

Capitalism, the Crash, and Christianity

Mark Douglas

Columbia Theological Seminary

This is how it is supposed to work: Companies freely compete with each other to produce goods and services that will be bought by consumers. The companies then reinvest the profit from those sales into the great system of production and consumption. Profit comes from keeping production costs (labor, overhead, inefficiencies, the mechanisms of production, etc.) lower than the returns they get from selling their products. Competition means they can't seek too much profit by selling high because consumers will buy from someone else who produces the same goods and services at lower cost. And since laborers are both free and consumers, companies can't pay too little to labor because laborers will go elsewhere, buy elsewhere, or both. As companies profit, they reinvest some of that profit into the projects of reducing overhead, becoming more efficient, and advertising. They share some of that profit with shareholders whose investments helped them either begin or continue running and who, in turn, either re-invest that profit or use it to buy more goods and services. They use some of that profit to pay off earlier loans. And they share some of that profit with labor so that laborers will stay put, work hard, and buy more. And the system will steadily spiral upwards, producing greater wealth for everyone.

After the fall of (most of) the communist systems and the reformation of the socialist ones during the last two decades of the twentieth century, the system seemed to be working. Not perfectly, mind you: various countries in the developing world were drowning in international debt that they'd already incurred and some countries in the "un-developing" world were largely left out of the global movement of capital. But defenders of the system argued that the cure here was to integrate them into the system rather than substantially revise the system. And from the perspective of many of us in the developed world, things were on their way to working out. Then, as if we'd crossed some kind of great economic equator, everything began to spin the other way.

Pursuing profit, companies sold more to consumers than the consumers could afford (and, encouraged to pursue bigger-and-better, consumers sought more than they could afford). When the debt that consumers piled up became unsustainable, they not only defaulted on the loans they were using to cover their debt but they bought less. Credit tightened and loans became harder to get. At the same time, companies—which also needed loans to cover their costs on the way toward profit—sold less because consumers were, collectively, struggling with debt and so could afford to buy less. With less profit available, companies cut production costs where they could (including by cutting labor) and were less able to attract investors. Threatened with the loss of income, consumers bought less and shareholders withheld investments. Credit tightened, profit shrank, etc. And the system spiraled downward, each turn destructively reinforcing the next.

My descriptions of those two spirals—call the first "clockwise" and the second "counterclockwise" for ease—are, obviously, simplified. I have left out measurable

complications like taxation, market share, international debt and trade regulations, inflation (and instruments for stabilizing currency against it) and government subsidies, all of which add complexity to those cycles. I've also left out the effects of less measurable matters like consumer confidence, the significance of social capital (e.g., goods that a society may treat as either a basic right or a legitimate social expense such as education, environmental protection, defense, and health care), and the non-rational effects of advertising on consumption. But those two paragraphs still encapsulate the two possible spirals in a broadly capitalist system.

Over the past ½ year or so, we've watched the clockwise spiral become a counter-clockwise one. With it, we've watched unprecedented stock market volatility, dwindling 401K's, home foreclosures, and job loss. Moreover, we've witnessed the messy politics of government intervention: rescuing banks, developing and debating stimulus packages, putting regulations in place to protect consumers, etc. Amid handwringing and handouts, fresh ideas and stolid ideologies, bravado and belt-tightening, the idea has been that if we put the right people in the right places using the right ideas, we can correct the foundering economy. So now we're trying to figure out how to reverse the spin again—to start spiraling clockwise into health.

If history and optimism are to be any judge, the spin will *eventually* reverse and our clockwise travel into economic health will begin. This still leaves open most of the important questions about how deeply we will spiral downwards, how long it will take to reverse the spin, and how many people—here and around the world—will be hurt in the process.ⁱ But at some point we will begin to climb and sometime thereafter, we will proclaim that we've learned our lesson, that we won't make the same mistakes, and that the capitalist project is once again resolutely and inexorably carrying us into a brighter future.

Of course, not everyone is on board with this project. Various groups (Christian and otherwise) are suggesting that we treat our current economic troubles as opportunities to get out of the system—to step away from spirals. They prophecy a new world built around noncompetitiveness and nonacquisitiveness. They point to the destruction and loss of natural resources that can follow from continued growth. They point to the likelihood of unjustly distributed goods in a system that cares more about production than consumption. They argue for a world in which we might learn to constrain—to limit, to ignore, to deny—the desires on which competition relies and capitalism succeeds.

In the first part of this article, I'm going to suggest that both those projects—the project of fixing the spiral so that it always goes clockwise and the project of attempting to get out of spiraling entirely—are doomed. Then, in the second part of this article, I'm going to suggest that we can learn a great deal about how to live in light of our recognition that such projects are doomed and that such learning may be of substantial benefit to the church as it struggles to deal with the current economic turmoil.

I. Mammon in the Maelstrom

From the perspective of the Christian faith, there are two easily available answers to the failures of economic systems. The first is that people sin: we're greedy, we cheat, we want

others to bear our burdens, we deceive ourselves about who we are and what we can do, and we create political and economic systems that reinforce and multiply our sin. The second is that people and systems are finite: we build systems that are more complex than we can understand or control, we can't predict the impact of our decisions, and we inevitably miss seeing things that would have helped us prevent catastrophe.

Both these answers are true. They're also unhelpful. Saying "sin" and "finitude" are the reasons for our current crises is a bit like saying "Tiger Woods is the best golfer in the world because he consistently shoots the lowest scores over 72 holes." It's true but it doesn't clarify what it is about Tiger's physical ability, mental focus, attention to detail, and training regimen that separates him from other golfers. We need details. We need specificity. We need to train ourselves to attend to complexity. And even then, we need to recognize that we couldn't produce another Tiger because all that attention to detail still wouldn't be enough.

Likewise, when we look at the current economic catastrophe through the lenses of sin and finitude, we still haven't said enough. From a Christian perspective, sin and finitude are universal conditions: there aren't any non-sinful or eternal ways of shaping economies. So we need specificity. What is it about capitalism in general—and about the current form of global capitalism in which more profit comes from trading money than from producing goods in particular—that makes some particular kinds of sin more likely than others and makes particular expressions of our vulnerability to the uncontrollable more dangerous than others? What dooms these particular projects of reversing the spin or getting out of the system?

One starting point toward answering those questions is to notice that among available economic systems, capitalism actually pays more attention to sin and finitude than others. It assumes greed and treats competition as a natural brake against greed's excesses rather than trying to extract it from the system. It recognizes human finitude and so shapes the movement of capital in adaptable ways in order to deal flexibly with the unexpected.

Christians have long been warned about the dangers of mammon. 1 Timothy 6:10 reminds us that the love of money is a root of all kinds of evil and Jesus reminds us in his Sermon on the Mount that we're always tempted to turn money into an idol and that we can serve God or money, but not both (Matthew 6:24). Wealth has always tempted us to trust it rather than God.

What we've seen since the rise of modern capitalism in the sixteenth century, though, is a bit trickier than just another old school expression of idolatry. The "genius" of capitalism has been that it doesn't present itself as an occasion for treating wealth as an idol. It suggests that we should make mammon serve us rather than us serving mammon—that we should see it as an object and thereby resist treating it as something more. In capitalism, the purpose of money isn't to have it or adore it but to use it to make more money. Greed, not idolatry, is the first vice of capitalism. So capitalism isn't just about money. It's about a particular way of making and using money.ⁱⁱ

Said differently, capitalism neither asks us to be satisfied with who we are and what we have nor suggests that if we just put the right systems in place we will be satisfied with ourselves and

our stuff. It doesn't ask us to treat it as a kind of divine economy. It doesn't present itself as a final answer to questions about how to produce, distribute, and consume goods. Instead, it asks us to recognize our own deep dissatisfactions; indeed, it promotes them. It plays on our yearnings not by answering them but by recognizing them as yearnings and encouraging us to yearn. Far from offering itself as the means by which our desires will be fulfilled, it needs those desires to continue. It wants us to continue to want.

So rather than offering itself as a solution to all our problems or as the clearest expression of the Kingdom of God in our midst, capitalism offers itself as a kind of interim approach to money—as an economic system to use for the time being while we await the coming of God in full glory and the utter transformation of the world.

Many contemporary critics of capitalism—particularly those in the church—begin their criticisms here. Capitalism, they argue, is so focused on the present world, so willing to abide with sin and finitude, and so unwilling to propose solutions to the problems that sin and finitude create that it simply cannot promote moral growth while serving as the engine for economic growth. It ignores the great moral questions of how to justly distribute goods, of how to treat persons as something other and nobler than free competitors, and of how to address the suffering of those who are hurt by its processes. Adam Smith may have written *A Theory of Moral Sentiments* as well as *The Wealth of Nations*, but he had to write it as a separate book because even he couldn't see how to reconcile capitalism's efficiency in pursuing wealth with the moral pursuit of the common good. Critics suggest that a moral economic system would emphasize cooperation rather than competition, plentitude rather than scarcity, and satisfaction rather than desire. They suggest that we should want less and share more. They argue that we should start at the end—with a vision of what an ideal economic system would look like—and work backward. Begin with the Peaceable Kingdom or with the perfect and endlessly self-giving love of God and build around that vision. We should imagine a different and final economy of the kind that God will bring about (not an interim one like capitalism) and then develop that system. Ironically, the critics' fear of greed pushes them back toward the risks of idolatry.

Even more ironically, capitalism's most vociferous defenders also tend to promote a vision of a final economic system, though in their case they confuse capitalism with such a vision, seeing it as both the greatest and the last form of economics (*a la* Francis Fukuyama's "End of History" thesis). They want capitalism to be something that it, itself, doesn't want to be: a final economic solution; an end to economic history. They want us to be content with it when it, itself, allows us to recognize our own discontent. And as a result of their commitment to treating it with superlatives, they end up sounding more like that other great proselytizer of a final economy—Karl Marx—than they'd ever admit. Perhaps that's why so many people who were once Marxist radicals turn into such rabid free-marketers: it's that they didn't actually have to change that much to get there.

Critics and defenders then engage in full-throated debate over which final vision is to be preferred, each vilifying the other and escalating the conflict. And each side wants us to choose: are we for it or against it; for their vision or against it; for them or against them?

What if it's a false choice? What if both approaches miss both capitalism's genius and its danger?

In one of the more insightful treatments of capitalism going, economist Joseph Schumpeter noted that capitalism will fall not because of its failings but because of its successes. In an eerily prophetic passage given the current attention to bailouts and stimulus packages, he writes,

The thesis I shall endeavor to establish is that the actual and prospective performance of the capitalist system is such as to negative [*sic*] the idea of its breaking down under the weight of economic failure, but that its very success undermines the social institutions which protect it and "'inevitably" creates conditions in which it will not be able to live and which strongly point to socialism as the heir apparent.ⁱⁱⁱ

I am not interested in defending Schumpeter's economic vision (and given the current political climate, I would hasten to add that Schumpeter was not advocating socialism; it's hard to read his work and get any sense that he was pleased by his vision of what he thought was likely to happen). I do, however, want to take from him two basic insights. First: capitalism fails as a result of its success because it overwhelms those institutions that inhibit its expansion into all areas of human living. The more efficient capitalism is, the more we are seduced into believing that it can be a model for all aspects of our lives and, therefore, the more likely we are to allow ourselves to live not only in a market economy but in a market society. As a result, we lose the perspectives that those other institutions (political systems, families, religious communities) provide for us in reminding us not simply to desire but what is worth desiring. Strong and stable political systems (or families or religious communities) remind us that efficiency isn't an ultimate good and that some things aren't for sale—that they are quite literally priceless. A society in which wealth buys political influence, families do cost/benefit analyses about having or spending time with children, and religious communities conflate creating disciples with increasing market share is well down the line toward making money the measure of all things. Understandably, all those institutions need money; when they are shaped by economic considerations, though, they lose the coherence of their own internal purposes and we lose the insights of their perspectives. And when we lose such perspective, we're more likely to push capitalism to do more for us faster (buy more stuff, borrow more money, bundle more debt)—and, thereby induce a counter-clockwise spin out of its clockwise energies. In other words, the more explosively capitalism is working (a Dow that climbed from roughly 4000 in 1995 to over 1300 in a dozen years?), the more likely the spin will reverse.

Second: capitalism wants us to want but doesn't carry within itself any way of evaluating our wants. It trains us toward wanting *more*, not wanting *better*. Capitalism has little problem gaining purchase on our lives and behaviors because it feels both more natural than trying not to want and easier than training ourselves about which wants we should promote. Competition—which I described above as providing a brake against the excesses of greed—can do nothing about the expansion of desire. Moreover, as companies find new ways of pursuing capital more efficiently, competition drives rivals toward pursuing those new ways as well. What begins as a slightly riskier approach to capital acquisition rapidly becomes standard

practice (just note how many banks are at risk as a result of sub-prime lending begun in only a few). Debt becomes routine and probably unsustainable (the national debt nearly doubled in that same period of time that the Dow tripled).

As a guard against the dangers of unsustainable capitalism, we allow the state to regulate the market by, e.g., setting interest rates, taxing incomes at various levels, and overseeing various laws protecting how individuals and companies make money. But this creates two obvious problems. First, it's difficult to see where state regulations stop stabilizing growth and start inhibiting it. Current debates center on this problem. Second, regulations take time to put in place and enforce; the state as a political entity isn't an especially efficient regulator. The state is better at regulating actions that were occurring several years ago than in addressing the economically and morally complex questions that come with economic innovation.

So: capitalism falls as a result of its successes (and not its failures) because it understands human beings as desiring creatures. And capitalism's dangerous success comes because it doesn't help us order our desires. Those insights are mirrored in at least one stream of Christianity, namely that stream that begins (roughly) with St. Augustine and includes significant parts of the Reformed tradition and, thereby, the Presbyterian Church (U.S.A.). Augustine recognized that our desires are both part of our constitution and that we do not desire the things we ought to desire in the way we ought to desire them.

There is, moreover, an additional insight that Augustine brings to us as well: that our desires will not truly be met in this world. We will be restless until God has completed Her transformation of the world. This, finally, is the theological reason why both the attempt to achieve a continual clockwise spin and the goal of stepping away from the spin are doomed. We want. We do not want well. And this side of eternity our wants will never be fully coherent, legitimate, or satisfied.

This sounds both doom-y and gloomy. It shouldn't. Augustine's critics think he treats the present world with suspicion or even disdain but that's not true (though I'll admit that he certainly sounds like that sometimes). Often, he's quite happy—even sometimes overjoyed with—the world. What he doesn't want us to do is settle for the world as it currently exists; to stoically resign ourselves to the conviction that this is as good as it gets. To Augustine, our dissatisfactions and unfulfilled desires reveal that there is something better still to come.

Between now and then, though, Augustine thought that even if we couldn't fulfill our desires, we could still work at training them. Not refusing to recognize them. Not ignoring their prodding. Not surrendering to their whims. Instead, we discipline them. We learn to discern what our dissatisfactions in this world could teach us about what satisfaction might ultimately look like. We treat them as evidence that something somewhere will fulfill our desires and that wherever and whatever that fulfillment is, it is bigger and grander than anything that the current world has to offer. And we begin to recognize that the coming fulfillment of our desires leaves traces of itself in this life because the one who fulfills our desires (indeed, the one who *is* the fulfillment of our desires) is the very one who created and sustains us and the world around us, as unstable and transient as we and it are.

Keeping this in mind helps us recognize that while our various projects (economic and otherwise) of making the world look the way we want it to may be doomed, we need not succumb to the gloomy conclusion that there's nothing for us to do and no way for us to move forward. We can train our desires because God has not abandoned us to the whirl. The Christian promise is that God has not and will not leave us bereft of Godself. So we train our desires in the faith that God has given up on neither the world nor our significance in it.

What, though, might such training—such disciplining, such *discipleship*—look like during this time of mammon caught in the maelstrom? Toward addressing that question, I turn to the final section of this essay.

II. Christian Life Within the Whirled

Given the brevity of this essay, I can do little more here than offer a bare-boned collection of implications and disciplines for this vision of economic life. Hopefully being suggestive is better than being silent, vague, or exhaustive; perhaps the respondents can add flesh to these bare bones—or, better still, those who read this journal can do so. So in what follows, I'm simply going to describe three types of economic practices for Christian life within the whirled.

1. Faithful Discernment. The first question of Christian discipleship is not, "What should I do?" or even "What should the church do?" but "What is God doing?" Only from that point can we begin to imagine what our responses should be. Discernment is never easy and can be especially difficult when we're feeling so spun around but it can also be especially rewarding during such times since having our feet washed out from under us can remind us of just how unsure our footing actually was. And central to the project of discernment is prayer. It may sound cliché, but prayer is the first act of discipleship—the first practice in training our desires—in Christian life. It is an orienting activity, reminding us of a vision of the world in which God is at work and we are connected with others (and given the degree to which economic upheaval in the United States is having dramatic and costly effects in other parts of the world, it's important to be reminded that others, too, are being affected by our descending spiral)

As a discipline, prayer isn't easy; the disciples seem to be as confused and frustrated as any of us about whether and how it worked when they asked Jesus how to pray and he responded, "Pray then in this way: Our Father in heaven . . ." (Matthew 6: 9ff.) And lest we miss either the significance of that prayer for these tumultuous times or Jesus' recognition that desire and economic life come together, it's worth noting that the first two sets of pleas in the Lord's prayer begin "Your kingdom come . . ." and "Give us this day our daily bread." Slowing us down, prayer inhibits our panic. Reminding us of others, prayer enlarges the scope of our concern. Orienting us toward God, prayer opens our eyes to what God is doing. Far from being what we do before we act or instead of acting, prayer is the fundamental way Christians act in the world. By way of emphasizing this, I'd suggest that this is the only discipline that can clearly be pursued in all times and all places. All other Christian processes for training our desires gain clarity

of purpose through prayer. Which is not to say that what follows is unimportant: practices like those below (or even like reading scripture) are, I think, generally meaningful. But they gain credibility and import in specific times and places as they are shaped by the discipline of prayer.

2. Hopeful Engagement. There are lots of ways to engage economic issues: optimistically, fatalistically, realistically, antagonistically, pragmatically, etc. Christians engage them hopefully, which is a synonym for none of the above. Recall the brief synopsis of an Augustinian description of desire above. The key to that description wasn't so much that our desires are disordered but that God is at work transforming the world until those desires really can be satisfied. As such, Christians don't have an otherworldly perspective on things so much as larger world perspective on them. Hope is founded in that perspective, which refuses to accept either the permanence of the way things are or the untrustworthiness of a Christian vision of the way things will be. Instead, hope reminds us that there is more than one way to view the world and, therefore, we can do something now. Nowhere is this more worth remembering than in a world in which the language of the market has so colonized our minds that we have trouble thinking differently or imaginatively. Hope reminds us that the Kingdom of God is not a market economy but God could transform even a market economy into His Kingdom.

Scattered around the world are Christians who have taken vows of poverty and/or who live in intentional alternative communities designed to resist the seductions of the market. While I will be the first to admit that I find their frequent jeremiads against the forces of global capitalism more worthy of eye-rolling than indulgence, their willingness to recruit others to their cause through heavy doses of guilt more likely to antagonize than convert, and their occasional claims to be living out some kind of divine economic plan idolatrous, it nevertheless remains the case that they can teach us about training our desires—and those lessons come as much from their existence as from their efforts at disciplining their fiscal lives. First, they remind us through their willingness to make themselves economically vulnerable that we all are and will be vulnerable; the desire to secure ourselves in the world and from our desires is illusory. Second, and perhaps even more importantly, their presence in our midst reminds the rest of us that there is more than one way to live in a capitalist system, that there are other viable patterns for structuring an economy, and that disciplining our desires may lead us to look at the world differently. In short, they remind us that capitalism is not inevitable, inexorable, or superlative. The rest of us don't have to agree with them, but we ought to listen to them and watch them; sometimes they say things that are as interesting and insightful as anything said on CNBC, in *The Economist*, or by Dave Ramsey. Such listening and watching are hopeful disciplines for training our desires for they remind us that engaging economic issues always ought to mean engaging other people.^{iv}

3. Loving Patience. The big question for an Augustinian—for someone who, with Augustine, thinks that we desire, that our desires are disordered, and that they won't be entirely satisfied this side of eternity—isn't "How can we fix this?" or even "How can we

escape this?” but, “What should we do in the meantime?” The general answer to that question is, “Do as we’ve been created and commanded: love God and love neighbor. Just remember that the first adjective Paul uses to describe love in 1 Corinthians 13: 4 and following is ‘patient.’” Patience, though, is not easy, especially during times of pain and duress. And our difficulty with patience is magnified in a market society: in a context that confuses faith with consumer confidence and hope with a growing economy (or, perhaps, a line of credit), we’re likely to confuse love with efficiency. We blame politics for taking too long, people who have lost jobs for being lazy, and God for not resolving our suffering. We seek solutions to problems rather than helping to mitigate the suffering they cause. We want this whirling ride to be over. We close our eyes and tuck in on ourselves. Patient love, though, asks us to open our eyes and to reach out and engage others as we actually find them (full of disordered desires themselves), seeking their welfare.

In the midst of our current economic turmoil, the church performs most lovingly when it does the same things that it has always done: Attend to the poor and oppressed by providing immediate aid (e.g., supporting soup kitchens and shelters; providing pastoral care to those dealing with stress and depression; hosting programs on resume writing and home ownership; emphasizing mission both at home and abroad). Support the pursuit of justice (including supporting our political leaders—imperfect though they are—and their better projects—temporary though they may be). Gather to worship God and invite others to do the same (to remind ourselves of what we’ll be doing and who we’ll be with when our desires are finally fully satisfied). Exist as a reminder of what loving patience can look like.

For in all this—in faithful discernment, hopeful engagement, and loving patience—the church serves as a reminder to itself and the world. As a community of people that has been waiting for the return of its savior for a very long time, the church’s continued witness of justice and peace reminds us that being patient doesn’t mean doing nothing. As an interim institution, the church’s changing form reminds us that we can adapt to the new things God is doing in the world—including in the economy. As a people who are ultimately sustained only by God, the church’s continued existence reminds us that our obligations as stewards haven’t changed just because the economy did. As a city built on solid rock, the church can be a place of stability in the midst of the whirled (and the world).

Questions for Discussion:

1. What do you think about the ideas that capitalism is an “interim economy” or that it invites us not to serve money/mammon but to use it—to make it serve us?
2. Do the ideas that we are desiring creatures, that our desires are disordered, and that our desires will only be ultimately satisfied in eternity make sense to you? Do you find them compelling? Why or why not?

3. How do you think the church (or your particular church) should express faith, hope, and love in the current economic crisis?

ⁱ As I write, the stock market is below 7000 and unemployment is over 8%. Had I been asked last fall about when our downward spiral would hit bottom, I'd have guessed somewhere around that point. Now I'm not so sure: the global impact of economic events hasn't really been felt yet in the U.S. but as we spend our way out of recession and into deeper debt, we're likely to see fewer and fewer countries willing to purchase our debt at the rates we're offering. What began as an economic crisis in the U.S. concerning subprime lending may become a crisis in global finance—and if that happens, we're some ways from the bottom.

ⁱⁱ This idea is central to Max Weber's work, *The Protestant Ethic and the Spirit of Capitalism*. Though many parts of that book have been challenged, I do not know of any that have successfully challenged this aspect of his thesis.

ⁱⁱⁱ Joseph Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper and Row, 1950), 61. Schumpeter's argument runs something like this: capitalism is driven by innovation and entrepreneurialism. These, in turn, are driven by small businessmen, farmers, and others who are able to act in fairly independent ways (and therefore can adapt quickly when conditions change). Those who successfully adapt grow. And those who grow create around them bureaucracies that make them less supple. Create enough big bureaucracies in the form of corporations (i.e., let capitalism work well enough to allow success) and give them enough power and they will inhibit innovation, thereby undermining the very engine that powers capitalism.

^{iv} It's worth noting, moreover, that most of those who live in such intentional communities engage the poor among us who did not choose poverty. As such, they have a perspective many of us ignore and some of us would prefer to deny without engaging.