; both parties have simply doubled down on their old arguments. Another crisis will happen if there is not radical change, beginning with us.

As people charged with cultivating Christians in the here and now for life in God's eschatological economy, we are concerned that as followers of Christ and as a society, we have not confronted the full scope of the crisis. There has been little religious reconsideration of the path we are on and the goals we have set for ourselves—as persons, as societies, and as the universal community of God's people on earth.

The economic crises of the nineteenth century led to the emergence of Christian socialism within Anglicanism and to the Social Gospel Movement in the United States. The crises of the 1930s led to the rise of Christian realism, the Catholic Worker movement, and—though the white churches didn't recognize it for several decades—the beginnings of a remarkable

movement among African-American religious leaders and communities for full recognition and participation in American life. Yet so far there has been little religious response to the present economic calamity. We know that God is always at work. How shall the household of God respond?

The economic crisis that began in 2008 did not simply lay waste to paychecks, home values, and jobs—though it did do all that, and still does for far too many. It also reveals a larger crisis, a challenge for God’s economy, and in God’s household, a judgment on the people of God. Beyond the immediate impact on our finances, the Great Recession has aggravated our sinful tendencies to subvert the common good in favor of short-term, narrow self-interest, both individually and corporately. It seduces us to believe and behave more as consumers and investors than as Christians. Most fundamentally, it reveals to us the deep abyss that yawns between what we profess and what we actually do.

I. The Crisis of the Common Good

We ought frankly to acknowledge a cultural fact about our immediate national context—the United States—that too often goes unrecognized: We believe in the common good only when under threat. Witness the coming together of America after 9/11 or at various moments of the Cold War or other major wars. We seem otherwise prone to dissensus and conflict. The *e pluribus unum* motto of the United States is more a statement of wishful thinking than fact.

Recent decades have seen an even more severe undercutting of the common good. Economic inequality has markedly increased since the 1970s, and opportunities to move up the economic ladder through hard work and good fortune have dramatically declined. The “One Percent” grow enormously wealthy off the profits of casino-like financial markets, while the rest of us tread water or go under. Corporate commitments to “shareholder value” over “stakeholder value” pit investors against the workforce, delivering profits into the hands of those fortunate enough to have had the capital to invest in corporate stock. This

gives new and strange meaning to Jesus’ words, “**For to all those who have, more will be given, and they will have an abundance; but from those who have nothing, even what they have will be taken away**” (Matthew 25:29). Income inequality has reached a new peak in American history, surpassing even the highest levels before the Great Depression.¹

We can no longer stand by and rely on progress and rising standards of living to bring economic security to those below the One Percent. What some have called “the great risk shift”—a general shift from social to private assumption of risk with the decline of unions and the American welfare state—has brought insecurity and anxiety for workers, whose narrow shoulders must now bear an ever-larger share of the burdens of life in an unprecedentedly complicated society. All too common at present are so-called “right to work” anti-union laws, predatory forms of capital investment, and winner-takes-all competition between communities and whole nations. Mobile capital in our current economy sets communities against communities, in the effort to attract and keep jobs in the area.² Even those fortunate enough to have employment face insecure working conditions; full-time employment increasingly fails to guarantee a pension plan, health insurance, or job security. Finding new employment is very difficult, and replacing one job with another of equal pay and benefits is increasingly rare.³

The harmful effects of increased inequality are substantial and hard to miss. Social scientists maintain that economic inequality brings a mistrust of both neighbors and strangers, a decline in social solidarity

¹ The top decile income share is now higher than it has ever been (over 50 percent) since the IRS reporting referred to here started in 1917. See <http://www.equality-of-opportunity.org>. Thomas Piketty in *Capital in the Twenty-First Century* (Cambridge: Harvard University Press, 2014) shows this graphically. 1910-2010, Figure I.1, p. 52.

² See Jacob S. Hacker, *The Great Risk Shift. The New Economic Insecurity and the Decline of the American Dream* (New York: Oxford University Press, 2008). Consider, for example, the recent actions taken by Boeing in the state of Washington. Despite posting very healthy profits, Boeing got machinists to agree to cuts in both wage and retirement benefits, in order to keep the 777 contract in state. Through similar actions in both December 2013 and January 2014, Boeing essentially broke the negotiating power of historically strong unions in Washington.

³ <http://www.nber.org/digest/sep11/w17040.html>

and concern for the overall well-being of society, and a penchant to think in short-term, purely self-interested terms. Such results are unhealthy (both spiritually and physically): Opposing one's own interest to that of others diminishes both self and neighbor. Dramatic inequality, moreover, is counterproductive in purely economic terms. It leads, for example, to the marginalization and exclusion of the least among us from active participation in a market economy.⁴ Accelerating socioeconomic stratification also means that in most of America, those who are financially secure rarely come face to face with their neighbors who are not.⁵ This normalization of estrangement makes it harder for people to come together, both in democratic deliberation over how to politically order our lives together, and in Christian fellowship. In short, economic inequality—and the insecurity it brings for many—has diminished our common life even as it has reduced the welfare of the least—indeed, of most of our society.

This is the context in which we must speak: of growing economic pressure on ordinary men and women, of declining commitment to the common good, and of a large-scale indifference, especially on the part of the few who are materially well-off, to the economic, political, psychological, and spiritual plight of the many. Today, even the use of the term “the common good” is suspect in many circles. In this setting, how are the people of God to speak to, and manifest, the cultivation of the common good, and how should we all work to care for the least and the lost among us?

II. The Crisis of the Human Person

Consumerism

Our economic situation has not only affected our social bonds and the quality of our communal life. It has revealed, and further aggravated, a set of maladies deep in our souls, related to the pathologies of a consumerist economy. It has done this in at least two ways.

First, our consumer economy promotes an endless quest for new modes of satisfaction, each of which

proves fleeting and merely whets our appetite for the next consumer experience. Culturally, this unending quest diverts our attention from questions of virtue and meaning, character and purpose. Institutionally, a disproportionate percentage of our consumer economy is devoted to and driven by products that fuel such distraction while failing to address true human needs.

The Christian faith teaches that true joy and a healthy sense of self come not from getting and spending but from right relationship with God and neighbor. Yet we find ourselves caught in a culture that does not help us to ask what a good life is apart from material possessions. How in such a situation can our churches contribute to parishioners' overall health—physically, psychologically, and spiritually—by showing a different way to a new form of life, individually and communally?

Second, the consumer economy shapes our sense of vocation and our overall experience of our own identity, by reducing agency to the narrow act of choosing. Human action gets redefined as the *ex nihilo* action of a human being with no lively and ongoing commitments, no influencing history, and no responsibility before a larger future. We live in a world where the dominant way of thinking about ourselves is one in which we are the only actors who determine our choices. *Homo economicus* in this view is a rational independent actor making economic choices solely out of self-interest.⁶ For over twenty years, theorists have been debunking the existence of this “person.” But we still act as if such a demonic creature were real.⁷ It burdens us psychologically and spiritually with

⁴ It is worth noting that societies with more equal income distribution experience more durable growth. See <http://www.imf.org/external/pubs/ft/sdn/2011/sdn1108.pdf>. When confronted with economic arguments like this, defenders of *laissez-faire* capitalism often retreat back into a curious amalgam of moral and Darwinian arguments about survival of the fittest. “Economic justice” however can be usefully summarized as those conditions in a given economy in which all people in that society are free to be actors in it. This is arguably also the condition for the maximization of economic efficiency.

⁵ See, for example, Bill Bishop, *The Big Sort: Why the Clustering of Like-Minded America is Tearing Us Apart* (New York: Houghton Mifflin, 2008).

⁶ See, e.g., Milton Friedman, “The Methodology of Positive Economics,” in *Essays in Positive Economics* (Chicago: University of Chicago Press, 1953.)

⁷ See, e.g., Avner Ben-Ner and Louis Putterman, editors, *Economics, Values, and Organization* (Cambridge: Cambridge University Press, 1998).

obligations of self-creation that would be cruel if ever actually lived into. As a result, we as a society have no way of talking about how we are brought into being and shaped by others that does not smack of tyranny.⁸

Scarcity and Insecurity

Beyond consumerism's corruption of human character, our economic order inflicts other forms of moral and spiritual damage. In the wake of economic downturn and as real wages decline,⁹ we must become sensitive to the corrosive personal effects of both poverty and economic insecurity. Among the affronts posed to human dignity is the inability of the poor to exert agency over their lives and to plan deliberately for the long-term future of their families. Research shows that living with financial stress—whether the chronic burden of debt, the pain of job loss, or the instability of underemployment—leads to poor health outcomes such as mental illness and familial instability, including increased levels of abuse of spouses and children and marital breakup.¹⁰

The phenomenon of obscenely excessive executive compensation, which is completely disconnected from corporate performance, has created a caste that expects to be paid several hundred times what the least-paid employee makes.¹¹ This in turn feeds the myth of the self-made tycoon who demands—and receives—the adulation of the media and the general public. Such exalted figures have access to financial instruments not available to the rest of us that leverages their compensation into even higher levels. No civilization in the past had a standard of luxurious living that the very wealthy enjoy today. This leaves the vast majority in a permanent state of envy on the one hand and discouragement on the other. Working for as little as one-third of one percent of the boss's pay destroys the dignity that work is meant to give us.

The low-wage economy that America has suffered from since 1979 has been maintained by, among other supports, a huge outlay of public money. This is in effect a government subsidy for corporations whose business models are built on paying poverty-level wages. Avoiding having to pay full-time salaries, benefits, and overtime, keeping hours under the

legal threshold, these corporations rely on their employees' use of public assistance to survive. This costs American taxpayers an estimated \$150 billion annually.¹² The inaction of Congress to enact fair minimum-wage levels has aided and abetted this diversion of the national treasury. And having to rely on public assistance for health care and other foundations of a minimally adequate life only contributes further to the degradation to which American workers have been subjected.

In sum, the culture of the contemporary form of capitalism demands that humans serve the needs of the economy, rather than the reverse. The proven ability of markets to distribute goods and services efficiently is mistakenly taken to mean that free markets are the best solution to every social problem—even if, in fact, the market in question is free. Enthralled by blind faith in the market and enslaved to market demands, we subordinate all other human ends—political, social, environmental, and spiritual—to the simple need for economic efficiency and growth. Increased Gross Domestic Product does not necessarily, however, bring with it growth in the common good. As we have learned anew since the financial crisis—with the incomes of the top One Percent bouncing back and those of the bottom 99 percent barely budging¹³—growth can be achieved without anything approaching just distribution of its fruits.

In fact, unquestioning obedience to supposed market imperatives, whether at the level of city, company,

⁸ Milton Friedman derided moral norms in business as mere "ethical customs" that should receive no consideration at all. "The Social Responsibility of Business is to Increase its Profits" *The New York Times Magazine* September 13, 1970, accessed January 12, 2015, at <http://www.umich.edu/~thecore/doc/Friedman.pdf>.

⁹ See <http://www.epi.org/publication/a-decade-of-flat-wages-the-key-barrier-to-shared-prosperity-and-a-rising-middle-class/> and <http://www.washingtonpost.com/blogs/wonkblog/wp/2013/08/21/between-2000-and-2012-american-wages-grew-not-at-all/>.

¹⁰ See <http://http-server.carleton.ca/~jmantler/pdfs/financial%20distress%20DSI.pdf>.

¹¹ See http://www.washingtonpost.com/opinions/robert-j-samuelson-the-ceo-aristocracy-may-not-be-worth-all-that-money-they-get/2014/06/22/d0bbd596-f888-11e3-8aa9-dad2ec039789_story.html.

¹² See <http://laborcenter.berkeley.edu/the-high-public-cost-of-low-wages/>

¹³ See <http://elsa.berkeley.edu/~saez/saez-UStopincomes-2012.pdf>.

or government, frays social bonds and undermines living conditions, especially for the most vulnerable among us. As we saw in the buildup to the financial crisis, profit pursued without regard for human dignity promotes unscrupulous lending practices that entrap the poor in unsustainable levels of debt. The unrelenting search for profit encourages labor generally to be treated as if it were capital. But human beings are not that: They are not, like capital, infinitely fungible, utterly dynamic, frictionlessly interchangeable, totally fluid. They are instead sticky, stubborn, sluggish, partial, parochial, idiosyncratic, and unique. Each human being is distinct and particular in ways deeper than capitalism with its simple concern to meet consumer demand can recognize. “Having it your way” may suggest a respect for one’s individuality, but such respect lags far behind the cherishing of one’s person to be found in God’s economy. Because human beings are not capital, talking about the need for a fluid and dynamic workforce in today’s competitive global marketplace hides from view the painful and often prolonged insecurity to which workers—who do not have the easy mobility of money—are subject in the wake of economic upheavals and industry relocations.

Jesus showed God’s fundamental concern for humanity when he said, “The sabbath was made for humankind, and not humankind for the sabbath” (Mark 2:27). How much more does his gospel proclaim liberation from the chains of mammon! Human beings are not made for capitalism; capitalism must be made to work for human beings—and not just a select *few* of them.

Capital is the basic building block of an economy, when it is reinvested in productive processes, and that is the proper role of capital markets. It is not, however, a fundamental building block of human life. Financiers have transformed capital markets into a “casino” in which a happy few get to play, backed by an unregulated “shadow” banking system worth tens of trillions of dollars. It has already required one bailout by taxpayers, and unless serious regulatory reforms are undertaken, this will happen again. When the whole of human life is remade in order to fit within a system designed for large amounts of capital to be siphoned off to enrich a few, this version of capitalism mutilates and stunts human lives.

III. Can Anything Be Done?

Christians have managed to live out and proclaim the gospel in every economic age. The present system is not inevitable, nor are the challenges it presents altogether unprecedented or insurmountable. What is needed is a renewed economic imagination, action to challenge and reform the political and legal structures that maintain the current system, and fresh attention to what God is already doing in and through our local congregations and communities.

The first step is to challenge the dominant economic imagination, which means challenging economists to develop a keener awareness that can forewarn us of financial crises and prescribe effective remedies and a richer understanding of the full range of human community. As French economist Thomas Piketty puts it, as long as economists cling to their “infantile passion for mathematics and speculations that are always theoretical and very often ideological, to the detriment of historical studies and joining the other social sciences,” they will continue to play with “little mathematical problems of interest only to themselves, which allows them to have an appearance of being scientific while avoiding having to give answers to the more complicated issues of the world which surrounds them.”¹⁴ Some economists are working toward this end, but much more work needs to be done.

Speaking theologically, we may well need a “demonology” of the current economic imagination—a way of understanding how we are captive by an aggressive and insinuating imagination which is as seductive as it is destructive. In a way, this task is what social thinkers call the “critique of ideology,” but calling it demonology more properly captures the psychological power, spiritual dangers, and sheer intellectual *grip* of the current dominant economic worldview on our minds and souls.

“Woe to You Rich”

Our global economy is headed toward a crash in which even the One Percent will find themselves in poverty,

¹⁴ Piketty, *Capital*, 63.

if Piketty’s thesis is correct. Thus the church’s call for economic justice has an immediate, practical impact on the wealthy: If you want to keep your wealth, and all that it brings you, change or else.¹⁵

Second, we must challenge the political and legal structures that lock in place for markets and societies a pathological fixation on short-term corporate and investor profit at the cost of long-term human and environmental harm. This is a very difficult task, especially given current political conditions. In previous eras of economic crisis, the system was *forced* to change by trade union agitation and eventual legislation by the state. In this political moment, nation-states and unions are less powerful. Nation-states are in important ways at the mercy of capital—capital moves quickly between countries, forcing them to compete for its favors. Trade unions, gutted by changes in the workplace and in the law, have been rendered largely ineffective. The global church, with its potential to see the global scope of our community and our challenges, can help to remind all—its citizens, first and foremost, but also all citizens of all the worldly polities—of our common human vocation to care for the good of humanity and for creation as a whole. In particular we need the church to reinforce the traditional welfare concerns of the nation-state, now lost in the single-minded pursuit of unending profit, in ways that offer a rival international voice to global capitalism’s ideology of narrow self-interest.

Third and finally, we must attend to what God is already doing in and through our local congregations and communities. The greatest teacher in all things is God’s Spirit, and God’s lessons are made visible in the work of the Body of Christ. There is already a treasure-trove of concrete examples of faithful people developing economic alternatives. As in all previous eras, the wisdom manifest in the people of God must be our first schoolbook. As these communities go about their daily life and work, they can and do find new ways

to make the gospel an economic reality, from which we all can seek guidance and gain confidence.

God has called us members of the church, participants in Christ’s Body, to make the fundamental good of all human organizations, including the economy, available to all, and not just to a select few. This is an enormous task, but in the rest of this project, we give many concrete examples of faithful witness that give new ways to rethink our economic practices. We offer these thoughts in hope of that day when, through Jesus Christ, our Lord, the earth will be made bright with God’s splendor and the peoples of the earth shout for joy for our liberation.



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¹⁵ Piketty and other economists are agreed on a central thesis: Our present income inequality is due to capitalists who do not reinvest in productive processes but rather live off the rents their capital provides. As present savings rates are very low, inherited and saved wealth *appears* more lucrative if it is not reinvested in production. In the long run, however, such behavior only makes for depressions like the present one, and total crashes in the future.