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Reflections

Y A L E D I V I N I T Y S C H O O L

MONEY AND MORALS AFTER THE CRASH



The task of making sense of economic turmoil is part of the role of religious leadership; the human toll of the recession is too severe to ignore.

— *Harold W. Attridge, Dean, Yale Divinity School*

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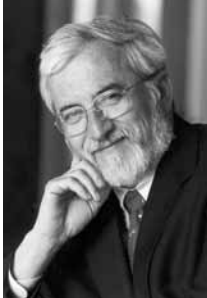
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MONEY AND MORALS AFTER THE CRASH



YOUR CHASE.

From the Dean's Desk



Harold W. Attridge

Dean of Yale Divinity School
& Lillian Claus Professor
of New Testament

For a year and half the American economy, and with it much of the world's economy, has been on skids. The "Great Recession" has affected most of us, although, as usual, those who are least able to bear them have had the heaviest burdens. Religious communities certainly have not been immune to the economic pinch. At the same time, religious leaders have felt called upon to address the situation in which we find ourselves. They certainly do so by marshalling resources to feed the hungry and clothe the naked, to shelter the homeless, and heal those in distress. But they are also summoned to address the issues of morality and value that are so clearly implicated in the current crisis.

Our Christian traditions have long grappled with the complex challenges of the economic order, as several of the contributions to this issue make clear. The earliest warning that it is not possible to serve God and Mammon (Luke 16:13) posed a challenge that has echoed through the centuries, from the efforts of Medieval theologians to sixteenth-century Reformers to shape a just society down to the papal encyclicals of the nineteenth and twentieth centuries and the engagement of Christian leaders to proclaim a Social Gospel. The effort to make the Gospel relevant to the realities of our day has been a constant concern.

This issue of *Reflections* attempts to contribute to that effort, by identifying voices that address our situation with analytical insight and thoughtful pastoral guidance. In seeking out those voices we relied, as one might expect, on some of our colleagues in academic theology and ethics, and we drew on the experience of pastors intimately engaged in the economic turmoil of their congregations. We also sought out colleagues from the economics profes-

sion who were willing to talk about the moral dimensions of the contemporary economic scene; we are delighted to have several leading economists contributing to the issue.

The release of this issue coincides with a conference on the economy May 6-7 at Yale Divinity School. The annual conference is named in honor of the late Sarah Smith, who served as chair of our Board of Advisors. The event brings together some of the contributors to the journal, as well as other specialists in the relationship of religion and society, to engage with one another and with our faculty, students, and alumni. We hope that both this issue of the journal and the results of the conference will prove helpful to all who are concerned about our current situation. The task of making sense of economic turmoil is part of the role of religious leadership; the human toll of the recession is too severe to ignore.



Harold W. Attridge

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Economic Origins and Aims: A Role for Religious Thinking?

By Benjamin M. Friedman

The economy had been weak for several years, with business sharply depressed in key industries. Millions of Americans were losing not just their jobs but their houses too. The political climate was angry. Especially in the middle of the country, and in the West, protest was in the air. Populist groups, often with a militant anti-government agenda, and sometimes tinged by ugly racial or religious prejudices too, were active and gaining strength; there was even talk of a third-party movement.

It was clear to many thoughtful citizens that the U.S. economy needed to change direction, not just to begin recovering from the unusually severe business-cycle downturn but to regain a trajectory in which average families would once again see an improvement over time in their living standards. In response, several dozen men, many of them closely affiliated with the call for economic reform coming from the nation's Protestant churches, met to

There is reason to think that the influence of religious thinking was essential to the creation of economics as we know it as an intellectual discipline.

organize a new group to further the study of these economic problems in the hope of laying the intellectual basis for a way forward.

The year was 1885. The place, Saratoga Springs, NY. The Protestant movement from which many of the meeting's participants drew their inspiration was the Social Gospel, spurred by leaders like Washington Gladden, minister of First Congregational Church in Columbus, Ohio, and moderator of the National Council of Congregational Churches; Josiah Strong, minister of Central Congregational Church in Cincinnati and general secretary of the Evangelical Alliance for the United States; and Wal-

ter Rauschenbusch, soon to become minister at New York's Second German Baptist Church and a founder of the Brotherhood of the Kingdom.

Their stated aim was to restore an active role for the Protestant churches in addressing the economic and social problems of the day. The leaders of the meeting at Saratoga Springs included John Bates Clark, who shortly became the new organization's president, and who had initially planned to study for the Congregational ministry at Yale Divinity School but ended up choosing to enter the new field of economics instead, and Richard T. Ely, who served as the organization's secretary for its first seven years, during this period writing a book titled *Social Aspects of Christianity*, and in time becoming the organization's president.

The organization they founded was the American Economic Association. The AEA remains today the flagship professional association for economists in the United States.

Continental Drift

Today many Americans again have the sense that our economy is not well serving ordinary working citizens and their families. Now, as then, many who share this feeling are active in the country's religious life – not just in the Protestant churches but among Catholics, Jews, and other groups as well. But today the idea of an active role for the nation's religious establishment in determining new economic direc-

tions seems remote. Religion and economics mostly occupy different continents on the planet of our political affairs and even our political thinking. The same is true in our intellectual life. Universities like Harvard and Yale have outstanding economics departments, and fine divinity schools too. They are far apart physically, and the intellectual interaction is, if anything, even less than what the spatial separation alone might warrant.

Select Society

As the circumstances surrounding the founding of the American Economic Association suggest, this was not always so. Indeed, there is reason to think that the influence of religious thinking was essential to the creation of economics as we know it as an intellectual discipline, in the eighteenth century. Adam Smith and his contemporaries lived in a time when religion was both more pervasive and more central than anything we know in today's Western world. Just as important, intellectual life was far more integrated then. Not only were the sciences and the humanities (to use today's language) normally discussed in the same circles, and often by the same individuals, but theology too was part of the ongoing conversation.

When Smith and his fellow moral philosophers dined out (Smith's academic title was professor of moral philosophy, and there was then no such word as "economics" in regular usage), their regu-

These pathologies are presumably matters of concern to our religious leaders no less than Americans active in other spheres.

lar interlocutors included professional divines. Of the 100-plus members of the Select Society – Edinburgh's elite dining and debate club to which Smith, David Hume, Adam Ferguson, and most of the distinguished Scottish economic thinkers of that day belonged – fourteen were ministers, including Ferguson himself as well as William Robertson, principal of Edinburgh University and the leader of the Moderate party in the Church of Scotland. The Moderates dominated the Scottish church during the 1760s and 1770s, and Smith was very much a part of the "Moderate literati" circle. Smith's admiration, expressed in *The Wealth of Nations*, was straightforward: "There is scarce perhaps to be found anywhere in Europe a more learned, decent, independent, and respectable set of men, than the

greater part of the presbyterian clergy of Holland, Geneva, Switzerland and Scotland."

Smith and his contemporaries, therefore, were continually exposed to what were then current debates, tensions, and pivotal new ideas in theology, in the same way that most economists in university life today might be exposed to thinking in physics, or biology, or demography. And in the same way that economists today often draw on ideas from those other lines of inquiry – think of "gravity" models of international trade, or "penetration" models of technology transfer, or "migration" models of how industries spread – the eighteenth-century thinkers who created what became the field of economics could easily have been influenced by what they heard, and read, and saw, of religious thinking. The idea here is not that Smith, or any of the others, self-consciously sought to bring religious principles to bear on their writings in moral philosophy. Rather, the new theological ideas and debates to which they were exposed helped shape the pre-analytic vision (to use Joseph Schumpeter's phrase) that they brought to their new thinking.

A Wealth of New Notions

Specifically, the remarkable theology at issue in the Moderates-versus-Evangelicals debate in Scotland during much of Smith's pre-*Wealth of Nations* lifetime – as well as in the Latitudinarian debate in England that was at its height in the half-century or so before Bernard Mandeville wrote *The Fable of the Bees*, which anticipated some of Smith's insights – stirred a highly significant and contentious change in economic thinking, with far-ranging ramifications. It encompassed at least four elements that were strikingly congruent with aspects of the transition in economic thinking from dismissal of the "vicious" pursuit of self-interest (which people may not have perceived correctly anyway) to the recognition that behavior motivated by self-interest could, and under the right conditions would, lead to more broadly beneficial outcomes: (1) from belief in "utter depravity" toward belief in the inherent goodness, and potential eligibility for salvation, of all individuals; (2) from belief in predestination, with no role for human choice or action to affect who is saved and who is not, toward belief not only that anyone can potentially be saved but that individuals' choices and actions – human agency – play a role in salvation; (3) from belief that the sole reason humanity exists is the glorification of God toward belief that human happiness is also a legitimate, divinely intended end; and (4) from a deep-rooted eschatological pessimism toward a postmillennial

belief, at least in some quarters, in the prospect of a future era of better earthly existence that will be part of human history and, further, that human agency has a role in bringing this era about.

To be sure, the relationship of these four transitional themes in religious thinking to the later transition in economic thinking is far from exact. But there is a striking coherence nonetheless. The belief that men and women are born with an inherent goodness is surely more suggestive that they can understand their own self-interest, especially if human happiness is divinely warranted, than if they are utterly depraved in the religious sense. The belief that all men and women are potentially eligible for salvation – and, significantly, that human agency is a part of what enables that salvation – is clearly more suggestive of Smith's crucial insight that individuals' acting in their correctly perceived self-interest can improve not only their lives but those of their fellow creatures too, compared to the predestinarian belief that only a few are saved and human agency has no bearing on the matter.

Transitions Sacred and Secular

In the same vein, the belief that human progress in living conditions is not only possible but helps hasten the millennium is likewise far more consistent with the idea of individuals' acting favorably in their own self interest in the economic sphere. (Indeed, as postmillennialism went on to gain strength in the nineteenth century, salient economic and scientific advances like the laying of the first trans-Atlantic telegraph cable were greeted in many Protestant circles as having millennial implications.)

Surely no one would suggest that any of these four elements of the transition in religious thinking that was under such widespread debate during Adam Smith's day was strictly necessary for the momentous transition in economic thinking that he initiated, nor that even all four together were sufficient. But in light of the readily apparent resonances between these new religious ideas and the key elements of Smith's reasoning, it is plausible that the transition in theological thinking helped create a new view of individuals' role in the world – a different pre-analytic vision – that was highly conducive to the Smithian revolution, and that the four taken together crucially helped foster its subsequent acceptance.

If the very emergence of economics as a recognizable intellectual discipline with a field of inquiry and analytical apparatus distinctly its own, spurred by the revolution culminating in Smith's *Wealth of Nations*, was in significant part the product of

changes in religious thinking, then there is certainly ample precedent for supposing that religious thinkers have the standing to address the economic issues of our day as well.

Economic conditions in America today are no less worrying than they were when Social Gospel leaders like Gladden, Strong, and Rauschenbusch energized not only their congregants but what became the American economics profession too. The recent financial crisis has sharply depressed many

In the nation's past, episodes of economic frustration on this scale inflicted collateral damage on our race relations, our religious tolerance, the civility of our political discourse, and our generosity toward the disadvantaged.

citizens' incomes. But, importantly, the problem dates to well before the crisis began. Even before the onset of the latest recession, most Americans had seen little economic improvement throughout the last decade. In 2007 the median family income (the income of families exactly in the middle of the U.S. income distribution) was \$63,700 in today's dollars. Back in 2000 the median family income, again in today's dollars, was \$63,400. The gain – not per annum, but over the entire seven years – was less than one-half of one percent. To be sure, the U.S. economy as a whole expanded solidly during these years; but the gains from increased production accrued very narrowly, mostly to people already at the top of the scale.

The Disease of Stagnation

Then came the economic downturn triggered by the crisis. In 2008 the median family income *fell*, to \$61,500: a lower level than in any year since 1998. We do not yet have the figure for 2009, but it seems clear that last year family incomes declined again. Nor do we have any solid basis for expecting a rapid recovery of incomes now that the worst of the crisis has passed and our economy has started to turn around.

History suggests that the consequences of this kind of prolonged stagnation will spill over well beyond the realm of business and economics. In the nation's past, episodes of economic frustration on this scale inflicted collateral damage on our race relations, our religious tolerance, the civility of our political discourse, and our generosity toward the disadvantaged. (As Adam Smith observed, "before

we can feel much for others, we must in some measure be at ease ourselves; if our own misery pinches us very severely, we have no leisure to attend to that of our neighbor.”) Given the country’s historical demographic make-up, the most frequently observed reaction has been a hardening of attitudes toward new and recent immigrants. The symptoms differ from one historical episode to the next, but the disease of economic stagnation is never a pleasant one. We are already beginning to see some of these pathologies today.

Democratic Vistas

These pathologies are presumably matters of concern to our religious leaders no less than Americans active in other spheres. Our historical experience makes clear that the eras in which economic expansion has delivered ongoing material benefits to the majority of the country’s citizens have mostly corresponded to eras when opportunities and freedoms have broadened, our political institutions have become more democratic, and the treatment of our society’s unfortunates has become more generous. When incomes have stagnated or declined, reaction and retreat have been the order of the day. (A major

What matters for tolerance and fairness and opportunity, not to mention the strength of our democratic political institutions, is that the broad cross-section of the population regains a confident sense of getting ahead economically.

exception was the Depression of the 1930s, which instead led to a significant opening of American society and strengthening of American democracy – perhaps because the economic distress then was so severe, and so widespread, that the sense of being together in the same sinking ship overwhelmed the more competitive instincts that usually prevail when people realize they are not getting ahead.)

Nor is America the only Western democracy where a connection between rising living standards and the strengthening of democratic freedoms is evident. Other countries’ histories display similar patterns. Conversely, many of the horrifying anti-democratic phenomena that so marred Europe’s twentieth-century experience ensued in a setting of pervasive economic stagnation or decline. Hitler’s rise to power in the wake of the economic and political chaos of the Weimar Republic is a familiar story, but it is worth recalling that as late as 1928 the Nazi party drew only 2.8 percent of the vote in German

national elections. What made the difference, soon thereafter, was the onset of the Great Depression, which affected Germany more than any other European country.

The urgent need, therefore, is not merely to get our economy’s production increasing and let people go back to work, although that is a necessary first step, but to set our economy on a path that will once again enable the majority of American families to earn rising incomes and enjoy improving living standards over time. Most of our citizens have exhibited impressive patience. It is best not to try that patience too far. What matters for tolerance and fairness and opportunity, not to mention the strength of our democratic political institutions, is that the broad cross-section of the population regain a confident sense of getting ahead economically. No society – no matter how rich it is or how well-formed its institutions may be – is immune from seeing its basic democratic values at risk whenever the majority of its citizens lose their sense of economic progress.

These issues – economic issues in the first instance, but ultimately far more than that – are rightly the concern of America’s religious thinkers no less than anyone else. After all, the influence of religious thinking was there at the beginning, both the intellectual beginning and the organizational beginning too.

Benjamin M. Friedman is the William Joseph Maier Professor of Political Economy at Harvard University. His latest book is The Moral Consequences of Economic Growth (Vintage, 2006).



What Did We Learn?

By Martin E. Marty

“The American economy has just had its worst decade since the 1930s,” banners a headline in The Economist (Feb. 27, 2010): “Though the recession is now supposedly at an end, the pain of the noughties’ miserable economic performance will be felt for a long time to come.” Such measured language allows for more calm exploration than does that employed in the apocalyptic “Financial Crash” headlines that have appeared and will appear these years. Most useful is the emergent one: What did we learn from the collapse?

The answer will depend on who are the “we” in that question. The global victims and agents of the disaster? The nation? The bankers? The economists? The churches? I threw in that last reference, implying with it an extension to include all forms of religious institutions and leaders. By now a comment has become a truism: the churches – I’ll keep using that term – played little public part in analysis or prescription on the economic front these past two years, and perhaps many years before them. After all, the churches and their leaders are sideliners,

Isaiah and New Testament writers have much to say that is overlooked and under-heard where “the dismal science” of economics experts spreads dismal words.

not mainliners, in many fields, thanks to the often beneficial and always inevitable division of labor in the modern professions.

That division into specialties, so comfortable to many in other professions, cannot in this case so easily be used to let the churches be passive, silent, or “at ease in Zion.” At virtually all points in their ministry, their life and issues are entangled with

economic realities, and their people are victims or agents of the recent troubles. Almost every denomination and voluntary agency of religion has been stunned and staggered by the decline in endowments and offerings on which their funding potential and many of their beneficent actions depend. Some leaders have been cowed by members and commentators who virtually sneer, “Who made you experts in economics? Stick to your spiritual knitting!” Others back off when they find that whatever they say gets typed as “socialist” or “laissez-faire capitalist” by warring factions in church and society. Who needs conflict also on that front when religious groups are already torn apart in fights over sexual issues?

Mum on Mammon

Some thoughtful Jews, Christians, and others here and there are raising voices and organizing to begin to show that they have learned much, but never to pretend to be candidates for the Nobel Prize in Economic Sciences. An internet search will reveal many informed impulses to address the void of religious voices in economics. These may take the form of courses at theological schools, at “Centers for the Study of ...” e.g., religion and economics, and more.

Nevertheless, that there had long been a void was obvious. I recall showing visitors my library a

half century ago when the civil rights cause, which was led in no small part by expert African-American “Reverends” and multi-racial ecumenical councils, dominated concerns, as the economy now does. There were groaning shelves weighted down by books of religious ethical talk on race relations, as well as growing shelves full of books on the ethics of war and peace. However, “economics” barely showed up there or among the stacks of books sent for review to *The Christian Century*, where I was book review editor for decades. Theological ethical titan Reinhold Niebuhr was an exception as author around mid-century, but he had few influential successors.

Rand, Wrong

The best of what preachers, professors, theologians, and lay leaders in Jewish and Christian circles have learned are several valuable lessons that are congruent with their mission. For example and first of all, most of them were blind-sided by the economic disaster while, with so many others, they were developing strategies and preachments that did not account for bubbles bursting. The global bursts might serve well again to remind themselves and others whom they reach of a motif that theologian Dietrich Bonhoeffer stressed, latinized as *sub conditione la-cobi*. That was a reference to the Epistle of James 4:13-15 that is often under-stressed in good times and in powerful nations. It relates to what should be a religious specialty: dealing with life with awareness that it is transient and contingent.

They can further tie that awareness to another biblical motif, *Put not your trust in princes* (Psalm 146:3), including princes in the academy, the financial sector, and government. This reaches far beyond the Bernard Madoffs. A more graspable and typical illustration of the Psalm’s theme that these “princes ... are but mortal” came in 2008 and 2010 when former Federal Reserve Chairman Alan Greenspan, a devotee of the anti-gospel of Ayn Rand, ’fessed up with an abject “I was wrong” in his economic counsels. That “wrongness” contributed to the disaster that hit almost all sectors of society, including the religious.

“I Am a Citizen”

Rather than rely for illustration only on these negative-sounding warnings and judgments, a reliance that could lead the churches’ voices to sound not prophetic but instead merely crabby, it is worthwhile to visit the theological repository of positive options. One clue to the positive turn hit me once, among many times, as I shaved to the background of a

National Public Radio interview. I had been listening only casually, and shaving-cream-lathered hands kept me from taking notes. The interviewee was a physician of retirement age, who no longer had to practice. But he was described as someone who continued to devote many hours serving patients who otherwise had no health care or any possibility of getting insurance and care. A simple exchange sealed the encounter. Why was he doing this service instead of just fishing and golfing? His answer was brisk: “Because I am a citizen.”

One heard little of such reminders in public language of church or state during the health care debates. In most of them, the first word was simply partisan, whenever the parties of “No” vs. “Maybe” vied for public attention. The second word was politically polemical, as in “The U.S. cannot afford it” vs. “It must.” The third was unneighborly and anti-social: “My part of the economy is doing well enough, so it needs no notice.” The fourth was secular: “That’s socialist!” or “That’s capitalistic!” There is little point in opening a theological-ethical conference or class where such reductionism cannot be transcended. “I am a citizen,” on the other hand, is a public lead-in to something more probing and promising.

Within the Christian tradition there are many parallel or analogous reminders that get carried over from injunctions having to do with norms of the be-

The epistolary reminder that “we are members one of another” is most intimate and rich in Christian definition, but it travels well and can serve as a check against simple individualism – and can do this without impelling a “fall into socialism.”

lieving community. For instance, the epistolary (Eph. 4:25, Romans 12:5) reminders that “we are members one of another.” That joint-membered claim is most intimate and rich in Christian definition, but it travels well and can serve as a check against simple individualism – and can do this without impelling a “fall into socialism.” Church and synagogue enact such bondings in many of their charitable initiatives, but the theme should also inform public discourse.

If, in a modern technologically complex society, one enters environmental or health care debate – or, better, conversation – bringing reminders of the communal nature of existence, then certain questions follow. Suppose we begin discourse with “I

am a citizen” or “we are members one of another.” With such claims on the table we are compelled to pursue the practical questions of how that works out. With many options available, citizens and fellow members do not have to move toward totalitarianism or selfish individualism. Instead, their discussions acquire a new color if one is concerned for *all* who suffer in a spoiled environment and for *millions* who are forgotten in many health care debates and policies. Any familiarity with the internet, the library, or one’s memory bank will reveal how often such realities get overlooked – by church, synagogue, and mosque – in the crowd of world views and ethics that derive from cable television, radio talk shows, or strident columns in print.

Lowering Expectations

I had a chance to be better informed about economics, having taught for thirty-five years in the zone of the University of Chicago’s “free market” Nobelists and their critics, and in the shadow of the then-next-door Business School. Very rarely were there interactions between our ethicists and their scholars and teachers, and the absence of interaction, if anything, only grows as graduates (as pastor, theologians, or activists) settle into their grooves.

What have we learned? It is anything but an antiquarian appeal to say to religious people: go forward, back to your sources. Isaiah and New Tes-

ing for reappraisals and awareness of the complexity of human interactions. “The bottom line is that we should expect less of economists,” who wield powerful tools and lenses for organizing thinking. “We should be honest about what we know, what we don’t know and what we may never know.”

Religious and ethical thinkers and leaders claim to deal with some profound specialties that are part of the societal whole. Humbled by the knowledge that they need to know more, but liberated by the knowledge that economics and politics will never teach them enough, they do well to go “back to the books,” including scriptures, and then forward, better equipped to face the very uncertain future.

Martin E. Marty, a preeminent interpreter of American church history and religious life, taught at the University of Chicago Divinity School for thirty-five years. He is a columnist, editor, pastor, and the author of more than fifty books.

What have we learned? It is anything but an antiquarian appeal to say to religious people: go forward, back to your sources.

tament writers have much to say that is overlooked and under-heard where “the dismal science” of economics experts spreads dismal words. Russ Roberts, a research fellow at the Hoover Institute, not a bastion from which anti-economist missiles are lobbed, recently in *The Wall Street Journal* (“Is the Dismal Science Really a Science?”, Feb. 27, 2010) called these the best of times and the worst of times for economists. They are best “because everyone wants to understand what happened to the economy and what’s going to happen next.” As for the “worst,” economists offer no consensus “on the cause of the crisis or the best way forward.”

Roberts in that column was not throwing rocks at all economists – he is one – or throwing in the towel. He does not reject “facts” that undergird econometrics or data used for planning. Doing so would be absurd. He and other humbled economists are call-

QUESTIONNAIRE

by Wendell Berry

1. How much poison are you willing to eat for the success of the free market and global trade? Please name your preferred poisons.
2. For the sake of goodness, how much evil are you willing to do?
Fill in the following blanks with the names of your favorite evils and acts of hatred.
3. What sacrifices are you prepared to make for culture and civilization?
Please list the monuments, shrines, and works of art you would most willingly destroy.
4. In the name of patriotism and the flag, how much of our beloved land are you willing to desecrate?
List in the following spaces the mountains, rivers, towns, farms you could most readily do without.
5. State briefly the ideas, ideals, or hopes, the energy sources, the kinds of security, for which you would kill a child.
Name, please, the children whom you would be willing to kill.

Markets and Metaphysics: An Inquiry

By Steve Peterson

In 1735, George Berkeley – immaterialist philosopher, poet, Anglican bishop, satirist, mathematician, preacher, Royal Dublin Society member, planner of a utopian university in Bermuda, and benefactor to Yale of eight boxes of books and a Rhode Island farm – published The Querist, a collection of 598 questions regarding the desperate economic plight of Ireland.

The English Woollen Act of 1699 restricted the export of Irish wool, causing extreme poverty in Ireland. Berkeley placed this economic crisis in a broader theological and philosophical context with his pamphlet, addressing the nature of money and credit, the need for a national bank, the evil effects of stock-jobbing or speculation, and the importance of education for economic development and honesty in commercial dealings. Berkeley's long roster of questions includes:

"Whether it be not evident that not gold but industry causeth a country to flourish?"

"Whether there should not be erected, in each province, a hospital for orphans and foundlings, at the expense of old bachelors?"

"Whether, in order to understand the true nature of wealth and commerce, it would not be right to consider a ship's crew cast upon a desert island?"

Today's economic turmoil raises its own set of difficult and unsettling questions regarding greed, debt, capitalism, trust, consumption, globalization, risk, and incentives – questions carrying both theological and economic urgency. In the spirit of Berkeley's Socratic inquiry into the true foundations of prosperity, here are a few of my own questions regarding the contemporary financial crisis:

Whether financial regulation can ever adequately protect against the treachery of the human heart and the delusions of the human mind?

Whether refinements in econometric modeling will truly improve investment results?

Whether every asset bubble is not followed by a bubble of self-serving jeremiads and self-righteous scolding?

Whether economic inequality can reach a point that it breeds civil unrest and subverts democratic institutions?

Whether Max Weber's Protestant ethic of hard work and self-restraint has been replaced by a lotto culture and flamboyant consumption?

Whether reading John Calvin's *Institutes* could possibly reverse this development?

Whether trauma and crisis are not the necessary preconditions for serious philosophical and theological questioning?

Whether there is anything left in the world that is not for sale?

Whether 9/11 or the financial meltdown has provoked more philosophical and theological ruminating?

Whether an hour with a pastor or an hour with a financial advisor is worth more?

Whether Christianity inspires a fullness of joyful giving that is directly at odds with calculating, self-interested market transactions?

Whether locking Glenn Beck and Al Franken naked in a room full of ripe tomatoes and homemade banana cream pies would settle the debate on the causes of the financial crisis once and for all.

Whether people should be forgiven for not reading the financial and the theological fine print?

- Whether singing a song might not do some good?
- Whether sharing a meal might not do some good?
- Whether, as theologian Herbert McCabe writes, ethics is entirely a matter of doing what you want?
- Whether greed is a matter of not knowing what you truly want?
- Whether a crisis or trauma, as Joan Didion wrote about her husband's death, dislodges things deep in us, lets off reactions that surprise us and may cut free memories and feelings?
- Whether the economy would be healthier if every man with an Adam Smith necktie had actually read Adam Smith's *Theory of Moral Sentiments* and *Wealth of Nations*?
- Whether in a society fueled by hysteria and confusion – where vast numbers of people believe in ghosts and UFOs and few understand compound interest or Adjustable Rate Mortgages – academic theologians and financial economists have any significant role?
- Whether more superstition and credulity may be found in the churches or on Wall Street?
- Whether, as Arthur Schopenhauer claims, money is human happiness in the abstract and only the man who is no longer capable of enjoying happiness in the concrete sets his whole heart on it?
- Whether truthiness – Stephen Colbert's word – is more common in investment brochures or in the pulpit?
- Whether the social trust that binds an economic community also resembles the trust that binds a religious community?
- Whether trust once lost can be restored?
- Whether the world was better when men wore hom-burgs?
- Whether Jim Cramer or Rev. Ike is more ridiculous?
- Whether the gospel of prosperity fueled reckless personal spending and irresponsible subprime lending?
- Whether Andy Warhol's prediction that art will collapse into business – "Museums will become department stores and department stores will become museums" – applies to religion too?
- Whether the collapse of the financial system would have been avoided if more traders had escaped Max Weber's "iron cage" of rationalistic calculation and had read Augustine and Pascal?
- Whether the collapse of mainline churches would have been avoided if more pastors had escaped denominational meetings and had read Joseph Schumpeter and Thorstein Veblen?
- Whether financial complexity may have unexpected costs?
- Whether belief in the invisible hand of the market is not a theological belief?
- Whether there is any conceivable limit to clever evasions of the truth, self-interested excuses, and imaginative rationalizations?
- Whether any who use the excuse "perfect storm" to explain various failures should not be removed from positions of public responsibility?
- Whether business schools or divinity schools are more culpable for our cultural and economic failures?
- Whether Wall Street and the churches have not both become subsidiaries of the entertainment industry?
- Whether home ownership is the American dream or do we not have more imaginative and glorious hopes?
- Whether desperate poverty or desperate wealth is a greater obstacle to wisdom?
- Whether Wall Street is an engine of dynamic innovation or merely another institution at the corporate welfare trough?
- Whether the churches are capable of dynamic innovation or will fail like GM or Chrysler?
- Whether market overconfidence is related to theological pride?
- Whether, as Sigmund Freud claims, money and sex are not treated with the same inconsistency, hypocrisy, and prudishness?
- Whether humility is not a financial as well as a theological virtue?
- Whether the vast increase in the financial services sector of the economy has created a more productive and dynamic economy, or the opposite?
- Whether the opportunity cost of the growth in the financial services sector – the poems not written, the scientific discoveries not made, the third graders not taught – has been too high?
- Whether our country can repent?

Steve Peterson '84 M.Div. studied historical theology at YDS and the University of Chicago (Ph.D. '01) and trades distressed and high-yield bonds for an investment bank in Chicago. He is a member of the YDS Board of Advisors.

MEETING AGENDA:

FIGHT POVERTY

**PROTECT
HUMAN RIGHTS**

15-MINUTE BREAK

**INCREASE
GLOBAL SECURITY**

**STOP SPREAD
OF AIDS**



Abundant Life in a Suffering Sea

By Nicholas Hood III

Even in the worst of times, people still want to live! I can testify to this as a pastor in Detroit, economically one of the worst-affected areas in America: local unemployment is hovering officially at 16 percent but is probably much higher. The rate of home foreclosures remains among the highest in the nation. Home values have declined by 35 percent since 2005.

Unfortunately, there's more: Adult illiteracy is estimated at around 47 percent. Only 27 percent of local high school students graduate on time. The approximately 800,000 population is down by more than 50 percent from a peak of 1.9 million in 1950. The homicide rate hovers at 400 a year. With 50,000-60,000 vacant lots owned by the city, Detroit has a different look and feel from other major cities in America.

The decline of the auto industry that gave Detroit its Motown nickname has been tough on the modern church as well. An alarming number of local churches have closed. With so many people experiencing layoffs, downsizing, or "rightsizing," clergy and congregations are forced to make hard choices. Last Thanksgiving, several churches had to reduce the number of turkeys they normally donate to the poor, according to newspaper reports. Some churches are behind on utility and mortgage payments.

Not for the Faint of Heart

Nevertheless, I am convinced the people who reside in the face of such local and national difficulties still want to live. Our congregation, for example, remains strong: Plymouth United Church of Christ, predominantly African American, has a great social and economic mix of income levels ranging from upper-middle to lower income. The church has an aggressive mission and outreach program that engages in local, national, and international missions.

Almost all our missions are directly connected to the interests of church members. For example, the support we give to missionary work in Africa is tied to tribal and national interests of local church members who are from Liberia, Sierra Leone, and Ethiopia. Locally we provide an out-of-town overnight

The demands of pastoral care in an economic crisis extend beyond the church. I have become an unpaid, unofficial job counselor.

camping experience for inner city youth, as well as Christmas toys and new free computers. Our church is the sponsor of the Plymouth Educational Center, the first church-based charter school in Michigan and the first charter school in Michigan to build a new building from the ground up.

Still, when I'm asked what it's like to pastor in Detroit at a time like this, I smile and think: Not for the faint of heart ... Our church feels the pressures. We are getting more requests for benevolences from people in the neighborhood who are barely scraping by. We are getting more pleas for funerals for non-members, requests made by loved ones who can no longer afford burial services.

Because of the challenges to the local economy, I spend much more time counseling individuals and couples than I ever expected. Over the years the focus of the counseling has shifted, and the intensity

has magnified to levels I never imagined before. It used to be that my counseling was centered on marriage, divorce, and crisis intervention. Now, much more of my time is spent helping individuals grapple with a number of residual issues connected to the economy. We are facing a related new phenomenon: women increasingly are making more money than

We have lost enough persons who have relocated to Las Vegas to start a new church there.

the husband or live-in companion. I have a number of couples in the church membership where the husband has been laid off and the wife is still working. In a small but significant number, some of my younger couples are in situations where the wife's income is three or four times greater than her husband's.

Stresses erupt in tragic ways. Much of the domestic abuse I have been asked to mediate is tied to these difficulties of job loss. The most horrific example of economy-related domestic abuse that I have had to help my congregation deal with was the ax murder of a young mother by her estranged husband on Christmas morning 2002. The husband had been let go from his job, and I really think he did not know how to tell his wife that he could not provide her with the Christmas she expected. So, while their infant lay next to her in bed, the husband snuck in and tried to decapitate her. Her death was shocking, and the pastoral aftermath was gut-wrenching. She was a church trustee and the husband was a deacon. Needless to say, the tragedy touched many in our congregation.

Survivor's Guilt

The demands of pastoral care in an economic crisis extend beyond the church. I have become an unpaid, unofficial job counselor. As a pastor, I end up counseling persons on both sides of the economic coin. On one hand I spend a lot of time speaking with persons who have lost a job or been downsized in their work. Conversely, I was called on recently to speak with automotive workers who were conscripted by their management superiors to participate in the firing of co-workers during a period of massive cutbacks. This was something these workers never bargained for – sacking a co-worker. Then there are the workers who are coping with survivor's guilt, after having watched their terminated colleagues week after week being marched down the hall by security and led out the door.

Another ominous scenario is playing out pastorally in Detroit. The city is experiencing a brain

drain. Many of our most talented youth go on to college with little realistic hope of returning to Detroit for work. Over the last three years, my church has experienced a steady erosion of educated, high-skilled young adult professionals who leave for the Sunbelt and cities with more economic opportunity. Three years ago eleven young adults from my church moved in search of better jobs in the South and West. Two years ago the number had slowed to only a few persons. I have not calculated the numbers for 2009, but I have a feeling we lost at least ten young adults who moved out of state. I don't know how much more of this trend the city, let alone the church, can endure.

The long-range implications are scary. Part of what has made Plymouth UCC-Detroit so dynamic is the social economic mix. But the under-educated and poor are not as transportable as those with higher skill sets. We are losing engineers, lawyers, and doctors to other regions of the country. Some might think I am overreacting, but as a pastor I am called to vision, and what I see trending toward the long term is frightening. Some of my UCC colleagues in Atlanta and Washington, D.C., joke that Plymouth UCC in Detroit is an excellent feeder location for them to receive new members. We have lost enough persons who have relocated to Las Vegas to start a new church there.

The economic challenge we are facing in Detroit is reflected these days in my sermon titles: "Don't Quit," "Move Your Mountain," "Do the Math!" "Hope and Hypocrisy," "A New You for a New Year," "Start Your Life Over Again," and "What's Next?" Words of hope have an effect. Attendance is up. Bible study is up. Participation at church board meetings, group meetings, and choir rehearsals is up. Our efforts to feed and house the homeless continue to be strong. Despite everything, financial giving is up. Increasingly I find myself challenging worshipers to release themselves to the will of God and the power of the Holy Spirit. The church has never been more relevant in helping people to keep their heads and hearts in the right place than right now.

What I've discovered is that even in the worst of times, people still want to live. My response pastorally to a membership that suffers under the weight of the local economy is to attempt to provide high-value, low-cost programming on every level. For example, last fall twenty-seven members and friends of our church took a twelve-day trip to Egypt that included airfare, a three-day cruise on the Nile River, and a sleeper car overnight train ride from Cairo to Aswan, all for \$2,300. We were able to keep the cost

affordable because we chose not to add any mark-up to the base price. Many of the persons who made that trip were facing great personal uncertainty. They had been forced into early retirement, experienced a reduction in pay, or were fearful they might lose a job. Yet, as unsettling as their personal prospects might be, people still want to live.

Sacred Counterintuition

The theological question I often wrestle with personally is on a gut level: How can I in good conscience encourage the church to increase its missions and social outreach ministries when so many of our members are facing economic pressure that often suffocates hope? The pastoral temptation in a bad economy is to start cutting back on various ministries and programs of the church. Ironically, though, as we have discovered time and again, those programs prosper, because they add meaning and relevancy to the life of a congregation. In an amazing and most counterintuitive way, the Lord continues

Words of hope have an effect. Attendance is up. Bible study is up. Our efforts to feed and house the homeless continue to be strong. Despite everything, financial giving is up.

to open the windows of heaven with showers of blessings upon the church. It is at such moments that I hear the words of Jesus: “Do not judge, and you will not be judged; do not condemn, and you will not be condemned. Forgive, and you will be forgiven; give, and it will be given to you. A good measure, pressed down, shaken together, running over, will be put into your lap; for the measure you give will be the measure you get back.” (Luke 6: 37-38)

The great challenge for the church in times like these is to make John 10:10 come alive: “I come that you might have life more abundantly.” It’s one thing to preach about the goodness of Jesus. But when a person is struggling for economic survival, the church is called upon to help those who are choking financially to have full, meaningful, abundant life not just in eternity, but right now on earth. As a pastor, my days are often draining, but never dull and never without a deep sense that I am helping people to make it one more day.

The Rev. Nicholas Hood III '76 M.Div. has been pastor of Plymouth United Church of Christ in Detroit since 1984, when he succeeded his father. Born in New Orleans, Hood has long been active in Detroit's civic, political, and educational life. He was elected to the Detroit City Council in 1993 and won re-election to a second four-year term. He does an occasional political commentary on Detroit FM radio station WDET.

The Great Recession has turned out to be a Great Depression for the nation's low-income workers.

A recent report challenges the misperception that the recession has inflicted pain more or less evenly across the American economic landscape.

By the end of 2009, the nation's lowest-income citizens were experiencing 31 percent unemployment – a jobless rate higher than that of the 1930s Great Depression – while the wealthiest worked in conditions approaching full employment.

“What has been missing from the public debate over the labor market crisis is an honest and detailed analysis of which American workers have been most adversely affected by the deep deterioration in labor markets,” says the report, produced by the Center for Labor Market Studies at Northeastern University in Boston.

Research shows that disproportionate job losses have been borne by males, young people under thirty (especially teens), workers with less education, blue-collar workers and African American men.

“A true labor market depression faced those <at the bottom> of the income distribution, a deep labor market recession prevailed among those in the middle of the distribution, and close to a full-employment environment prevailed at the top,” the report says.

“There was no labor market recession for America's affluent.”

The richest group, with annual household incomes of \$150,000 or more, had a jobless rate of 3.2 percent for the final quarter of 2009. The next group, with incomes between \$100,000 and \$149,000, had 4 percent unemployment.

At the opposite end, the group with annual income of less than \$12,499 was hit with 30.8 percent joblessness. The next group up, with income of \$12,500-\$20,000, had a 19 percent unemployment rate.

The report concludes by quoting a labor secretary who in the 1960s was asked how workers were doing “on average.” He replied: “When you have your head in the freezer and your feet in the oven, on average you are doing okay.”

The report adds: “Similar remarks apply to the state of American labor markets today. Who will tell the people? Does anybody care?”

Heeding the Outsider in Market Reform

by Laura Berry

Every year in mid-October, I get together with a group of girlfriends to celebrate another anniversary of “The Crash.” Surely, as women now well into the “Red Hat” stage of life, we could find more meaningful anniversaries to mark than October 19, 1987. But we don’t. We love celebrating Black Monday, the day the Dow Jones Industrial Average dropped 508 points.

Way back when, a sisterhood was impossible to avoid in the financial world: we were four of the pitifully few women recruited by our venerable Wall Street firm in the early 1980s. To our more seasoned male peers, our approach to the serious business of Wall Street was naïve. Along with the usual financial credentials, we brought other skills too, like new ideas of service. We believed service should mean asking about our clients’ needs before introducing a great new product – a notion that was considered ever so quaint.

In many ways the four of us had very different perspectives on life. We did not share a common political point of view or one particular faith tradition. There was a twenty-year range, a generation in fact, in our ages. We seemed to defy the usual predictors of friendship. Yet we were united in our belief that we could thrive and prosper in this strange new world. We came to the work with self-consciously different values from our male colleagues, and we enjoyed the freedom of outcasts. The dominant culture in the office was transaction-driven, which sometime led to service. Our focus, and what ultimately linked us together, was to be of service to clients, which sometimes led to transactions.

Puritans and Profits

At the New Haven branch, the office spaces reserved for the firm’s highest producers looked out on the town green, which was completed in 1638. The Puritans were said to have designed the green large

enough to hold the 100,000 people who would be spared when Christ returned for the Second Coming. In the blessed world of high finance, however, we ladies were not exactly among the anointed. On good days we were frequently reprimanded for sounding like “Girl Scouts” – and reminded that “Girl Scouts would never make any money.” On the not-so-good days, our colleagues would condescendingly suggest a career change: we should consider taking religious vows. They thought our penchant for service might be better suited for religious life, remarking, “Nuns worked in schools and hospitals, not in brokerage firms.”

In 1999, after considerable lobbying by the financial services industry, the Glass-Steagall Act was repealed, and the wall fell that separated the activi-

In the blessed world of high finance, we ladies were not exactly among the anointed.

ties of investment banks from those of commercial banks. The industry began consolidating, and my firm was well on its way to becoming an institution “too big to fail.” The speed and complexity of the market’s new technologies made it harder and harder to maintain any spirit of personal service to clients. Now in New York, I decided to leave the industry and my office in the World Trade Center in June of 2001.

All in all I spent seventeen years on Wall Street, building a roster of individual and institutional clients and ending my career as a “Large Cap Value” investment manager. By the time I left “the Street,” nearly all my clients were churches or other organizations in the business of social justice. Six years later I joined the Interfaith Center on Corporate Responsibility (ICCR) as its executive director, with offices on New York’s Upper West Side.

Founded in 1971, the ICCR is today both the oldest and the largest coalition of global faith-based institutional investors. For four decades, ICCR and member religious investors – including major Protestant denominations, a wide range of pension funds, Roman Catholic orders, and Jewish foundations – have been the driving force of the Corporate Social Responsibility (CSR) movement. Viewing their role as both financial fiduciaries and people of faith, ICCR members manage their investments with an aim to building a more just and sustainable corporate world.

Apartheid and Beyond

The ICCR grew out of resistance to one of the twentieth century’s great social evils: South African apartheid. In 1971 the Episcopal Church Execu-

Had the faith-based investors been heeded, the issues they flagged could have been addressed sooner at a far, far lower cost to investors, taxpayers, and society.

tive Council asked General Motors to withdraw its business interest in South Africa. Anti-apartheid efforts gained momentum through the efforts of the Rev. Leon Sullivan, a member of the board of General Motors, the largest corporation in the world at the time. More than 100 companies eventually adopted the “Sullivan Principles,” a code of conduct for human rights and equal opportunity in South Africa, and company after company chose to withdraw completely from the country. When apartheid finally ended in 1994, both Bishop Desmond Tutu and President Nelson Mandela acknowledged the role played by faith-based investors.

What started as the Project on Corporate Responsibility under the auspices of the Episcopal Church developed into the ICCR. Today with over 300 members representing well over \$100 billion in invested assets, ICCR’s members view their actions as fiduciaries with a very long-term focus. As people of faith it might even be said that ICCR members are investors with the longest possible actuarial assumptions: they extend to eternity.

Peering beyond the horizon is something all financial fiduciaries must do; a focus on corporate social responsibility ensures a certain sort of ethical alertness. The CSR movement has increased corporate transparency and accountability on a range of issues. Faith-based investors have been way ahead on several major issues – among them environmental protection, human trafficking, and predatory lending – about which ICCR members were warning financial services companies a dozen years before the economic crisis began.

Ignoring the Plea

The word “prophetic” is not exactly a term you hear every day in the investment world, but faith-based investors clearly acted as an early warning system for financial services companies, identifying the need for full disclosure of lending risk five years before this most recent crisis. ICCR was involved in sixteen actions to address such concerns at Lehman Brothers from 2001 until its eventual bankruptcy in 2008. Since 1993, faith-based investors have led more than 450 actions warning of financial abuses that would eventually destabilize global capital markets to the point of near-collapse in 2008.

Had the faith-based investors been heeded, the issues they flagged could have been addressed sooner at a far, far lower cost to investors, taxpayers, and society in general.

Faith-based investors’ early historic relationship with GM didn’t end with the Sullivan era. ICCR members were actively warning against automotive practices that foreshadowed yet another sector-wide collapse. In 1992, faith-based investors asked GM and other auto companies to investigate improving the fuel economy of their fleet of vehicles. Both as a matter of environmental stewardship and as a practical business model, energy efficiency made sense. Yet most sectors of the American auto industry ignored the plea, and car companies now have entire product lines that are unmarketable. Only one U.S. auto company took our advice, agreeing to rigorous reductions in fleet emission standards in April 2008 – Ford Motor Company, the same company that needed no taxpayer bailout funds in the most recent economic downturn.

Today, Lehman Brothers is bankrupt. GM is struggling to survive. Our venerable Wall Street firm no longer exists. And yet investors who viewed the future through the lens of faith stood at the vanguard of a visionary corporate strategy.

Is there a link? I believe there is. The most successful investors never lose sight of the underlying value of the assets they own. The best investors make judgments regarding how the intrinsic value

of assets might change in the future. It is clear that the notion of “value” evaporated in the flurry of transactions taking place in the derivatives markets in recent years. With an incentive structure that is based neither on increased value nor on service but rather strictly on transactions, poor choices are rewarded and then exacerbated in short order. Clearly the moral and structural questions posed over and over again by faith-based investors since 1993 did not persuade the CEO who famously said, “As long as the music’s playing, you’ve got to get up and dance.”¹

The best investors understand that human beings run markets. And human beings haven’t changed much since the earliest stories were told. One need not look further than the Old Testament or Qur’an to be reminded of our common and immutable humanity. The ancient stories remind us of the importance of the outsider’s perspective, the importance of seeing “value” from a different point of view.

From humanity’s very beginnings, religious faith and practice arose from posing questions. Where did we come from? Why are we here? Over the millennia, our faith traditions grew out of the stories we told in our attempts to explain the inexplicable. And

Can the voice of faith bring accountability to a system that is clearly flawed?

at pivotal times, just when it seemed that everyone was echoing the same story, an outsider would arrive – Abraham, the prophets, Jesus, Paul – and challenge the prevailing narrative.

It is no surprise that faith-based investors have seen what the larger public missed. Both an outsider’s perspective and attention to the stories that shape human behavior are essential to understanding value past, present, and future. The best investors understand the role of transparency and accountability in restoring trust. They learn as much from raising questions as they do from hearing explanations from the corporate executives charged with leading their companies. It is the “asking” that matters most.

Grail, not Greed

One old story in particular – the story of Percival and the search for the Holy Grail during the time of King Arthur – might offer insight. In the earliest versions of the thousand-year-old Grail myth, Percival must mature before he can understand that he and the king need each other so they can fulfill their destinies and seek the Grail. To discover God’s

grace, symbolized by the Grail, Percival must be brave enough to approach the king, recognize their mutual dependence, and learn that he too can serve the greater quest. People of faith – Percivals of commerce – must do their part as investors by questioning the kings who run the companies and realizing their potential to generate value as fiduciaries.

How then can the “outsider” power of faith institutions be deployed in dismantling the system that brought us to financial crisis? Considering the role churches played in dismantling apartheid, will congregations once again raise a collective voice of outrage to ensure that financial reform will lead to a more just and sustainable marketplace? Can the voice of faith bring accountability to a system that is clearly flawed?

The ICCR and its members are using their voices as asset owners to set new standards for accountability. Working collaboratively with like-minded organizations, we challenge ourselves and our allies to call for real reform – reform that can bring transparency to the dark corners of financial markets. Through the ICCR, communities of faith act as a beacon, seeking accountability across global capital markets. We remind policymakers and our fellow asset owners that in addition to making profits, the capital markets were developed to enhance human experience and strengthen the global community. The question now is: are institutions of faith ready to question the cultural and economic excesses that led to our financial ills?

This October, the Crash girls will meet again, still grateful for the lessons we learned in 1987. We learned to value service above sheer transaction. We learned the subtle power of the outsider’s voice. As our political leaders and prophets of finance offer plans to reshape and reform the global economy, perhaps they need to reflect on some version of the questions posed by Percival a thousand years ago: “What ails the marketplace? How can our leaders help? And whom does the Grail of capitalism serve?”

Laura Berry, a native of Detroit, worked as a chemical engineer before starting her Wall Street career. After seventeen years as a portfolio manager, she eventually worked at the Community Foundation for Greater New Haven as a vice president. In 2007, she became executive director of the Interfaith Center on Corporate Responsibility.

Notes

- 1 See: <http://dealbook.blogs.nytimes.com/2007/07/10/citi-chief-on-buyout-loans-were-still-dancing/>

THE STATE OF THE ECONOMY

by Louis Jenkins

There might be some change on top of the dresser at the back, and there are some pennies in a jar in the closet. We should check the washer and the dryer. Check under the floor mats of the car. The couch cushions. I have some books and CD's I could sell, and there are a couple of big bags of aluminum cans in the basement, only trouble is that there isn't enough gas in the car to get around the block. And the price of gasoline goes up every day. I'm expecting a check sometime next week, which, if we are careful, will get us through to payday. In the meantime with your one-dollar rebate check and a few coins we have enough to walk to the store and buy a quart of milk and a newspaper. On second thought, forget the newspaper.



Animal Spirits Among Us

By George A. Akerlof and Robert J. Shiller

(adapted from Animal Spirits: How Human Psychology Drives the Economy and Why It Matters for Global Capitalism (Princeton University Press, 2009); by permission of Princeton University Press)

To understand how economies work and how we can manage them and prosper, we must pay attention to the thought patterns that animate people's ideas and feelings, their animal spirits. We will never really understand important economic events unless we confront the fact that their causes are largely mental in nature.

It is unfortunate that most economists and business writers apparently do not seem to appreciate this and thus often fall back on the most tortured and artificial interpretations of economic events. They assume that variations in individual feelings, impressions, and passions do not matter in the aggregate and that economic events are driven by inscrutable technical factors or erratic government action. In fact, the origins of these events are quite familiar and are found in our own everyday thinking, our animal spirits.*

Flawed Theory

The real problem is the conventional wisdom that underlies so much of current economic theory. So many members of the macroeconomics and finance profession have gone so far in the direction of "rational expectations" and "efficient markets" that they fail to consider the most important dynamics underlying economic crises. Failing to incorporate animal spirits into the model can blind us to the real sources of trouble.

The crisis was not foreseen, and is still not fully understood by the public, and also by many key decision makers, because there have been no principles in conventional economic theories regarding animal spirits. Conventional economic theories exclude the changing thought patterns and modes of doing business that bring on a crisis. They even exclude the loss of trust and confidence. They exclude

We are currently not really in a crisis for capitalism. We must merely recognize that capitalism must live within certain rules.

the role of corruption and the sale of bad products in booms, and the role of their revelation when the bubbles burst. They also exclude the role of stories that interpret the economy. All of these exclusions from conventional explanations of how the economy behaves were responsible for the suspension of disbelief that led up to the current crisis.

* EDITOR'S NOTE: The authors describe animal spirits as human urges and impulses that help explain economic fluctuations. The authors take inspiration from economist John Maynard Keynes, who discusses animal spirits in his General Theory of Employment, Interest and Money (1936). Shiller and Akerlof identify five aspects of animal spirits that dramatically affect the economy: 1) confidence, with its cycles of optimism and pessimism and feedback mechanisms between it and the economy that amplify disturbances; 2) fairness as a motivating consideration in decisions such as setting wages and prices; 3) the role of corruption; 4) money illusion, people's confusion over or neglect of the effects of inflation or deflation; and 5) stories, the narratives we tell about ourselves, those political or media stories that have power to explain events and move markets.

It is necessary to incorporate animal spirits into macroeconomic theory in order to know how the economy really works. In this respect the macroeconomics of the past thirty years has gone in the wrong direction. In their attempts to clean up macroeconomics and make it more scientific, the standard macroeconomists have imposed research structure and discipline by focusing on how the economy would behave if people had only economic motives and if they were also fully rational.

To our minds, this model is severely lacking. It fails to explain the euphoria followed by pessimism.

Capitalism Then and Now

But this view of economics is surprisingly popular, not just among professional economists and policy makers but also among the general public. In this view capitalism has brought to consumers in developed economies vast riches undreamed of in previous centuries. The average North American, European, or Japanese consumer has a higher standard of living than a medieval king. She eats better; she lives in housing that is much less roomy but much more comfortably heated; her television and radio, at the press of a button, give her better and more varied entertainment; the list goes on. In addition, as we write, other countries – Brazil, China, India, Russia – are rapidly climbing the GDP ladder.

We agree regarding the wonders of capitalism. But that does not mean that there are not different forms of capitalism, with very different properties and benefits. The debate about which form of capitalism we should have goes far back in American history and is notable for its many sharp reversals. At the beginning of the nineteenth century there was fierce debate over the role of government in the American economy. The Democrats were opposed to government intervention, while the Whigs thought that the government should provide the backdrop for a healthy capitalism. For the federal government this would mean initiation of a system of national roads. Andrew Jackson and later Martin van Buren were against the plan. In contrast, John Quincy Adams and Henry Clay were in favor of it.

And this debate has gone back and forth several times since then. The last major shift occurred in the 1970s with the election of Margaret Thatcher in the United Kingdom and in the 1980s with the election of Ronald Reagan in the United States. For the previous thirty years, with the general acceptance of the New Deal, the dominant thinking of policy makers had been that government was to play a key role in providing the infrastructure for a capitalist society. This infrastructure consisted of not just physical

highways, an educational system, and support of scientific research, but also regulations, especially those governing financial markets. At the end of the 1980s we had an economic system that was remarkably well adapted to weather any storm. For example, the S&Ls failed massively, but the system of government protections contained the macroeconomic damage. The failure cost taxpayers quite a bit of money, but only in rare instances did it cost them their jobs.

But then – and this is another part of our story – the economy, as it always does, changed. It adapted to the regulations that were in place. With the general acceptance after the 1980s of the belief that capitalism was a free-for-all, the playing field may have changed, but the rules of the game were not

We had forgotten the hard-earned lesson of the 1930s: that capitalism can give us the best of all possible worlds, but it does so only on a playing field where the government sets the rules and acts as a referee.

adapted. This has been nowhere more apparent than in the financial markets. The housing market illustrates this perfectly. In the old days, there were natural limits on home mortgages. The commercial banks and savings banks had reason to be careful in their initiation of a mortgage. They themselves would be its most likely holder. But then all that changed. The banks became the initiators, but not the holders, of mortgages. But regulation did not adapt to reflect this change in the financial structure.

Rules of Engagement

Public antipathy toward regulation supplied the underlying reason for this failure. The U.S. was deep into a new view of capitalism. We believed in a no-holds-barred interpretation of the game. We had forgotten the hard-earned lesson of the 1930s: that capitalism can give us the best of all possible worlds, but it does so only on a playing field where the government sets the rules and acts as a referee.

Yet we are currently not really in a crisis for capitalism. We must merely recognize that capitalism must live within certain rules. Indeed our whole view of the economy, with all of those animal spirits, indicates why the government must set those rules. It may be true that in the classical model there is full employment. But in our view the waves of optimism and pessimism cause large-scale changes in aggregate demand. When demand goes down,

unemployment rises. It is the role of the government to mute those changes.

In our view capitalism does not just sell people what they really want; it also sells them what they *think* they want. Especially in financial markets, this leads to excesses, and to bankruptcies that cause failure in the economy more generally. All of these processes are driven by stories. The stories that people tell to themselves, about themselves, about how others behave, or even about how the economy as a whole behaves all influence what they do. These stories are not stable but vary over time.

Such a world of animal spirits gives the government an opportunity to step in. Its role is to set

We are writing at a time when people seem to be rethinking their views of the economy. Now people are seeking new answers, urgently.

the conditions in which our animal spirits can be harnessed creatively to serve the greater good. Government must set the rules of the game.

If we thought that people were totally rational, and that they acted almost entirely out of economic motives, we too would believe that government should play little role in the regulation of financial markets, and perhaps even in determining the level of aggregate demand. But on the contrary, all of those animal spirits tend to drive the economy sometimes one way and sometimes another. Without intervention by the government the economy will suffer massive swings in employment. And financial markets will, from time to time, fall into chaos.

We are writing at a time when people seem to be rethinking their views of the economy. The recent economic turmoil has brought back to the table many questions that had been considered settled. Now people are seeking new answers, urgently. We see it in the newspapers. We see it in the think tanks, and at conferences, and in the corridors of our economics departments.

Invisible Hand, Visible History

From time to time it appears that democracies undergo great shifts in their stories of who people are and who they should be. Associated with these shifts are changes in the stories about how the economy works. We might view the U.S. as having undergone six such major shifts: at the time of the Revolution, after the elections of Andrew Jackson and later of Abraham Lincoln, at the end of Reconstruction, dur-

ing the Great Depression, and after the election of Ronald Reagan. Historians may disagree with us on the details of these changes of story, but since much of history is about such shifts, they are unlikely to argue with us about their existence.

Nor are they likely to disagree with us about the most recent such shift, coinciding with the election of Ronald Reagan. At that time the explanation of how the economy worked turned to the conservative image of the “invisible hand.” The story of the invisible hand and its consequences gives surprisingly detailed prescriptions regarding the role of government, even pertaining to questions of great specificity. But now people are asking these questions anew. Here is a small sampling: how can we allow people of varying abilities and financial sophistication to express their preferences for investments without making them vulnerable to salespeople selling “snake oil”? How can we allow people to take account of their deep intuition about investing opportunities without inviting speculative bubbles and bursts? How can we decide who should be “bailed out” and when? What regulation should there be for hedge funds? For investment banks? For bank holding companies?

It is our contention that the working of the economy, and the role of government in it, cannot be described solely by considering economic motives. Such description also requires detailed understandings of confidence, of fairness, of opportunities for corruption, of money illusion, and of stories that are handed to us by history. These are real motivations for real people. They are ubiquitous. The presumption of mainstream macroeconomics that they have no important role strikes us as absurd. The solutions to our economic problems can only be reached if we pay due respect in our thinking and in our policies to the animal spirits.

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EZRA POUND'S PROPOSITION

by Robert Hass

Beauty is sexual, and sexuality
Is the fertility of the earth and the fertility
Of the earth is economics. Though he is no recommendation
For poets on the subject of finance,
I thought of him in the thick heat
Of the Bangkok night. Not more than fourteen, she saunters up to
you
Outside the Shangri-La Hotel
And says, in plausible English,
“How about a party, big guy?”

Here is more or less how it works:
The World Bank arranges the credit and the dam
Floods three hundred villages, and the villagers find their way
To the city where their daughters melt into the teeming streets,
And the dam's great turbines, beautifully tooled
In Lund or Dresden or Detroit, financed
By Lazard Frères in Paris or the Morgan Bank in New York,
Enabled by judicious gifts from Bechtel of San Francisco
Or Halliburton of Houston to the local political elite,
Spun by the force of rushing water,
Have become hives of shimmering silver
And, down river, they throw that bluish throb of light
Across her cheekbones and her lovely skin.

A Global Economic Ethic: Now's the Time

by Hans Küng

(adapted from his remarks to the Parliament of the World's Religions, which gathered in Melbourne, Australia, in December 2009)

To more and more people, a painful truth is evident: this economic crisis is characterized by a notable absence of common ethical values and standards.

Yet one might protest: don't we have laws already that simply need to be enforced? Sure, solutions to this crisis require all provisions of the law. But laws are not enough.

Laws without morality cannot endure, and no legal provision can be implemented without moral alertness based on some elementary ethical standards. As we know, the political will to fight greed, fraud, corruption, and self-aggrandizement is often weak, because it is not supported by an ethical will.

One might ask: but isn't achieving a global ethic an issue of individual morality? Not at all: it is also an issue of corporate morality, and it concerns the global market economy as a whole.

In short, the failure of markets, institutions, and morality calls for an ethical framework.

Recent history proves that the sustainability of the market economy is by no means guaranteed. One cannot escape the fact that the emergence of global capitalism has brought with it an entirely new set of risks. The search for a single solution to the

protagonists. In any case, if even only one of the three elements – economics, politics, or morality – does not work, it can cause serious difficulties for the market economy.

Scholars distinguish between three types of failures of the capitalist system (see, for instance, *Global Capitalism at Bay?* by John Dunning, published by Routledge in 2001):

- a failure of markets: excessive speculation of property or stock, inappropriate macroeconomic politics, the moral hazard of bad financial behavior made more reckless by the expectation that government will come to the rescue.
- a failure of institutions: inefficient functioning of the regulatory and supervisory systems, lack of accountability and transparency, inadequate standards in financial reporting.
- a failure of moral virtues: casino-capitalism and corruption, lack of truthfulness, trust, and social responsibility, excessive greed of investors or institutions, falsified balance sheets, illegal manipulation of the markets. A failure of moral virtues lies at the core of the failure of the markets and institutions.

Of course, all three of these dimensions of failure – the result of human effort – could be improved by human effort: the markets, by the behavior of customers and the supply structures; the institutions, by wise regulations, enforced standards, and transparent commitments. People are capable and therefore morally responsible to build an adequate institutional framework for the economy. Ethics are not just the icing on the cake, not a marginal or artificial touch-up to apply to the face of the global

Ethics are not just the icing on the cake, not a marginal or artificial touch-up to apply to the face of the global market economy.

challenges of the global market economy is unlikely to find a consensus. Instead, what we often observe is mutual recrimination: economists accuse politicians and politicians accuse economists, while the average citizen notices the moral defects of both

market economy. No, we are justified to speak of a moral framework that shapes and informs the main institutions of the economic system – markets, governments, civil society, and supranational organizations.

Ethics do not only denote moral appeals, but moral action. Nevertheless, it often takes a crisis moment to create the pressure to inspire action and economic reform, build a political agenda that supports it, and make it socially acceptable. After

A manifesto should show a way between an economism that ignores moral standards and a moralism that ignores economic realities.

all, even in a democratic society it takes repeated effort to convince the majority that a strong ethical framework for operating the global markets is in everyone's best interest. Such a framework influences the behavior of all involved in production, distribution, and political oversight.

But what are the elements of this ethical framework? On this point, many people have doubts: Is a global consensus possible? Hence the urgency of our manifesto, "Global Economic Ethic." (see www.globaleconomicethic.org.)

The Manifesto can be understood as a precise response to the current global economic crisis, though work on such an appeal started long before. It is built on the insights of previous international initiatives that embrace cross-cultural religious values and ethical standards.

All ethical values and standards are culture-bound, but there are core values and standards that are universal. In this respect, the United Nations Global Compact, initiated by Secretary-General Kofi Annan in 1999, offers a most valuable starting point for ethical guidance in business, economics, and society. It has already been joined by more than 5,200 corporate participants and stakeholders from over 130 countries.

The claims it makes on corporate conduct in a globalized economy are fourfold:

- respect and support for human rights.
- adherence to responsible labor standards.
- protection of the environment.
- resistance against corruption in all its forms.

These values are obviously based on the conviction that everywhere on earth – in all societies, cultures, and religions – people can recognize basic pillars that allow them to live together peacefully without canceling their own interests and concerns.¹

The contents of the UN Global Compact are very much in accord with ideas of another document, The Declaration Toward a Global Ethic, a statement produced by the Parliament of the World's Religions in 1993 in Chicago. Indeed, those who assume these are only abstract and general principles should read the Parliament's 1993 Declaration statement (see www.global-ethic.org), which provides the ethical frame of reference of our new manifesto.

In the Parliament's 1993 Declaration Toward a Global Ethic, principles inspired by all the major ethical and religious traditions are applied to contemporary situations. The application of cross-cultural global values and ethical standards is indeed possible and practical, despite all cultural differences. They provide the basis for a global ethic based on the principles of humanity, reciprocity, and standards of non-violence, fairness, truthfulness, and partnership.

Thus, much of what is proclaimed as God's commandment in the Hebrew Bible, in the New Testament, and in the Koran can also be found in the religions and philosophies of Indian and Chinese origin and in humanist philosophies not rooted in any religion. The Parliament's 1993 Global Ethic Declaration identified two basic principles that underlie all ethical values and standards: humanity and reciprocity. These are foundational to the new manifesto.

First, the principle of humanity. When this is applied, it changes the atmosphere in any office, factory, store, or business: Every human being – man or woman, rich or poor, young or old – must be treated humanely.

Second, the principle of reciprocity, or the Golden Rule. It can be found already in the Analects of Confucius, but also in Biblical, Islamic and other traditions: "What you do not wish done to yourself, do not do to others."

Moral Globalization

These commonly held principles are echoed in four basic values and standards that are found in the writings of Patanjali, the second-century-BCE founder of yoga, but also in the Buddhist canon and in all major religious and non-religious traditions: not to murder, not to steal, not to lie, not to abuse sexuality. They structure also our manifesto:

- a commitment to a culture of non-violence and reverence for life.
- a commitment to a culture of fairness and a just economic order.
- a commitment to a culture of truthfulness and tolerance.

This manifesto takes seriously the rules of the market and of competition; it intends to put these rules on a solid ethical basis for the welfare of all. Nothing less than the experience of the current crisis affecting the whole economic sphere underlines the need for those internationally accepted ethical principles and moral standards, which we all need to breathe life into in our day-to-day business practices.

- **Humanity flourishes only in a culture of respect for the individual.** The dignity and self-esteem of all human beings – be they superiors, co-workers, business partners, customers, or other interested persons – are inviolable. Never may human beings be treated badly, either through individual ways of conduct or through dishonorable trading or working conditions.
- **It is legitimate to pursue one's own interests,** but the deliberate pursuit of personal advantage to the detriment to one's partners – that is, with unethical means – is irreconcilable with sustainable economic activity to mutual advantage.
- **Every form of violence or force in pursuit of economic goals is to be rejected.** Slave labor, compulsory labor, child labor, corporal punishment, and other violations of recognized international norms of labor law must be suppressed and abolished.
- **The impairment of people's health** through adverse working conditions must be stopped. Occupational safety and product safety according to state-of-the-art technology are basic rights in a culture of non-violence and respect for life.
- **Sustainable treatment of the natural environment** on the part of all participants in economic life is an upmost value-norm for economic activity. Sustainable clean energy (with renewable energy sources as far as possible), clean water, and clean air are elementary conditions for life. Every human being on this planet must have access to them.
- **To be an authentic human being means** – in the spirit of the great religious and ethical traditions – not misusing economic and political power in a ruthless struggle for domination. Such power is instead to be used in the service of all human beings. Self-interest and competition serve the development of the productive capacity and the welfare of everyone involved in economic activity. Therefore, mutual respect, reasonable coordination of interests, and the will to conciliate and to show consideration must prevail.
- **Responsibility, rectitude, transparency, and fairness** are fundamental values of economic life, which must always be characterized by law-abiding integrity. All those engaged in economic activity are obliged to comply with the prevailing rules of national and international law. Where

deficits exist in the quality or the enforcement of legal norms in a particular country, these should be overruled by self-commitment and self-control; under no circumstances may one take advantage of them for the sake of profit.

- **The pursuit of profit is the presupposition for competitiveness.** It is the presupposition for the survival of business enterprises and for their social and cultural engagements. Corruption inhibits the public welfare, damaging the economy and the people, because it systematically leads to false allocation and waste of resources.
- **To be authentically human in the spirit of our great religious and ethical traditions** means that we must not confuse freedom with arbitrariness or pluralism with indifference to truth. We must cultivate integrity and truthfulness in all our relationships instead of dishonesty, dissembling, and opportunism.
- **Discrimination of human beings** because of their sex, their race, their nationality, or their beliefs cannot be reconciled with the principles of a global economic ethic.
- **To be authentically human in the spirit of our great religious and ethical traditions** means the following: We need mutual respect, partnership, and understanding, instead of patriarchal domination and degradation, which are expressions of violence and engender counter-violence. Every individual has intrinsic dignity and inalienable rights, and each also has an inescapable responsibility for what she or he does and does not do.
- **All economic agents** should respect the internationally accepted rules of conduct in economic life; they should defend them and, within the framework of their sphere of influence, work together for their realization. Fundamental are the human rights and responsibilities as proclaimed by the United Nations in 1948. Other global guidelines issued by recognized transnational institutions – the Global Compact of the United Nations, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization, the Rio Declaration on Environment and Development, and the UN Convention against Corruption, to name just a few – all agree with the demands set forth in this manifesto for a Global Economic Ethic.
- **The principles in this manifesto** can be endorsed by all men and women with ethical convictions, whether these be religiously grounded or not. The signatories of this declaration commit themselves to being led by its letter and its spirit in their day-to-day economic decisions, actions, and general behavior.

Note: The Manifesto for a Global Economic Ethic was launched at United Nations headquarters in October 2009. See globeconomicethic.org for full text.

- a commitment to a culture of partnership and equal rights of men and women.

Standing on these historic commitments, the “Global Economic Ethic” Manifesto reminds all stakeholders in global businesses of their individual responsibilities for humanizing the functioning of the economy. A global ethic does not presuppose a specific ethical system but only a few elementary ethical values and standards common to all humanity – an internal ethical conviction or attitude, a personal commitment to live by binding values and personal fundamental principles or virtues. *Globalization needs a global ethic.*

Accordingly, this manifesto was drafted by a group of economists, businessmen, and ethicists under the auspices of the Global Ethic Foundation. (For a list of signees, see www.globaleconomicethic.org.) The authors reflected carefully on the criteria. It should show a way between an economism that ignores moral standards and a moralism that ignores

A global ethic manifesto reminds all stakeholders in global businesses of their individual responsibilities for humanizing the functioning of the economy.

economic realities. It should avoid casuistic moral sermons and enthusiastic religious proclamations. It should rather

- be grounded in economic and political reality.
- be comprehensible beyond narrow circles of experts.
- reach to deeper ethical levels.
- be capable of securing a consensus. The manifesto avoids statements that might *a priori* be rejected by particular ethical or religious traditions (e.g., on interest rates).

The manifesto is not a legally binding document but a moral appeal. It is designed to be not a repressive but a constructive document that provides everybody in these stormy seas an orientation, a chart to steer by, a map with clear coordinates – a compass and conscience that functions incorruptibly even in crisis, an ethical guideline for the difficult decisions that are unavoidable in the harsh reality of everyday life.

All this may sound a little abstract. But our new manifesto is very concrete. I conclude with words from the Preamble, an invitation to the world community – to business, civil society, and people of faith everywhere:

“Fair commercial exchange and cooperation will only achieve sustainable societal goals when people’s activities to realize their legitimate private interests and prosperity are embedded in a global ethical framework that enjoys broad acceptance. Such an agreement on globally accepted norms for economic actions and decisions – in short, for an ethic of doing business – is still in its infancy.

“A global economic ethic – a common fundamental vision of what is legitimate, just, and fair – relies on moral principles and values that from time immemorial have been shared by all cultures and have been supported by common practical experience.

“Each one of us – in our diverse roles as entrepreneurs, investors, creditors, workers, consumers, and members of different interest groups in all countries – bears a common and essential responsibility, together with our political institutions and international organizations, to recognize and apply this kind of global economic ethic. ... This is one of the fundamental lessons of today’s worldwide crisis of the financial and product markets.”

Swiss theologian Hans Küng, ordained as a Roman Catholic priest in 1954, has been engaging and provoking questions of Christian doctrine and religious truth for decades. His many books include On Being a Christian (Image Books, 1984), Credo: The Apostles Creed Explained for Today (Wipf & Stock, 2003), and Global Responsibility: In Search of a New World Ethic (Wipf & Stock, 2004). He is president of the Global Ethic Foundation (www.weltethos.org).

Note

- 1 Another document, the Organization for Economic Cooperation and Development guidelines for multinational enterprises, deserves quotation. These guidelines, first devised in 2000, presuppose very specific ethical standards, notably:
 - the value of disclosure: it requires the will to truthfulness, honesty, transparency.
 - the expectation of environmental protection, public health, and safety: it requires reverence for life, including that of animals and plants.
 - the necessity of refraining from slush corruption and bribery: it requires both a basic attitude towards justice and fairness and the will to encompass a just economic system.
 - the commitment to avoid any form of gender, color, or age discrimination at the workplace: it implies the partnership of men and women and the necessity of equal rights.



The Relentless Revolution: A History of Capitalism

by Joyce Appleby (Norton, 2010)

Capitalism didn't become an "ism" until people revolutionized their own thinking, allowing themselves to pursue profit at the expense of old values, says this compelling narrative. Capitalism's rise wasn't inevitable. Sixteenth-century European improvements in farming efficiencies ended cycles of famine and created surplus labor, leading the way for historic economic transformations. Capitalism created new industries and entrepreneurs, destroying old trades and customs. It still does. Booms and busts won't deter it. Its bloom in communist China testifies to its relentless adaptability across continents.

How Markets Fail: The Logic of Economic Calamities

by John Cassidy (Farrar, Straus, and Giroux, 2009)

"As happened in the 1930s, the unfettered free market has disgraced itself in full public view," journalist Cassidy writes in this deft chronicle. Utopian economics and a wild-and-crazy Wall Street fueled the "Great Crunch" of 2008. He fears the nation will forget the lessons and return to rewarding excessive risk-taking and powerful financial lobbies. But an idealized free market is a fiction. In reality, we have a "hybrid of private and public enterprise, of decentralized activity and central supervision." Too much supervision stifles innovation. Too little oversight leads to booms, busts, pollution, inequities. Successful economies and governments get that balance right.

The Power of Half: One Family's Decision to Stop Taking and Start Giving Back

by Kevin Salwen and Hannah Salwen (Houghton Mifflin Harcourt, 2010)

The Salwens, a family of four in Atlanta, decided to sell their 6,500-square-foot mansion, buy a place half that size, and give half the sale profit to a charity in Ghana. Their decisions came out of lively family discussions, which drew them closer and refocused their values. They believe anyone can adapt the "power of half" to their own situation and redefine the meaning of living well.

The Bridge at the Edge of the World: Capitalism, the Environment, and Crossing from Crisis to Sustainability

by James Gustave Speth (Yale, 2008)

Capitalism has a genius for growth. But its runaway momentum is driving us to ecological ruin. Half the world's tropical forests are gone. Species are vanishing. Toxic chemicals now abound – inside us. Assumptions of endless consumption dominate culture. "Only powerful forces will alter the trajectory ..." says this former dean of Yale's School of Forestry and En-

vironmental Studies. We must imagine a post-growth society, stem corporate lobbying, reward businesses for ecological action, and much more. There's no one answer – reform our politics, reform our values, taking inspiration not only from scientists and lawyers, he says, but poets and preachers.

The Spirit Level: Why Greater Equality Makes Societies Stronger

by Richard Wilkinson and Kate Pickett (Bloomsbury, 2009)

Rich countries generate abundance but also a puzzling array of ills -- obesity, stress, low self-esteem, and pessimism that anything can be done to reverse the excesses. Exaggerated inequalities are the culprit, triggering mental ailments and distrust, the authors argue. Research says happiness levels don't rise as rich countries get still richer. Some nations (Japan, Finland) successfully balance prosperity and equality. America apparently concluded during the Cold War that both liberty and equality aren't possible; communism gave equality a bad name. Can equality make a comeback? Society's sanity demands that we try.

Goddess of the Market: Ayn Rand and the American Right

By Jennifer Burns (Oxford, 2009)

Ayn Rand (1905-1982) continues to divide. Avid readers regard her as an unrivaled prophet of libertarian freedoms, rationalism, human creativity, and capitalism. Her forceful personality and atheism inspired fierce devotion. Critics denounce her as a sophomore philosopher whose bullying gospel of deregulated markets was discredited by the Great Recession. Rand supporters say the statist economy collapsed, not the free market. Her books, especially novels *Atlas Shrugged* and *The Fountainhead*, still sell briskly. Burns even-handedly examines the fascination with a Russian-born American original.

The Moral Ecology of Markets: Assessing Claims about Markets and Justice

by Daniel Finn (Cambridge, 2006)

Are layoffs immoral? Is self-interest justifiable? Can economists avoid moral issues altogether by focusing on empirical data? Moral arguments about markets are unavoidable. They are also overheated; left and right talk past each other. Finn fair-mindedly maps out major disagreements over market philosophy, hoping to make debate more productive. He identifies criteria for assessing the success of any economic system. Real dialogue requires intellectual honesty and clarity, not slogans. This book contributes to the improvement of an urgent conversation.

God's Economy: Redefining the Health and Wealth Gospel

by Jonathan Wilson-Hartgrove (Zondervan, 2009)

There's the global economy; then there's God's economy. The former dangles hopes of long-term capital gains and dreams of security. The latter dethrones the frantic money chase and invests its trust in divine abundance. This book reclaims the message of Jesus, who insisted on belief in providence and eternal life, freeing people to embrace a self-forgetful regard for others. God's economy is a gift, often hidden. It is not something we can manipulate or turn into a system for material gain. Jesus' liberating logic unleashed the dramatic growth of the primitive church.

Enough. True Measures of Money, Business, and Life

by John C. Bogle (Wiley, 2009)

When is enough enough? The personable founder of Vanguard mutual funds laments that we have no ready answer. When success means just making piles of money, detached from a well-rounded life, then it's never enough. Professional ethics have deteriorated. They once meant, he notes, putting the client first and making judgments with integrity despite ethical uncertainty. Bogle pleads for old business virtues and accountability. "The great game of life is not about money; it is about doing your best to join the battle to build anew ourselves" and society.

The Duty of Delight: The Diaries of Dorothy Day

edited by Robert Ellsberg (Marquette, 2008)

Dorothy Day (1897-1980), founder of the Catholic Worker movement, led a life committed to gospel ideals and works of mercy in a modern economy. This collection, spanning five decades, immerses in the details of running hospitality houses, embracing poverty and pacifism, settling disputes, coping with loneliness, balancing radicalism and tradition, finding community. "The greatest challenge of the day," she wrote, "is: how to bring about a revolution of the heart, a revolution which has to start with each one of us?"

Is the Market Moral? A Dialogue on Religion, Economics, and Justice

by Rebecca Blank and William McGurn (Brookings Institution, 2004)

The question in the title ponders whether an economic system based on self-interest can promote the good of the community too. Economist Blank says churches should focus not on being pro-market or anti-market but life-affirming, denouncing economic trends that lead to human misery and supporting markets and incentives that lead to better opportunities for people. *Wall Street Journal* executive McGurn

finds important relationships between Christianity and capitalism. He also argues that presumably individualistic markets actually depend on broader human relationships and networks – a "contract" between neighbors.

Bringing It to the Table: On Farming and Food

by Wendell Berry (Counterpoint, 2009)

For nearly fifty years, this farmer-writer-poet has warned against the economy's disregard for small solutions and local traditions. Post-war economic behavior has despoiled earth, ruined family farms, and turned citizens into oblivious consumers. In this collection, he challenges readers to learn the food economy, support local farmers, be wary of advertising, and respect our deep dependence on the intricate, ultimate economy known as the natural world.

Solidarity Divided: The Crisis in Organized Labor and a New Path Toward Social Justice

by Bill Fletcher Jr. and Fernando Gapsin (California, 2008)

Unions used to represent slightly more than one-third of American workers. In the past generation of corporate power and changing labor markets, that proportion has sunk to about 12 percent. A revitalized unionism should be more internationalist in outlook, promoting worker interests everywhere, this book argues. Success will also require overcoming racial divisions that divide workers who have economic, political reasons to unite.

Forces of Fortune: The Rise of the New Muslim Middle Class and What It Will Mean for Our World

by Vali Nasr (Free Press, 2009)

The war on terror blinds us to other forces at work in the Muslim world. The battle for Islam's soul, says this Iranian-American scholar, "will be fought not over religion but over business and capitalism." Business elites are rising in national power structures, changing political and religious life. They want stability and access to new markets. We should promote strong economies that give Muslims a stake in society.

Good Value: Reflections on Money, Morality, and an Uncertain World

by Stephen Green (Atlantic Monthly, 2010)

The author, chairman of HSBC bank, brings an unusual perspective: he is also an Anglican priest. This book-length meditation refers not only to Adam Smith and Milton Friedman but Ecclesiastes, Paul, Goethe, and T.S. Eliot. He says we must address the massive breakdown in trust in the financial sector, banks, politicians, media. Preserve the dynamism of the markets while taming the excesses. Redefine value in terms large enough to include not only investors but customers, employees, and earth. It's time to reclaim the common good. Business should care about value and values.



Calvinism and Capitalism: Together Again?

By Bruce Gordon

On John Calvin's 500th birthday, July 10, 2009, BBC News' web site ran a story on the interest of young Dutch businessmen and women in Calvinism, a faith once prevalent in their land. Why, the reader was encouraged to ponder, might this unfashionable form of Protestantism be making a comeback in the heart of secular, modern Western Europe where church attendance is almost invisible? An answer could be found in the headline: "Economic Crisis Boosts Dutch Calvinism."

Have we not been here before? Have we not always assumed some sort of relationship between Calvinism, with its busy transformation of the world, and the marketplace? But wait: is this relationship now being rediscovered, rewritten, intensified? Are people looking again to Calvinism and its ethics to fire the engines of the economy, rather than simply offer consolation and refuge?

The appearance of the article on Calvin's birthday was a play on the seeming dissonance between modern Euro-sophistication and its supposedly abandoned religious past. What these young women

and men claimed to have found in Calvinism were moral certainties, an ethical compass in a world on the brink of financial Armageddon.

return to their previous habits of thought. Yet we are left with something very serious to consider in the assumptions of this story: the connection of Protestantism and the economy, and the role of Christianity in the secular world.

Age of Anxiety

The sense of dislocation felt by those Dutch citizens interviewed, an inability to make moral connections between their work and what might constitute a meaningful life, pervades our society and raises old questions in new forms. We struggle both to understand the nature of the financial and moral crisis that has come upon us and to find a vocabulary for faith in the midst of the storm. As people of faith, if we are to engage with the problems of the financial turmoil we need to understand more clearly the historical roots of the issues.

An informed discussion requires us to return to the changing world of late medieval/early modern commerce and religion. During the sixteenth and seventeenth centuries Catholic and Protestant theologians were at the forefront in the attempt to resolve the moral dilemmas posed by the changing economies of the Mediterranean, the Atlantic world, and the Baltic. They notably agonized over how to square Christian doctrinal and legal positions with banking ethics and the prohibition of usury. Figures as diverse as Calvin and Cardinal Cajetan did not reject the emerging banking houses and their place in

What these young women and men claimed to have found in Calvinism were moral certainties, an ethical compass in a world on the brink of financial Armageddon.

and men claimed to have found in Calvinism were moral certainties, an ethical compass in a world on the brink of financial Armageddon. Lives devoted to work and adorned by the promises of material reward were proving hollow. Where people thought they would find fulfilment, there was only anxiety.

No doubt, as the Dutch pastor interviewed for the article says, the attraction will prove passing, and should the economic ship be righted most will

society, with their increasingly sophisticated forms of credit, but they strove to define what constituted ethical commerce.

Thinkers of that era grappled as well with an emotion that clearly preoccupies the young twenty-first century Dutch in the news story – anxiety. It lay at the heart of the Protestant Reformation, and of Calvinism in particular, and formed the basis of Max Weber’s understanding of the “Protestant work ethic.” Weber shrewdly perceived that the radical separation of the spiritual and material in the Reformed tradition, a “disenchanted” of the world, left humanity worried that there was no discernable path to the divine. He saw the anxiety engendered by this shattering realization as transformative.

Signs of Salvation

Weber primarily looked to seventeenth-century Puritans, but the story begins earlier. Following Martin Luther, John Calvin’s conversion experience in the 1530s arose from a deep sense of spiritual anxiety. Calvin never questioned his own election, though he chose not to write about it, and when dealing with parishioners wracked by doubt he directed them to the love of Christ. Outward actions and events – he was emphatic – could never be taken as signs of salvation. Pastorally, however, this proved deeply troubling to the Reformed faith, and Calvin’s successor, Theodore Beza, made greater accommodation by allowing human deeds to be at least partial indicators of God’s love.

The question of certainty and its attendant pastoral issues remained in tension within the Reformed churches as they emerged in the Netherlands, England, and New England. The matter was not abstract, but hotly contested in terms of how the Bible was to be read, of relations of the church to temporal authority, and of the Christian in the secular world. The Reformation principle of *sola scriptura* had thrown open the question of how the Bible should be interpreted. Calvin and the Reformed leaders sought to ground interpretation once more within the church, but in so doing they faced fierce criticism that they were doing little more than restoring Roman authority. The Reformation made Christianity’s sacred text a battleground over contesting claims to authority – another source of the new anxiety.

With regard to the state, the issues were no less momentous. Although Calvin did not anticipate the separation of church and state, there can be little doubt that in Geneva during his lifetime significant developments began the process of secularization. Drawing on the Augustinian model of the separation of the two kingdoms, Calvin passionately believed

that the church should be free in questions of doctrine and discipline. He fiercely resisted what he regarded as the unwarranted intrusion of the magistrates in the central affairs of the church.

In Geneva, however, he lost this battle. The Swiss model of churches ruled over by secular authorities prevailed, and Calvin was bitterly disappointed. Nevertheless, what emerged from his thinking is highly significant for modernity. Calvin increasingly conceived of a state where the rulers were limited in order to ensure protection of religion. They were expected to preserve the circumstances in which true religion could be practised. This was the resolution of the devastating Thirty Years’ War in 1648 when the Peace of Westphalia essentially removed religion from the political equation.

Building on medieval models, Protestantism of the sixteenth century named and sanctified work and commerce as part of the godly life. Calvin viewed economics as a way of linking the life of the community with the divine will. In many respects his perspective was entirely practical: as the leading author in Geneva he was responsible for the growth of its printing industry. He involved himself in the commercial life of the city, while his brother Antoine

Calvin argued for moderation in business ethics. Lending and profit-making should be permitted only insofar as they were useful, never simply to build personal wealth.

controlled his financial affairs. Calvin understood that loans and lending were an essential part of the market and of Geneva’s place as a trading center at the heart of Europe. He approved of the charging of interest and rejected older notions of usury on the condition that it not be abused. The poor, for instance, should not be forced to pay interest.

Theology of Work

Calvin argued for moderation in business ethics. Lending and profit-making should be permitted only insofar as they were useful, never simply to build personal wealth. All of this fell within his understanding of work and labor as vocations. In performing useful work a person served both God and humanity, and the rewards should be commensurate. His arguments were not new or radical in themselves, but they formed part of his larger theology that sought to understand the relationship of the human and divine. Work and service were for the honor of God, but once more the door was opened

to a new, more secular view, that work might exist for its own sake.

This gathering tension in the relationship between the fruits of labor and vocation became explicit after Calvin's death, during the golden age of the Dutch Republic. In his magisterial account, *The Embarrassment of Riches: An Interpretation of Dutch Culture in the Golden Age* (Vintage, 1997), Simon Schama has related how the prosperous Calvinists of the Republic were deeply unsettled about their material success, seeing it less as a sign of election than as a form of reprobation. The enormous

The good of the civil society is not an exclusively Christian claim, but it is a good to which Christians should dedicate themselves.

wealth generated by the Republic's trading empire financed the nation's protection against enemies. At the same time, however, it brought material temptations that could destroy the godly society from within. The result was an unresolved anxiety that, in Schama's interpretation, deeply troubled any sense that capitalism and Protestantism were easy companions.

Revisiting Weber

This returns us to Max Weber's famous account *Protestantism and the Spirit of Capitalism* (1904/5), in which he interpreted the Calvinism of the seventeenth-century as an important source of modern economic practice. The broad outlines of the argument are familiar, though more often than not crudely caricatured. Weber was a subtle and perceptive student of history, theology, and economics. He never argued for a simple causal relationship between Protestantism and capitalism. Rather he identified the ways in which Calvinism contained a "spirit" or "ethic" that made possible the rise of capitalism and granted it legitimacy.

In brief, he wrote that the God of Calvinism is remote and inscrutable, leaving humans uncertain of their salvation. He focused his analysis on the doctrine of predestination and its effects. It is salvation anxiety that drives the desire to pursue with rigor a secular calling in the world. The pastoral literature of English Puritans revealed to him the depth of this uncertainty. The unknowable nature of God pushed Calvinists to seek signs of election in the world, yet, as the Dutch of the seventeenth century experienced, believers did not allow themselves to enjoy the fruits of acquisition. To ease the tension

between their piety and their prosperity, wealth was instead to be reinvested in society, promoting an ascetic discipline in which commerce could be converted to the service of God. This "ethical" form of capitalism was seen to be consonant with Reformed teaching. As Weber himself fully understood, such conduct was not limited to Protestant lands alone, but it was here, in particular the Anglo-American world, that he cast his gaze.

Weber was clear that by the nineteenth century the religious dimensions of this asceticism had vanished in the increasingly secular and godless soot of the Industrial Revolution. His contemporary, the Dutch minister and politician Abraham Kuyper, responded to this secularization by attempting to create a Christian society that could embrace diversity. It was this vision, delivered in the Stone Lectures in Princeton in 1898, that spurred the growth of Neo-Calvinism in the United States, a movement currently enjoying widespread renewal. This is a movement that takes many forms, but its guiding principle holds to Kuyper's view that the whole of creation is sacred (including secular institutions, higher education, science, etc) in which Christians are called to participate. It is an attempt to embrace diversity while preserving the hope of creating a Christian society.

Protestant Work Ethic?

The concept of the Protestant work ethic, which Weber understood to be part of a complex historical process, has been vulgarized into a descriptor for our modern culture of "workaholicism." Stripped now of any real religious content, it imagines a connection between the endless pursuit of goals, the denigration of meaningful leisure, the acquisition of material goods, and some vestige of Protestant conscience. The result, as we know, and as the young businesspeople in Amsterdam realize, is a culture of unhappiness, self-doubt, and fear of failure.

In speaking of doubt, anxiety, and fear we seem to have come full circle. Perhaps, but this is because we have not been attentive to what Weber and others have argued. What the Dutch businesswomen and men are seeking represents the aspirations of many in our world of Lehman Brothers and subprime mortgages – a connection of ethics with commerce. This cannot be achieved by a return to some sixteenth-century polity or any other supposed golden age; we live in multicultural, pluralistic societies. Christians need to reconsider their relationship to the secular, questioning whether this word, so often demonized in our vocabulary, represents something to be embraced.

A post-Christian society in which the churches have no monopoly on ethics or a dominant voice in the public space requires us to accept that there are places where we as Christians have no expertise. We must live and work in conversation with others. This includes government, economics, and social policy. The good of the civil society is not an exclusively Christian claim, but it is a good to which Christians should dedicate themselves.

As Christians we must respect the integrity of civil society as a place where a plurality of voices and views can and must coincide. That does not require us to sacrifice our beliefs in any form. It challenges

This opens possibilities for navigating the relations between the moral and financial economies – the very issues debated in early-modern Europe and in contemporary Dutch cafes.

us to find ways of speaking and acting that enable us to translate our beliefs into the public domain. In our own churches our tasks are different: we are called to bear witness to the teaching of Christ, to preach the Word, administer the sacraments, and provide pastoral care.

To an extent we live as people divided, with commitments to church and society, where the ideal of the good is differently expressed. This is where the development of neo-Calvinism presents the Reformed tradition with exciting possibilities. A person doesn't have to share all of its strictest doctrinal positions to see its value: It brings the Reformed back into conversation with Catholics and other Christians who take seriously the concept of a civil society – a world that recognizes religious boundaries but which also issues a clear invitation to participate in public life.

This opens possibilities for navigating the relations between the moral and financial economies – the very issues debated in early-modern Europe and in contemporary Dutch cafes. The moral vacuums exposed by recent financial disasters require us to act. We cannot afford to leave it to the banks.

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Draining a Dream

Unemployment among African Americans is at its highest rates in twenty-seven years, threatening generations of progress since the era of Martin Luther King Jr.

A report called "State of the Dream 2010: Drained" was issued in February by the organization United For a Fair Economy. It says the Great Recession's damage – the joblessness and foreclosures – has especially punished ethnic minorities and intensified divisions of wealth. The report calls for targeted policies of economic recovery that reunite the nation "by a shared destiny and a shared prosperity."

Among the findings:

- Blacks earn 62 cents for every dollar of white income; Latinos earn 68 cents for every dollar of white income.
- Since 1968, the gap between white and black median family incomes has widened. Median family income for whites was \$69,937 in 2007; for African Americans, \$40,143.
- The poverty rate for children under eighteen rose to 19 percent in 2008, the highest level since 1997. More than one-third of African American children were living in poverty.
- Blacks and Latinos are nearly three times more likely to live in poverty than whites.
- In 2008, less than three out of every ten jobs in the U.S. met the criteria of "good job." A good job is defined as one that pays at least \$14.51 an hour and provides health insurance and a pension plan.

Policy recommendations include:

- Identify communities with the highest unemployment rates and target job-creation initiatives there. This policy direction will lift up working-class white communities while narrowing the racial income gap.
- Recommit to affirmative action policies.
- Commit to a moratorium on foreclosures.
- Strengthen financial regulation to end predatory practices.
- Tax capital gains and dividends the same as ordinary income. Preserve the estate tax.
- Strengthen the federal income tax. Congress should examine the feasibility of a new top tax bracket of 50 percent for incomes over \$5 million.

Source: www.faireconomy.org



THEY WORK HARDER,
SO YOU CAN LIVE BETTER

A Moral Audit of Economic Turmoil

By Teresa Ghilarducci

Pope Benedict XVI issued Caritas in Veritate (“Charity in Truth”), his 28,000-word encyclical on economic justice and the meaning of charity, in the midst of the greatest recession since the Great Depression. The timing of the encyclical was not incidental.

Papal encyclicals are often produced during economic crisis, for good reason: they are moral audits of the current economic order. They deliver dissents against economic and financial policies and actions when they fail to serve the social good.

In the last two years, the world’s most powerful governments have used massive deficit spending and unusually aggressive monetary policies to staunch an economy in freefall. Even so, more than 10 percent of working Americans couldn’t find a job, and over half of those who do work are either under- or unemployed.

Economic recessions are a severe blow to economic justice. Recessions mean industrial output that is lost forever. Families break up, children’s education is short-changed, retirement dreams and savings are shattered. Recession is a signal that a society has failed people. This particular recession has been especially punishing for men, who are facing a historic era of downward mobility. The average American male is doing worse than his father and grandfather in terms of median wage adjusted for inflation, age, and education. Such a scale of downward generational mobility of men is unprecedented in an advanced market economy. More than 73 percent of those who have lost their jobs in the U.S. in the last two years are men.

Economies of Salvation

With a backdrop of the human toll exacted by financial downturn, papal encyclicals are unabashed, unapologetic engagements of the Church with economics and public policy. Pope Benedict’s *Caritas*

in Veritate continues in that tradition, an effort to bring Church social teaching to bear on economic behavior, challenging the ruthlessly secular logic of markets. The pope insists we cannot compartmentalize our moral life, our financial life, and our life as citizens. *Caritas* argues that we must pay attention to financial crisis, question the criteria that triggered it, and bring in other moral standards that can challenge, humanize, and improve business-as-usual.

Church advocacy for social change, preference for the poor, and labor solidarity has been remarkably consistent since the first modern economic

The pope insists we cannot compartmentalize our moral life, our financial life, and our life as citizens.

encyclical, Pope Leo XIII’s *Rerum Novarum* (“The Rights and Duties of Capital and Labor”) in 1891. Pope Pius XI’s *Quadragesimo Anno* (“After Forty Years,” a reference to his predecessor’s encyclical), published in 1931 during the Great Depression, warned against the trend of dangerous concentrations of wealth. Pope Paul VI’s *Populorum Progressio* (“On the Development of Peoples”), released in 1967, grappled with post-war economic changes, including the intensified marginalization of the poor. Benedict XVI insists moral reasoning and Christian ideals of justice and love must be reckoned with as the shaken world reassesses its economic assumptions in the wake of the financial debacle.

Church social teaching says public policy must be judged by how it advances the dignity of workers and improves the lives of the poor. A proposal or policy that does not consider or advance the poor or others in marginalized groups is immoral and must be criticized and opposed. Encyclicals assume that the work of economic justice must extend beyond individual religious giving and charity; those admirable works are not enough to confront the structural problems of the economy or alleviate the suffering of the unemployed and homeless. The advocacy work of Catholic bishops and Catholic Charities, the activism of lobbying groups and cooperative initiatives with other denominations in support of social spending or progressive tax policy – these are all components for addressing large-scale problems and solutions. A person of the gospel cannot do moral work concerning economic justice solely at the household level.

Many Roads to Prosperity

The encyclicals advance the principles of solidarity and subsidiarity. Solidarity is best thought of as empathy, not paternalistic sympathy, with others. Our interests as citizens should align with the interests of the poor as if they were our own interests, so that there's a feeling of connection, not superiority, to the marginalized.

Subsidiarity is a concept much more familiar to Europeans than Americans. The idea is that public policy decisions affecting people's lives should be made at the smallest, most local unit of legislative or community decision-making as possible, so that the weakest voices are heard. A centralized authority should step in to perform a task only if the smaller, more local unit cannot.

"The principle of subsidiarity must remain closely linked to the principle of solidarity and vice versa," Benedict urges in *Caritas*, "since the former without the latter gives way to social privatism, while the latter without the former gives way to paternalist social assistance that is demeaning to those in need." For those who read the gospel for guidance in their roles as workers, employers, and citizens, this sentence, from a long encyclical, is a good summary of the moral relationship between the private and public realms of action.

The encyclicals evaluate the findings and expertise of economists, who themselves have powerful visions of the proper world order based on particular models and theories about human interactions and needs. These papal "audits" of prevailing economics remind us that the discipline of economics is not a physical science but a social science working with a

set of received wisdoms and fixed beliefs. It might be more accurate to say economics has much in common with theology. Conclusions and policies that derive from economic models are not like the laws of gravity. They are not deterministic. Take the new literature on the "varieties of capitalism" (see, for instance, the 2001 book *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*,

These papal "audits" of prevailing economics remind us that the discipline of economics is not a physical science but a social science working with a set of received wisdoms and fixed beliefs.

edited by Peter Hall and David Soskice), suggesting that there is a diversity of market economies, each with its own set of values, rules, and paths to success. Different models of capitalism yield different patterns of distribution of resources, work out various levels of protection for the poor and produce varying relationships between labor and capital. Capitalism's many economic decisions – regarding minimum wage laws, mandatory health insurance, union protections – are value judgments that provoke debate and draw support or rejection from the reigning political powers.

Moral Philosophy, Revisited

We can regard this latest papal encyclical as an effort to provide a moral frame for economic values and action in a time of financial uncertainty and re-evaluation. Consider it a modern adjunct to economic policymaking. Economics has embraced game theory, mathematics, physics, and psychology to help advance the discipline. Moral philosophy is the oldest companion discipline. Adam Smith, a trained moral philosopher, called his *Theory of Moral Sentiments* (1761) a better book than his far more famous *Wealth of Nations* (1776).

Caritas' moral frame makes it critical of modern-day capitalism and the institutions that were designed to safeguard the less powerful. Global progress, the pope laments, *"remains an open question,* made all the more acute and urgent by the current economic and financial crisis." In the four decades since Pope Paul VI's encyclical, various parts of the world still suffer deprivation, even further deterioration. Benedict blames the most recent damage done to the world economy on the loss of a moral focus in business practices and weak-kneed regulation and regulators captured by the businesses they were

"In and of itself, the market is not, and must not become, the place where the strong subdue the weak. Society does not have to protect itself from the market, as if the development of the latter were *ipso facto* to entail the death of authentically human relations. Admittedly, the market can be a negative force, not because it is so by nature, but because a certain ideology can make it so. It must be remembered that the market does not exist in the pure state. It is shaped by the cultural configurations which define it and give it direction."

"The Church's social doctrine has always maintained that justice must be applied to every phase of economic activity, because this is always concerned with man and his needs. Locating resources, financing, production, consumption, and all the other phases in the economic cycle inevitably have moral implications. Thus every economic decision has a moral consequence."

"A humanism which excludes God is an inhuman humanism. Only a humanism open to the Absolute can guide us in the promotion and building of forms of social and civic life – structures, institutions, culture and ethos – without exposing us to the risk of becoming ensnared by the fashions of the moment."

"Profit is useful if it serves as a means towards an end that provides a sense both of how to produce it and how to make good use of it. Once profit becomes the exclusive goal, if it is produced by improper means and without the common good as its ultimate end, it risks destroying wealth and creating poverty."

"The Church does not have technical solutions to offer and does not claim 'to interfere in any way in the politics of States.' She does, however, have a mission of truth to accomplish, in every time and circumstance, for a society that is attuned to man, to his dignity, to his vocation. Without truth, it is easy to fall into an empiricist and skeptical view of life, incapable of rising to the level of praxis because of a lack of interest in grasping the values – sometimes even the meanings – with which to judge and direct it. Fidelity to man requires fidelity to the truth, which alone is the guarantee of freedom (see John 8:32) ..."

Source: www.vatican.va

assigned to regulate. Because the negative effects of market deregulation hurt the disadvantaged the most, the encyclical argues for greater government engagement in regulating the economy and also a return to the ethical foundations of finance.

The idea that the financial industry has a moral focus to return to is, I believe, not quite right, really just a papal rhetorical flourish. Regulators built in incentives for management to serve themselves at the expense of others, and it is those incentives that should be changed, not a "return" to a past morality.

Transparency of Truth

But *Caritas* addresses other useful reforms, identifying standards by which we assess public policy and market transactions. The first rule or standard is transparency in all activities. The pope is not alone in declaring the importance of this rule. Many civil society organizations – the United Nations, World Bank, Ford Foundation – emphasize the crucial element of transparency needed in good governance. Benedict writes: "Without truth, without trust and love for what is true, there is no social conscience and responsibility, and social action ends up serving private interests and the logic of power, resulting in social fragmentation, especially in a globalized society at difficult times like the present."

Significantly, the new encyclical argues that charity is a principal driving force, though not the only one, behind the authentic development of every person. The pope is not describing charity as

A person of the gospel cannot do moral work concerning economic justice solely at the household level.

merely the gesture of a penny placed in the beggar's hand. Benedict gives the lovely word charity a much more muscular and assertive place in the modern economic order. Certainly the pope would not preach against more hours of volunteer work in soup kitchens. More acts of kindness increase the total supply of kindness. But the encyclical rescues "charity" from meaning only sincere acts of voluntary good deeds. Since charity can also mean "love" – *caritas* – the pope describes charity as "an extraordinary force which leads people to opt for courageous and generous engagement in the field of justice and peace."

Pondering the encyclical's notions of justice and charity, I've recently gotten some clarity on the matter from an unexpected source – George Orwell's reflections on the difference between social justice

and traditional charity in Charles Dickens' well-loved tale of charity and redemption, *A Christmas Carol*.

Orwell is indeed an unlikely papal ally, but Pope Benedict might likely agree with the skeptical English journalist that the graceful Dickens story is a misguided template for social justice. In the story, the miserly, self-regarding businessman Scrooge, who badly treats the gentle, hard-working Bob Cratchit, is changed in the nick of time by ghosts who show Scrooge the light. Tiny Tim lives, and Cratchit is paid a fairer wage (it's not clear if he gets health insurance, but Tiny Tim stays healthy somehow).

The Cratchits fall away as primary characters; Scrooge is elevated as the main character. Why? Because Scrooge is redeemed and transformed by charity.

This story echoes Western civilization's belief that charity is good because it transforms the giver. Giving gives back; it confers status on the giver. But Orwell finds Dickens' view of charity unsatisfactory as a response to social injustice. Charity does not help us understand or challenge the roots of poverty and injustice.

"Dickens at any rate never imagined that you can cure pimples by cutting them off," Orwell wrote in his 1939 essay, *Charles Dickens*. "In every page of his work one can see a consciousness that society is wrong somewhere at the root. It is when one asks 'Which root?' that one begins to grasp his position. The truth is that Dickens's criticism of society is almost exclusively moral. Hence the utter lack of any constructive suggestion anywhere in his work."

Orwell, who died in 1950, might well have applauded the arguments in *Caritas*, which calls for a more ambitious sort of kindness, one that does not rely on "good-deed" charitable giving but on actions committed to raising the living standards of the world's embattled workers and their families.

Every economic downturn is an opportunity for people to demand that growth be redefined in terms of sustainability and human need. As policy makers struggle to make sense of financial disaster, Benedict's encyclical carries on the tradition of moral audit of the economy, a call to engage universal truth, social justice, and human solidarity.

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BETWEEN SUN AND SAND

By Mary Crescenzo

Limbo, the weight of neither here nor there,
bears whispers of what we keep and what we discard.

Remnants of souls rise among foreclosures
in vast tracks of land now riddled with ghost towns.

As we look away, those who have nothing and
those who have more than they need press on

like the zombies in *The Night of The Living
Dead*: we are all on the move, on the march.



Prosperity and Its Discontents

By Sondra Wheeler

As is well known, John Wesley devotes a substantial amount of ink to the subject of money, returning to it several times, using a variety of biblical passages as his launching points.

In the whole sweep of Wesley's preaching and writing, the subject is central to only a small percentage of texts. However, the chronology of those texts suggests an increasing focus on possessions as a moral and spiritual danger as Wesley observed the course of his Methodist Societies' development, and the character of his rhetoric indicates an increasing urgency to his concerns.

The standard list of pertinent works will be familiar even to casual students of Wesley. In chronological order: there is the most widely known (and equally widely misrepresented) sermon "The Use of Money" (1744); also the sermons entitled "The Good Steward" (1758), "The Danger of Riches" (1780), and "On Riches" (1788). There is also the late and deeply disappointed sermon "On the Causes of the Inefficacy of Christianity" (1789), and the final, almost desperate sermon "On the Danger of Increasing Riches" (1790). Relevant too is the pamphlet "Thoughts on the Present Scarcity of Provisions" (1773). In addition, brief remarks about the potency, usefulness, and perils of wealth are laced through other sermons as occasion arises, for example in his multiple treatments of the Sermon on the Mount.

Finance and Fidelity

I propose to focus on what exactly Wesley is busy interpreting in these standard sources, and what interpretive strategies govern his readings. This will help to make sense of his conviction that the use of money and possessions is a central matter of fidelity or infidelity, something on which salvation itself hinges.

Wesley's sermon on "The Use of Money" takes up a text that has confused and embarrassed the church for centuries, the Parable of the Unjust Steward (Luke 16), and handily transforms it into three easily remembered maxims: "Gain all you can, save all you can, give all you can."

On first glance they do not seem all that challenging. The first of his "three plain rules" – gain all you can – seems, in our own happily acquisitive society, a little like admonishing fire to burn or water to be wet, but of course Wesley has only begun. By the time he has finished laying out all the means and terms of gain that are *ruled out* for Christians, he has excluded anything that harms us in body, mind or spirit, anything which saps health or per-

Wesley says we may not harm our neighbor's livelihood, and under this heading he rules out not only predatory lending practices, price-gouging, and profiting from another's hardship, but also routine competitive practices.

verts character or weakens faith and joy in God. He also excludes anything that harms our neighbor in any aspect, by damaging her body, by failing to exercise due diligence in her protection, or by exploiting weaknesses of mind or failings of character. Anything that involves or even conduces to our own or another's sin is out of bounds.

This is already a stunning check to business as usual in Wesley's day, as it would be in our own. But these strictures, which according to Wesley follow

from our duty to love our neighbors as ourselves, are not the most surprising or the most illuminating of his instructions. Included in Wesley's explanation of what duty forbids are several practices we would likely consider part of healthy competition or the efficient operation of the market and regard as inseparable from capitalism. Wesley says we may not harm our neighbor's livelihood, and under this heading he rules out not only predatory lending practices, price-gouging, and profiting from another's hardship, but also routine competitive practices.

Unholy Competition

He does expressly forbid the sale of goods below market value for the purpose of driving others out of business, and lays it down as a principle that we may not "study to ruin our neighbor's trade in order to advance our own." But he adds that we cannot compete with others for the capacity to do business in any way: for instance, we cannot solicit our neighbor's workers, or even agree to hire them if she is in need of them. (He does not appear to have considered competition for labor as a potentially positive force in securing livable wages for laborers.) To the extent that competition in trade is constructed as a zero-sum game, one in which my benefit depends upon your loss, Wesley regards it as contrary to Christian duty.

What is evident here is Wesley's resistance to economic changes that were part of the eighteenth-century transition from a predominantly rural agrarian society toward an urban and manufacturing economy, the prototype of early industrial capitalism. The subject of his interpretation is less the biblical text than his own society – its emerging patterns of commerce and the ethos they are fostering. The kind of direct competition for a limited market that we take for granted as the basic mechanism of capitalism Wesley regards as a violation of human solidarity, a transgression of our basic duty not to harm. Thus he calls into question its whole mechanism for profit-seeking itself.

It is important to note the biblical text that governs Wesley's ethic of commerce is not his ostensible sermon text, which is here the parable of the dishonest steward. This receives only scant attention confined to the introductory paragraphs. Instead, as the foregoing has already suggested, the governing text is the oft-repeated and much more central commandment to "love the neighbor as the self." Christians are to prosper in business by sheer diligence, by ingenuity and excellence in the use of their various skills, and by the superior quality of their work. Anything else violates the command-

ment "on which hang all the law and the prophets," and is thereby equated with "gaining the world at cost of your soul." It is this hermeneutical judgment that does the real moral work in this part of the sermon.

But there is more. Wesley's second rule about "saving all one can" is not just a plea for modesty or prudence in expenditures. It is an attack upon *all* the elective consumption that fuels a capitalist society. Licit expenses include those needed to provide basic sustenance for oneself and one's dependents, but Wesley's exposition makes clear that the accent here falls upon "basic." One may in good conscience spend enough to support health and strength, but not to provide such ancillary benefits as mere variety or pleasure or beauty in one's food, clothing, or surroundings. All these are accounted luxuries. Not only do such unnecessary expenditures detract from what may be given away, and thus ignore our duties to our poor neighbors, but they are *in themselves* condemned as a species of worldliness. Resources devoted to such things are not merely wasted; they are devoted to "the lust of the flesh and the lust of

Moral virtues are likewise harder to acquire for the rich, for they are "cut off from that freedom of conversation whereby they might be made sensible of their defects, and come to a true knowledge of themselves," Wesley declares.

the eyes and the pride of life" (1 John 2:16). This Johannine phrase is used by Wesley repeatedly, in this sermon and elsewhere, to sweep up whatever is desired without being strictly needed for life. The result is a standard for what may be innocently spent not much beyond bare necessity, with whatever is left over owed to the poor.

At Odds With God

The weight of Wesley's biblical interpretation falls here – on this identification of unnecessary purchases with "loving the world and the things that are in the world," inherently at odds with loving God. The creation of new conveniences and the turning of a newly emerging productive capacity to consumer goods that marked the latter half of the eighteenth century (and which continues as the central engine of our own prosperity) becomes on this view one vast temptation. The basic premises of consumer capitalism, market competition, and continuously rising consumption are, from Wesley's standpoint, occasions of sin – sin which, while rejecting the

Scholastic category, he nevertheless identifies as mortal. Despite its reputation as the most accommodating of Wesley's treatments of wealth, "The Use of Money" takes as its subject not the biblical text but the economics of the emerging Industrial Revolution, and it does not fare well.

The sermon on "The Danger of Riches" is notable for the degree to which it actually focuses on the exposition of the sermon text, 1 Tim 6:9 – "They

Do we even recognize an inner life? Or have we rendered ourselves effectively deaf to what Wesley would have called the inward promptings of the Holy Spirit, and drowned out the voice of God?

that will be rich fall into a temptation and a snare, and into many foolish and hurtful desires which drown men in destruction and perdition." Wesley proceeds by identifying those who fall under the warning, and then details the nature and operation of the threat, and ends with a plea that his hearers turn from destruction.

From the preceding biblical verse, "having food and raiment, with these let us be content" (1 Tim 6:8), Wesley moves summarily to the judgment that all who desire anything beyond this, all who seek it, or even those who simply retain it when it comes to them without being sought, fall under the text's working definition of "those who would be rich." This is true whether the wealth is stored as possessions, or as land, or as money laid by against adversity. All those who make such provisions, along with all who love money in itself, fall into the temptations and disasters of "those who will be rich." On this contention hang the force and persuasiveness of Wesley's whole interpretation, and the cogency of the conclusions he draws from it.

Pathologist of Desire

Along with what he calls the "gross and unnatural sin of love of money" itself, Wesley speaks of the more refined sin of "desiring more." He observes that while this desire kept within proper bounds can be innocent, yet he warns, "how difficult it is not to exceed them!" The danger of riches, plainly put, is sin, and Wesley identifies the heart of that peril bluntly: at its root, the sin consists in the desiring of happiness in something other than God.

In fact, much of the sermon explores what a modern commentator might call the psychology of desire. It details the effects of gratifying desires, which is not to quiet but rather to increase them.

It is the experience of ensnarement that Wesley expounds, and the slide into spiritual paralysis and blindness that attends it. He provides a kind of phenomenology of the captivity of affluence.

Those who have economic resources, and use them to gratify their desires, risk becoming unable to forego them. They are chained to novelty, ease, and convenience. And the blows to patience, humility, zeal, and ultimately to faith and charity that come of that attachment are deadly. This is Wesley as pathologist, describing the natural history of a fatal disease. Indeed, he closes with a long list of diagnostic questions, inviting his hearers to determine whether they are not infected with this toxic desire that "distorts hope, dilutes faith, and destroys zeal" for the active work of charity. He ends with the warning of Matthew 19:24 about how hard it is for the rich to enter the Kingdom.

This verse from Matthew is treated further in the 1788 sermon "On Riches," where he explores another dimension of the perilous quality of wealth – the number of temptations to and occasions for sin that lie in the path of the rich. Beginning with the temptation to place one's confidence in riches rather than God, Wesley describes the particular moral deformities of English social life that reinforce and exacerbate that tendency.

Wounded Wealth

He notes how the adjective "good" is applied to any man who is rich, and how a wealthy man is held in honor. He declares it impossible that such a one should escape the sin of pride so that he might come to God as the merest sinner, trusting only in faith for salvation, unless it were the result of the special intervening grace of God. Lacking that realization of a welcome altogether unmerited, the rich are hindered in their love for God itself. And should that obstacle be overcome, another waits, for "how is it possible for a man not to love the world who is surrounded by all its allurements?" Like the rich man in Matthew's story, Wesley says, his "great possessions" will expel the love of God from his soul. Thus faith and love toward God, the central virtues of Christian life, are both wounded.

Moral virtues are likewise harder to acquire for the rich, for they are "cut off from that freedom of conversation whereby they might be made sensible of their defects, and come to a true knowledge of themselves," Wesley declares. Surrounded by dependents and sycophants, by those who from fear or greed will offer only flattery, "(the rich man's) situation necessarily occasions praise to flow in upon him from every quarter." Wealth ensures that

whims are gratified on every side, Wesley observes, as all strive to oblige the wealthy, increasing self-will and thwarting patience, until he becomes “ill able to submit to the will of either God or men.” The rich are thus deprived of opportunities to learn meekness and gentleness, to learn to yield to other persons, and to love with disinterested benevolence those who do not flatter and pamper their vanity. Not only the love of God but the love of neighbor will find little occasion to grow up in such a setting. More than an interpretation of the passage, this is an interpretation and critique of eighteenth-century British society, and of the moral distortions he saw embedded in its class-conscious social order.

Wesley and Us

Speaking at last not to the rich in general but to the wealthy now numbered among his own communities, Wesley applies to them the words of James 5:1: “Woe to you rich, weep and howl for the miseries which are coming upon you ... !” Here Wesley is no longer principally interpreting Scripture, no longer expounding the divinely intended purpose of money or the theological fitness of the metaphor of stewardship or the wide parameters of the lusts of the flesh. Here he begins to deal with his own deeply

To the extent that competition in trade is constructed as a zero-sum game, one in which my benefit depends upon your loss, Wesley regards it as contrary to Christian duty.

felt failure – the failure of his decades of preaching and teaching to counter the effects of the changing social location of Methodists on their conduct and their souls. With the growth in property, status, respectability, and wealth, he sees them falling prey to all that his analysis of desire and the temptations of riches could predict, but has not been able to prevent.

Wesley interpreted Scripture powerfully and vigorously in light of the circumstances and failings of his own churches. We cannot leave Wesley’s urgent theme without asking, “What would an analogous hermeneutic look like in our own world?” What are the comparable tasks that face us as expositors of Scripture who are also teachers of the church set within a particular time and place?

The question has particular weight and significance in our immediate context. We live in the world’s richest nation, one in which unheard of con-

centrations of individual and corporate wealth exist side by side with families and communities facing genuine hardship and deprivation. We negotiate our economic lives within a globalized economy that includes areas of desperate poverty and unimaginable suffering. And we are emerging slowly and uncertainly from a worldwide financial crisis whose scale and complex, interlocking triggers seem to exceed our grasp, making moral judgment tenuous at the same time it remains vital.

Here are a handful of suggestions, offered as a stimulus to our thinking about what it might involve for us to continue John Wesley’s tradition of broad and unflinching economic and social critique.

- Building upon Wesley’s model, we might undertake to re-interpret our own economic system: driven by short- and medium-term profit, it is locked in competition for global markets, moved by large-scale forces that drive down labor costs, so that there is a loss of living wage jobs and a curtailment of benefits for even mid-range workers. Wesley’s vigorous critique might bring us to ask again fundamental critical questions such as, “What are the aims of economic life?” and “What are the criteria by which an economic system is judged good?”
- We might reconsider our own theology of stewardship, given our national situation in the world environment, both biological and social. Ours is a setting of unparalleled military and industrial power, historically unprecedented concentrations of private wealth, and racing technological development. What would constitute faithful stewardship of such power? What are the questions we must ask of ourselves as we exercise it? Most important, operating as we do in the context of secular politics and corporate entities ruled by the imperatives of the marketplace, where can we lodge the work of moral judgment that is inseparable from wielding it?
- The average American is exposed to an estimated 3,000 commercial messages per day. We might devote serious research to the moral and theological analysis of the psychology of desire in a mass media advertising culture. Our whole system lives on the insatiability of desire, indeed on the deliberate and calculated creation of desire for products heretofore nonexistent. This is at once the engine of our affluence and the force hastening the degradation of our environment. What resources do the thought and practice of our faith bring to the runaway train of rising consumption in the West?

- At a deeper level, we might examine the effect upon faith, indeed upon human existence, of a world of continuous distraction. Our modes of stimulation now follow us via earphone and podcast into every moment and every space of our frantic lives. We are constantly entertained, via music and images, video and electronic games, so that we need never have an idle moment – or a reflective thought. Do we even recognize an inner life? Or have we rendered ourselves effectively deaf to what Wesley would have called the inward promptings of the Holy Spirit, and drowned out the voice of God?
- Finally: Wesley traced the failure of Christian faith to transform lives in his own era to his people's unwillingness to practice self-denial. We, meanwhile, have all but lost the language. Can we achieve even the flickers of self-forgetfulness that make it possible to attend to the needs of others? Ours is a culture that has rejected suffering, regarding it not so much as a mystery as an offense, an infringement upon our entitlement to happiness and ease. Are we prepared to read the Bible to and for our own society, prepared to reclaim its insistence that the one who loses his life will save it? Moreover, do we have the imagination to proclaim as good news the message that we were made to find our life in God, to share in God's work of blessing others, and find there a share in God's inexhaustible gladness?

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A group of wealthy citizens want to see their own taxes raised as a patriotic duty to ensure a stronger economy and a revitalized middle class.

The organization Wealth for the Common Good seeks to end the 2001/2003 tax cuts on the nation's richest individuals. It calls on Congress and President Obama to let those tax cuts expire at the end of this year.

Some blame the recession or the Bush administration for widespread budget cuts and escalating debt. But a new report by Wealth for the Common Good says the roots go back at least five decades, a crisis fueled by both political parties.

Since the mid-twentieth century, America's highest earners have seen their taxes drop by as much as two-thirds, the report says. The result is billions of dollars lost that would have strengthened the functioning of a middle-class society.

Because of this shift in tax policy, the nation has had to borrow money in order to pay for tax cuts going to the rich, the report declares. The tax cuts of the last decade cost the Treasury \$700 billion.

"Middle-class citizens pay their taxes almost automatically, through payroll deduction," the report says. "Wealthy investors and global corporations, meanwhile, game the system. They lobby lower rates and loopholes into the tax code."

America's top 400 income-earners saw their federal income tax rate fall from 51.2 percent in 1955 to 16.6 percent in 2007, the report says. From 1960 to 2004, the top 0.1 percent of U.S. taxpayers – the wealthiest one in one thousand – saw their federal taxes drop from 60 to 33.6 percent, the report says.

Taxes paid by previous generations of upper-income Americans became the "investments in everything from scientific research to schools that laid the foundation for a vibrant economy and an expanding our middle class," the report says.

"Our nation's wealthy a half century ago may not have always enjoyed paying progressive tax rates. But most of them recognized that a healthy society makes investments in broadening opportunity and prosperity. Affluent Americans back then made a commitment to our future well-being – and kept their promise. We seek to honor – and follow – their example."

Source: www.wealthforcommongood.org



Soul-Searching in the Aftermath

By Ray Waddle

Matthew Crawford is a mechanic and a philosopher, a combination that might save his soul and ours too.

Crawford – engine repairman, political philosopher, former think-tank staffer – senses a gnarly unease about twenty-first-century economic life, and it goes deeper even than the anxiety of the Great Recession.

Meaningful work ought to be useful work, he says, and too often it is not. People are losing a tangible relationship to the everyday world. “Manual competence” is in retreat: we don’t fix things, we just buy new ones. Shop class is disappearing from high schools. People know less and less about workaday tools and solutions.

He meets people who are eager to revolt. They are dissatisfied with their office personalities as knowledge workers and embarrassed by consumer waste. They want to be more frugal, more self-reliant, more connected to what they do.

“Many people are trying to recover a field of vision that is basically human in scale, and extricate themselves from dependence on the obscure forces of a global economy,” he writes in *Shop Class as Soul Craft: An Inquiry into the Value of Work* (Penguin Press, 2009).

“We want to feel that our world is intelligible, so we can be responsible for it.”

It’s been nearly two years since the banking crisis went full-flare and threw the nation’s economic assumptions in doubt. Today the economy remains fragile, lending is sluggish, personal debt is too high, and regulation reform is barely in place. A grinding anxiety continues: a Brookings Institution study says the pain of job loss and falling income is reaching deep into middle-class suburbs, not just lower-income neighborhoods.

If there is a silver lining to these clouds of desolation, it’s that the turmoil has forced people to consider new ideas about economic life, or revive some

old ones. Out of the worry and disgust, people are breaking through to fresh convictions about fairness, the true aims of society, the meaning of the Gospels, the meaning of human flourishing.

The Unspoken Contract

“It used to be that when our economy thrived and productivity grew, pay for working people rose accordingly,” writes Kurt Andersen in *Reset: How This Crisis Can Restore Our Values and Renew America* (Random House, 2009).

“But for most of the last decade, that central piece of the American social contract simply stopped operating.”

We can, he says, get in touch again with native buoyant hopefulness and ingenuity. We can, he says, defy the cruel winner-take-all casino mentality that has been the nation’s governing economic metaphor for three decades.

“The die-hard opposition of powerful institutions (oil companies, agribusiness, the health care industry, teachers’ unions, and more) to fundamental

The partisanship, the deregulation, the ruinous debt – all these marked a moral transformation of the social climate over the last thirty years, with little protest until now.

change is implacable, for sure, but it isn’t invincible. We can rediscover common sense and the better angels of our nature.”

It’s not easy to hear this reckoning. The recession arrived amid a deteriorating partisan national climate that was in no mood for consensus-building or basic fact-finding. As the public struggled to grasp

the bad economic news, dueling populisms took up media space: one populist movement blamed the government, the other castigated Wall Street. Web sites and cable networks promoted pundits who came armed with their own sets of facts, charts, resentments, and followers.

The twitchy ideological chaos seemed to mirror a larger coarsening cultural current, borne on the momentum of a libertarian tech revolution and deepening inequalities of wealth. A values shift had been under way for years – toward a social Darwinian contempt for the underdog, an impatient disdain for financial prudence and oversight, a fatalistic belief in luck rather than providence, and ultimately a distrust of each other and of ourselves..

The angry cultural conflict over the economy did not rest on the Sabbath. People brought it to church too, leaving many clergy staffs scrambling to address the new poverty among their own churchgoers but also unsure how to assess the meltdown itself or speak about it from pulpit or public square.

For decades, in sermons or public statements, many a Christian leader had habitually elevated free-market ideology to biblical stature and divine blessing. The habit intensified with America's exhilarating Cold War victory over communism. Prosperity gospels and confident capitalism made an easy fit, as long as Jesus' sterner warnings about wealth were

The old deference to community religious standards, which had held commercial extremes in check, was no match for the new rules of capitalism.

fastidiously ignored. The sins of the market economy – the Enron-style criminality, the extreme bonuses, the lack of accountability for those complicated securitized mortgages – were passed over. Now the excesses of business-as-usual had brought catastrophe, and those spiritual leaders had little to say.

Messenger of Hope

One of the few public ministers to confront the moment was Protestant activist Jim Wallis. The title of his new book announced defiance – *Rediscovering Values: On Wall Street, Main Street, and Your Street: A Moral Compass for the New Economy* (Simon & Schuster, 2010). In it he says the nation's runaway financial deficits reveal a moral deficit, a hunger to recover values that bolster family life, support the environment and the common good, and reject empty materialism.

"To make sure we do not simply repeat the mistakes of the past that led to this crisis, our economic recession must also be answered with a *moral recovery*," he writes.

Wallis proposes a series of twenty "moral exercises" to awaken readers to their own power in an economy that seems to be run by vast, distant forces. Recognize budgets and calendars as moral documents, he writes: they reveal how we choose to spend our money and time. Make a list of priorities in life. Learn lessons about economic choices found in the sacred texts. Reach out to your neighbors. Research a cause and volunteer. Pay off credit balances every month and destroy extra credit cards. Look hard at where you bank and invest your money: make sure "the places where you have your money reflect your values."

He concludes: "Be a messenger of hope, and commit your time and energy to help create a moral compass for a new economy."

Others aimed their campaigns at particular ills and solutions. One remarkable crusade resurrected a fight against an ancient word and its modern abuses – usury, the exploitation of debtors by charging them high interest rates.

"It is time to re-instate usury laws by capping interest rates at 10 percent," declared the "Ten Percent Is Enough" Campaign, a national initiative of the Metro Industrial Areas Foundation citizens organization. (see www.10percentisenough.org)

The campaign attacks the interest rates charged by banks, credit card companies, and "payday loan" lenders – sometimes 30 percent, 40 percent or far more. Such predatory rates violate civilized and biblical norms that had been accepted for centuries until federal regulations on interest rate caps were repealed a generation ago. Advocates, including a growing number of politicians, have argued that rate reductions are not only the fair thing to do, but they would revive the economy by helping debt-ridden families get back their ability to spend money.

A Plague of Usury

What is so bad about usury? Shouldn't the market itself determine what lenders charge? In a scathing commentary last year, labor lawyer Thomas Geoghegan wrote that the legalized return of usury in the late 1970s has been disastrous for economic and moral life both. It is bad for moral character because it motivates banks to make loans to people who can't reliably pay the money back, since it's more profitable to stretch out debt for years at high rates than to see it paid off quickly.

More than that, Geoghegan said usury has eaten away at the nation's industrial base and destroyed middle-class jobs. When usurious rates spike too high, the financial sector gets too large. The economy's wealth flows in wrong directions.

"With no law capping interest, the evil is not only that banks prey on the poor (they have always done so) but that capital gushes out of manufacturing and into banking," he wrote in *Harper's* in April 2009. "When banks get 25 percent to 30 percent on credit cards, and 500 or more percent on payday

Few institutions remain confident enough to caution against giddy wishful thinking and human folly while also speaking out for humane values. But churches can.

loans, capital flees from honest pursuits, like auto manufacturing. Sure, GM is awful. Sure, it doesn't innovate. But the people who could have saved GM and Ford went off to work at AIG, or Merrill Lynch, or even Goldman Sachs. All of this used to be so obvious as not to merit comment."

This was climate change of a different sort. The partisanship, the deregulation, the ruinous debt – all these were marks of a moral transformation of the social climate over the last thirty years, and with little protest until now. The old deference to community religious standards, which had held commercial and moral extremes in check, was no match for the new rules of market behavior.

Accentuate the Positive

What was behind it? A surging national narrative of tax revolts that denounced government power and sneered at the common good could account for some of it. A naïve faith in a rational, self-correcting market did its part. But writer Barbara Ehrenreich sees villainy in a different American ideology – positive thinking, the unchallenged habit of disdaining realistic assessments of conditions on the ground. Positive thinking turned religion into therapy, misjudged the Iraq war, and put the entire economy at risk. Cadres of professional optimists (medical, military, financial) told us to dismiss disturbing news and embrace the charismatic power of cheerful thoughts, or stand accused of stick-in-the-mud pessimism. American business especially welcomed mind-over-matter wishful thinking.

"This was a useful message for employees, who by the turn of the twenty-first century were being required to work longer hours for fewer benefits and

diminishing job security," she writes in *Bright-Sided: How the Relentless Promotion of Positive Thinking has Undermined America* (Metropolitan Books, 2009).

"But it was also a liberating ideology for top-level executives. What was the point in agonizing over balance sheets and tedious analyses of risks – and why bother worrying about dizzying levels of debt and exposure to potential defaults – when all good things come to those who are optimistic enough to expect them?"

Will the turbulence of these last years force upon us a market correction of values? Will the bad economy serve as a referendum on utopian market rationalism, unlimited growth, usury, partisan delusions? Can the unspoken social contract that binds us be repaired? Can it even be acknowledged and discussed?

From his motorcycle repairman's perch, Matthew Crawford says we need a "humane economy" that gives people hope again that their work is useful, tangible, honest, human-scale despite the convulsions of the new century's economy. Western societies, he says, have learned to organize their institutions to prevent concentrations of political power – "but we have failed utterly to prevent the concentration of economic power, or take account of how such concentration damages the conditions under which full human flourishing becomes possible ... "

Few institutions remain confident enough to caution against giddy wishful thinking and human folly while also speaking out for humane values. But churches can. More of them need to find a public platform again. The healing of human dignity depends on it.

Ray Waddle is editor-in-chief of Reflections.



Confronting the Consumer Carnival

By Nathan Dungan

At a recent family workshop hosted by Christ Church Episcopal (Richmond, VA) and the Episcopal Diocese of Virginia, I asked the participants to ponder this question: “What are your earliest memories of money as a child, and how are they influencing your current money habits?”

The issue is more urgent than ever. Are youth learning the right habits from adults? Are congregations helping to shape wise financial values in young people? It is crucial for faith communities to reflect on what role, if any, they are playing in helping youth and adults think and talk about money and the power it has in their lives.

One of my earliest money memories – I was barely six – was when my parents decided it was time for my siblings and me to open a savings

Let's be clear: our society is working overtime to addict the next generation to spending.

account at the local bank. As a grade-schooler, I couldn't exactly grasp the concept that depositing money at a bank with a total stranger was a good thing. But my mom and dad persevered: they knew it was critical to teach us how to balance sharing, saving, and spending at an early age.

Sadly, in the face of the mind-numbing ramp-up of micro-targeted advertising messages directed at youth and adults, most families are still flying solo when it comes to teaching the next generation good habits of spending, saving, and sharing. No surprise that, today, society is now mired in debt and anxiety like no time since the 1930s.

If church leaders are honest about how well they are doing at teaching the emotionally charged subject of money, they will conclude: churches are, for the most part, abdicating their role to the consumer culture.

For more than twenty years, I've worked with faith communities at the local, regional, and national level on how to lead workshops that teach healthy money habits. Specifically, I work with them to devise systematic ways to help youth and adults develop and maintain good money habits that are consistent with their values.

I wish I could say I've witnessed a tremendous transformation in those two decades. It would be nice to report that churches now have well-articulated strategies for teaching wise financial values in an aggressively materialistic climate. I would like to say churches have found a cohesive, countercultural voice to challenge the repetitive chorus of the consumer culture's siren song, which tells us fulfillment comes through consumption. But for a few exceptions, little is happening. All too often the church's response is muted; other matters like declining attendance or shrinking budgets take center stage. And so a national spiritual crisis is now upon us.

Living at Extremes

To be fair to congregations, money is not exactly dinner table conversation in most American homes. Regarding the subject of money, especially in today's economy, families live at emotional extremes. At one end of the continuum is silence, born of discomfort or fear or time-honored taboo. I suspect this is the American norm. But at the other end is rancor – the loud voices, sometimes very loud, embodying worry about jobs, anxiety about savings, or family conflict over financial priorities and planning. By default, these extremes are what young people see and learn from. Whatever happened to the sane middle?

Making matters worse, the rest of the village (schools, nonprofits, and businesses) isn't exactly rising to the occasion. Today, youth rarely have the opportunity to learn even the basics of money management in school. Not in public schools, not in private schools. There isn't a business school in America that requires students to take a course in personal finance. Financial illiteracy is playing a starring role in this Great Recession.

Let me offer a few sobering statistics:

- By the time a college student reaches senior year, he or she will have on average four credit cards, \$3,000 of credit card debt and \$30,000 of student loan debt (source: www.salliemae.com).
- The after-tax savings rate for young people thirty-five and under is minus 16 percent (Bureau of Labor Statistics).
- Children today spend five times more money than their parents did at the same age (KGA consulting firm).
- This year America's twenty-eight million teens will spend \$74 billion on food, gas, electronics, movies, and music (Piper Jaffray Companies).

These dramatic increases in debt, now considered normal for so many young adults, don't just magically appear when they turn eighteen, twenty, or twenty-five. The path to debt starts much earlier in life – age five, eight, or ten in the form of unchecked spending habits, which metastasize into suffocating consumer debt in their twenties and thirties. Keep in mind there are more than eighty million young people under the age of twenty-five in the U.S., a demographic larger than today's baby boomers. Like all adults, they are subjected to more than 5,000

I wonder what Jesus' reaction would be to the annual drama of those post-Thanksgiving shopping days, Black Friday and Cyber Monday.

advertising impressions per day. The goal of the impressions? Shape their financial habits and values for a lifetime.

Let's be clear: our society is working overtime to addict the next generation to spending. The big price we pay for this stealth addiction can be seen every day wreaking havoc on families, blinding us to the needs in our communities and the greater world, pulling us away from sharing time and money with those who are least fortunate.

My intent is not to demonize spending. Quite the contrary, spending should be joyful. But when

the overwhelming consumer message directed at children teaches them to spend first, save little, and share what's left, the imbalance is palpable and poisonous. Our ability to be generous is in direct proportion to our money habits and overall financial picture. Distracted by incessant consumerism and weighed down by debt, how can we respond to the needs of the world?

At a recent seminar in Minneapolis for parents of teens, I shared the following: "If you don't have an intentional, values-based system for talking and teaching about money in your home, you will likely default to that which is happily provided by the consumer culture. The culture's message is straightforward: see money, spend money." This 24/7 default system is extremely well-funded and operates with laser-like efficiency.

No Place to Go?

How are families ever going to break unhealthy patterns of communication and behavior if they don't have places to go and learn how to do money differently? Surely congregational life should step forward as a resource. Churches nurture humane values – and they also stand to feel the impact, along with other charitable institutions, when spending becomes reckless because it is severed from moral values.

After working with thousands of families over the past twenty years, I am convinced that money literacy is not simply a matter of learning about compound interest, credit scores, or the benefits of tax-deductible contributions. It is much more than the mastery of transactions. In fact, the *interaction* with money is just as important as the transaction. By interaction I mean our ability to talk openly and thoughtfully about money by sharing our family stories, our money mistakes, and, yes, our values.

"The people who tell the stories define the culture," declares David Walsh, child psychologist expert on the media impact on children and author of *No: Why Kids – of All Ages – Need to Hear It and Ways Parents Can Say It* (Free Press, 2007). When it comes to shaping financial habits and values in the twenty-first century, who do you think is defining the culture?

Yet the Bible is filled with stories about money and values and how important it is to wrestle with definitions that distinguish a need from a want. Jesus embraced every opportunity to boldly and directly challenge our money habits and behavior. Time and again he used parables to interrupt our daily rhythm and then alert us to what God is calling us to do.

I wonder what Jesus' reaction would be to the annual drama of those post-Thanksgiving shopping days, Black Friday and Cyber Monday. How might he react to the dazzling myriad of media we have in place for purchasing more and more stuff?

But just when you think there is little reason for hope, let's turn again to the churches. Despite a less-than-stellar record so far, I believe the church is well-positioned to lead the way out of the wilder-

It would be nice to report that churches now have well-articulated strategies for teaching wise financial values in an aggressively materialistic climate. But for a few exceptions, little is happening.

ness of consumerism. Think about it: what other organization convenes people from such diverse backgrounds – be it age, gender, socio-economic, race, or culture – on such a regular basis? What other organization gathers people around a cosmic moral story about human dignity and destiny? What other institution regularly affirms values about God and the world that people rally around – and can use to push back against secular ideologies and excess?

Slowing the Juggernaut

But the church needs to pivot quickly and develop a strategy, a voice of clarity – or the opportunity to reframe the conversation and reform our behavior will pass, and a culture of unquestioning greed and materialism will continue to fill the void. And it won't ask for our permission.

Let me offer an example of a model that faith communities could replicate. Collaborations between the Episcopal Diocese of Colorado and the Colorado Episcopal Foundation are working to engage, educate, and equip churches to take hold of the issue of money and hyper-consumerism for the benefit of youth and adults in their communities.

In 2006 leaders there asked me to keynote at the annual conference of the Colorado Diocese. At the end of the conference they invited any church in the diocese to participate in a future training session based on my *Share Save Spend* curriculum. The goal: educate churches and equip them to lead multigenerational workshops on the topic of money, values, and the culture.

Early in 2007 I led a training program around our *Financial Sanity* curriculum that drew fifteen churches of various sizes from across the diocese. By now, nearly forty congregations have been trained in this interactive, multigenerational method. The result:

hundreds of youth and adults are discovering new and more sustainable ways to link the choices they make with their money (share, save, spend) with their values and their faith journey. Success stories are emerging – families that are learning new values-based ways to talk and practice financial behavior, and congregations that are being more strategic about addressing financial literacy with their members. (See www.sharesavespend.com or details at the Colorado Episcopal Foundation website, http://www.coef.org/for_churches/families_and_money/)

The success of any financial literacy initiative depends on key elements of follow-through: identify the need, create a thoughtful strategy and achievable action plan, start small but think big, have articulate and passionate leaders, and stay the course despite adversity. Too often new programs lose steam because churches can't maintain the momentum required for long-term success. But this much we do know: hyper-consumerism is not a passing fad. It is here to stay.

Some years ago I heard the Rev. Herb Miller, a prominent scholar on stewardship, share a very profound phrase in a sermon: "Hope, without a plan, is denial." We're naïve if we merely hope consumerism will somehow magically improve without intervention.

The current economic environment brings us to a unique moment for reframing the conversation about money and its role in our lives. Now more than ever the church needs to step up and reclaim its voice as a countercultural leader. Millions of youth and adults are eager to live differently and think more deeply about what God is calling them to be.

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SUNDAY DISCORDANCIES

by Jim Harrison

This morning I seem to hear the nearly inaudible whining grind of creation similar to the harmonics of pine trees in the wind. My outrageously lovely hollyhocks are now collapsing of their own weight, clearly too big for their britches. I'm making notes for a novel called *The End of Man, and Not Incidentally, Women and Children*, a fable for our low-living time. Quite early after walking the dogs, who are frightened of the sandhill cranes in the pasture, I fried some ham with a fresh peach, a touch of brown sugar and clove. Pretty good but I was wondering at how the dogs often pretend the sandhill cranes don't exist despite their mighty squawks, the way we can't hear the crying of coal miners and our wounded in Iraq. A friend on his deathbed cried and said it felt good. He was crying because he couldn't eat, a lifelong habit. My little grandson Silas cried painfully until he was fed macaroni and cheese and then he was merry indeed. I'm not up to crying this morning over that pretty girl in the rowboat fifty-five years ago. I heard on the radio that we creatures have about a billion and a half heartbeats to use. Voles and birds use theirs fast as do meth heads and stockbrokers, while whales and elephants are slower. This morning I'm thinking of recounting mine to see exactly where I am. I warn the hummingbirds out front, "Just slow down," as they chase me away from the falling hollyhocks.

Earth Economy: A Spirituality of Limits

by Sallie McFague

Spirituality is “in” these days, and religion is “out.” But I am not sure there is much difference between good spirituality and good religion. A 1977 definition of spirituality by the Scottish Churches Council claims it is “an exploration into what is involved in becoming human,” and becoming human is “an attempt to grow in sensitivity to self, to others, to the non-human creation, and to God who is within and beyond this totality.”¹

Spirituality is not about a one-on-one relationship with God, but about growing in *relationship* with others, including God and the natural world. Spirituality is *communal*, about learning and caring for the world. And what is our world like these days? Two main crises face us: global warming and economic recession. The goal of the recent climate conference in Copenhagen was to revolutionize our energy systems and the way we live through negotiating an international treaty controlling greenhouse gases. The lack of a resolute outcome was deeply disappointing. The economic crisis, meanwhile, has retreated a bit – at least enough for the CEOs and the bankers to declare the recession is over.

But a deeper issue is indicated by both of these crises – that we are living beyond our means, both financially and ecologically. We are abusing our credit cards and the planet with an insatiable appetite that is not sustainable.

Tough-Minded Wisdom

We need to change our minds and change our behavior. Thomas Friedman, writing in *The New York Times* last year, put it this way: “What if the crisis of 2008 represents something much more fundamental than a deep recession? What if it’s telling us that the whole growth model we created over the last fifty years is simply unsustainable economically and ecologically and that 2008 was when we hit the wall – when Mother Nature and the market both

said: ‘No more.’ What if we face up to the fact that unlike the U.S. government, Mother Nature doesn’t do bailouts?”²

One way we can begin to change our minds and our behavior is through a communal spirituality. The poet Robinson Jeffers says that we should “fall in love outward,” fall in love with the world, rather

We are debtors twice over – financially and ecologically. The very habits that are causing the financial crisis are also destroying the planet.

than “inward” with ourselves.³ For some, spirituality is about the individual – how might I live serenely and happily? But what would a “communal” spirituality be – one that was good for the planet and all its creatures?

The religions – the neglected wisdom traditions – have something to teach us. They move us from individualism to community, for they are not just about “me and my well-being.” Rather, they are tough-minded and objective, insisting on global kinship – that all creatures have the right to the basics of existence. How can you get more revolutionary than that? Such a revolution would involve immense changes in the lifestyle of us well-off North Americans. Some have suggested that the religions

encourage people to be good “stewards” of creation, and I agree. However, most religious traditions declare much more: most make the radical proposal that to find your life, you must lose it, that sacrificing for others is not just for the saints but for all of us, that when the basic necessities of life are limited, they should be shared fairly. Theologian John Hick claims that the function of the major religious traditions is “the transformation of human existence from self-centeredness to Reality-centeredness.”⁴ And Gandhi said that “worship without sacrifice” is one of the seven deadly sins.⁵

Economies of Self-Emptying

I have taught a course on spiritual autobiography for many years. It is about folks like Teresa of Avila, John Woolman, Dietrich Bonhoeffer, Simone Weil, Jean Vanier, Martin Luther King, and Dorothy Day – people who live lives of extraordinary love for others, especially the weak and vulnerable. I always find new insights teaching the course and my last time was no exception. I have been struck by a characteristic shared by many of them: the rather shocking practice of self-emptying, of what the Christian tradition calls “kenosis.” It strikes me that self-emptying proposes an ethic for our time, an era characterized by climate change and financial chaos. These two related crises are the result of excess. We are debtors twice over – financially and ecologically. The very habits that are causing the financial crisis are also destroying the planet – the reckless use of personal credit cards, the practices of financial lending institutions, and the planet’s resources that support us all.

Could the crazy notion of self-emptying, a notion found in many religious traditions, be a clue to what is wrong with our way of being in the world, as well as a suggestion of how we might live differently? Whether in Buddhism’s release from desire by non-attachment or Christianity’s admonition that to find one’s life one must lose it, religions are often countercultural in their various ethics of self-denial in order to find genuine fulfillment. In some religious traditions, such self-limitation moves into asceticism and life-denial, yet this is not usually the underlying assumption.

A Singular Witness

I am thinking of John Woolman, an eighteenth-century American Quaker who had a successful retail business and gave it up because he felt it kept him from seeing clearly something that disturbed him: slavery. He came to see how money stood in the way of clear perception of injustice: people who had

a lot of property and land needed slaves to maintain them (or so these folks reasoned). He saw the problem with his own reasoning: he said his eye was not “single” because whenever he looked at an injustice in the world he always saw it through his own eye only, his own situation and benefit. It was as if he had a conflicted double vision. Once he was able to move himself out of the self-regarding center, then his eye became “single” and he saw the interconnectedness and moral consequences of economic decisions. Once he reduced his own level of prosperity, he could see the clear links between riches and oppression.

He wrote: “Every degree of luxury has some connection with evil.”⁶ Reducing his lifestyle gave him insight into the difference between “needs” and “wants,” something our insatiable consumer culture has made it almost impossible to recognize. As an ethic for a time of climate change and economic excess, Woolman suggests the clarity of perception into others’ needs that can come about through the reduction of one’s own wants.

However, Woolman did not find such self-emptying negative or depressing. Rather, he found it fulfilling. He has a dream in which he hears the words,

The religions may be the greatest “realists,” with their intuitive appreciation for self-emptying and self-limitation as a way not only to personal fulfillment but also to sane planetary practice.

“John Woolman is dead,” and realizes that now his own will is dead and he can say with Paul that he is crucified with Christ, that Christ might live in him.

We find ourselves by losing ourselves. To empty the self is not an act of denial but of fulfillment, for it creates space for God to fill one’s being. What we see here is not an ascetic call for self-denial to purify ourselves or even a moral injunction to give others space to live. Rather, it is more basic. It is an invitation to imitate the way God loves the world. In the Christian tradition, “kenosis” or self-emptying is a way of understanding God’s actions in creation, the incarnation, and the cross. In creation, God limits the divine self, pulling in, so to speak, to allow space for others to exist. God, the one in whom we live and move and have our being, does not take all the space but gives space and life to others.

This is an inversion of the usual understanding of power as control. Instead, power is given to others to live as diverse and valuable creatures. In

the incarnation, as Paul writes in Philippians 2:7, God “emptied himself, taking the form of a slave,” substituting humility and vulnerability for our insatiable appetites. In the cross God gives of the divine self without limit to side with the poor and the oppressed. God does not take the way of the victor but, like Jesus and the temptations, rejects absolute power and imperialism for a different way. Therefore, Christian discipleship becomes a “cruciform” life, imitating the self-giving of Christ for others.

More, More, More

Another example of kenotic living is the case of the French philosopher and unbaptized Catholic Simone Weil. She lived a radical and brief life of solidarity with her poorest and often starving fellow citizens during World War II. She said that our tendency is to love others because of our needs, not theirs, our hunger, not their hunger. Our fat, relentless egos

This is who we are – world-lovers – which always means world-bearers, who come to the aid of both nature and the neighbor, for both are the “new poor” in our time.

want more, more, more – the insatiability of the consumer culture, which has resulted in climate change and financial collapse. Simone Weil says that human beings are naturally “cannibalistic”: we eat instead of look, we devour rather than pay attention, we consume other people and the planet in our search for self-fulfillment.⁷ Augustine claimed something similar in his understanding of sin – the voracious, lustful desire to have it all for oneself. From a twenty-first-century perspective, sin means refusing to share, refusing to live in such a way that others – other people and other life forms – can also live. For us in our time, sin is a refusal to live justly and sustainably with all others on our planet. It refuses to share the banquet of life.

This is a strange crisis we face: it does not have the immediacy of a war or plague or tsunami. Rather, it has to do with how we live on a daily basis – the food we eat, the transportation we use, the size of the house we live in, the consumer goods we buy, the luxuries we allow ourselves, the amount of long distance air travel we permit ourselves. The enemy is the very ordinary life we ourselves are leading as well-off North Americans. For all its presumed innocence, this way of life, multiplied by billions of people, is both unjust to those who cannot attain

this lifestyle and destructive of the very planet that supports us all.

The kenotic paradigm in Woolman and Weil is not for the sake of self-flagellation. It is not a negative statement about the earth and life. Rather, it is the recognition that life’s flourishing on earth demands certain limitations and sacrifices at physical and emotional levels. The ego that demands everything for itself – honor, power, money – is the same cannibalistic self that devours all the food and land. As St. Francis well knew, “possessionlessness” is a matter of the spirit and the body: one can no longer, he insisted, hold on to one’s sense of superiority while giving away all one’s clothes to the poor. While the self-emptying pattern might have been seen in other times as a peculiarly religious way of being in the world, I think we can now see how it might be the germ of a personal, professional, and public ethic for our century.

What characterizes our time is an awareness of our radical interdependence with all other life forms, as well as an increasing appreciation for the planet’s finitude and vulnerability. These realities mean that the vocabulary and sensibility of self-limitation, egolessness, sharing, giving space to others, and limiting our energy use no longer sound like a special language for the saints but an ethic for all of us. The religions may finally be the greatest “realists,” with their intuitive appreciation for self-emptying and self-limitation as a way not only to personal fulfillment but also to sane planetary practice.

Could it be that the religions might take the lead in exploring and illustrating how an ethic of self-limitation might function in light of the twenty-first-century ecological and economic crises?

Beauty or Duty?

Pierre Teilhard de Chardin said that at seven years old he had two passions – for the world and for God, and he could not imagine giving up either one. Must it be beauty vs. duty, an either/or, or is there another way? What is the character of the spiritual practice for just, sustainable living? What kind of spiritual practice is called for?

Both God and the world *call* to us to “fall in love outward” (Robinson Jeffers), not inward. One is not “duty” and the other “love.” Rather, both call for our *attention* and do so primarily by focusing on the world. Spirituality meets God in the world, in both its beauty and its pain. An incarnate God directs our attention to what God loves – the world, all its creatures, human and otherwise. We are not first of all selves who then respond to a call to love

the world. Rather, this is *who* we are – world-lovers – which always means world-bearers, who come to the aid of both nature and the neighbor, for both are the “new poor” in our time.

Nature's Give-and-Take

So, it is not God *or* the world, but the world *in* God. But we must love nature as it is: physical, needy, interdependent, vulnerable. This militates against an individualistic, spiritual relationship between God and the soul. It unites mystical spirituality – our personal relationship to God with the world – with the needy body that must have the basics for flourishing. It means as well that our use of energy becomes crucially important, for nature and its many creatures can only live by energy. Hence, responsible use of mundane things like transportation, heating and cooling systems, concrete for buildings and roads, food production (whether local or brought from afar) becomes “the way we love God.” This kind of spirituality leads not only to delight and joy in the beauty of the world, but also to kenosis, limitation, self-restraint, an ecological economics, a sense of finitude, the need to share space as we come to realize who we are in the scheme of things.

Is the religious insight of the transformation from self-centeredness to reality-centeredness simply wild, crazy, idealism? Or is it closer to reality? The evolutionary, interdependent story of life that we are presently learning from the sciences suggests it is. Nature is the grandest, most intricate, most complex “economy” of give and take, of debt and

These realities of our time mean that the vocabulary and sensibility of self-limitation, sharing, giving space to others, and limiting our energy use no longer sound like a special language for the saints but an ethic for all of us.

payback, or borrowing and lending, and of sacrifice (albeit unwilling sacrifice). Everything, from a one-cell organism to a mosquito, from a whale to a human being, lives within a vast exchange system, whether they know it or not, whether they want to or not. We give and take constantly at every level of existence, in order to be at all. Every breath we take is borrowed, and our lives depend on being able to borrow more and more breaths every moment for the rest of our lives. Nature says this is the way the system works: we live off each other if we live at all.

A good example is an old-growth forest. I was first introduced to old-growth forests when I started

coming to Vancouver from Nashville. I did not know anything like them existed. The forests back East do not have the complexity and bizarre qualities of old-growth ones. Old-growth forests are a mess – literally a mess. On first view, such a forest strikes one as a tangle, a jumble, of stuff of all sorts: trees standing, lying down, or half-way down; caves, holes, and openings; ferns, mosses, and lichens; mushrooms, rocks, and epiphytes; springtails, crustaceans, and dragonflies; water dripping, running, standing; trees on top of other trees, trees with bushes growing out of them, trees with holes and knobs and twisted limbs like pretzels. An old-growth forest is seemingly chaotic, but it works, it sustains billions of different forms of life. Its haphazard quality is part of its genius: anything that can find a way to live there is accepted. Animals and plants live with, inside of, on top of, beneath, partly inside and partly outside, one another. It is impossible often to tell what is what: where does this tree begin and this other one end?

Nurse Log Logistics

The best example of this marvelous messy muddle is the phenomenon of the “nurse log.” Nurse logs are lying-down trees – some would say dead trees – that having lived several hundred years as standing trees are now into a second career as homes for other trees. The body of the nurse log provides a warm, nutrient-rich birthplace for young saplings of all sorts to grow. It is not just seeds from the nurse tree that grow on it, but anything and everything. All are welcome! The nurse log can live another several hundred years as the giver of new life from its body. A new tree stretches its roots around the nurse log and still retains this odd position after the nurse log disappears. With the hole between its roots, it is a visible sign of the invisible tree that nurtured it. What is living and what is dead? Life and death are mixed up here.

The “way” of Jesus, the geography of the life he calls us to, is rather like an old-growth forest – marvelous, muddled, and messy. It works by symbiosis – living off one another. Nothing in an old-growth forest can go it alone; nothing could survive by itself; everything in the forest is interrelated and interdependent: all flora and fauna eat from, live from, the others.

The recognition that we own nothing, that we depend utterly on other life forms and natural processes, is the first step in our “rebirth” to a life of self-emptying love for others, a move from self-centeredness to reality-centeredness. Most religions say the self is found, is “reborn,” when it acknowledges

by self-giving, by sharing space and food for others. Many call such sacrifice for others contrary to reality, but nature's brutal exchange system in which everything is borrowed and payment exacted is a preparation for the further step of self-emptying.

What is distinctive about human beings is not that we can escape the economy of debt and payback, but that we have the option not only of recognizing that this is the way things work, but taking it one step further and giving when we see the balance sheet to be unfair to the weak. The prevailing debt and payback system is not merciful or fair or compassionate, but human beings have the possibility of making it more so, of sharing when they have too much, of sacrificing for others, of limiting their wants so the needs of others can be met.

We live or die together. Like the plants and animals in an old-growth forest, we are interrelated and interdependent. Along the way we find some nurse logs, those people and places of exceptional warmth and nutrients that give us the extra help we need. We also can become nurse logs to others. But like any forest, the threat exists that we can be clear-cut, made into a lifeless, sterile, straight superhighway. We, our world, can also become a desert where few can thrive. Or, we can welcome the good news that all of us, all human beings in our incredible and delightful diversity, as well as all other creatures and plants in their awesome differences, are invited to the feast table of planet earth.

We are not called to love God *or* the world. Rather, we are called to love God *in* the world, we love God *by* loving the world, we love God *through* and *with* the world. And, in defiance of all conventional commercial or "realistic" calculations of our era, this turns out to be a sacrificial love.

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Notes

- 1 "Working Party Report on 'Spirituality'" (Scottish Churches House, 1977), 3.
- 2 *The New York Times*, March 8, 2009.
- 3 As quoted in David Abram, *The Spell of the Sensuous: Perception and Language in a More-Than-Human World* (Vintage Books, 1996), 271.

- 4 *An Interpretation of Religion* (Yale University Press, 1989), 300.
- 5 As quoted in Gary T. Gardner, *Inspiring Progress: Religions' Contribution to Sustainable Development* (Worldwatch Institute, 2006). Gandhi's six other deadly social sins are: wealth without work, pleasure without conscience, science without humanity, knowledge without character, politics without principle, and commerce without morality.
- 6 *The Journal of John Woolman and A Plea for the Poor* (Corinth Books, 1961), 46.
- 7 Simone Weil, *First and Last Notebooks*, trans. Richard Rees (Oxford University Press, 1970), 286.

DOWNSIZING

by Tom Kimmel

No one moves into a smaller place.
It's anti-American!
And moving into a smaller place
with less closet space –
Am I not undermining democracy,
being a detriment to capitalism?

What is this? Some kind of subliminal
recognition that I'll never be King?
Or am I simply getting an early start
preparing for the golden years?

Then again, how do I expect the market
to recover if I'm not out shopping?
And how can I be sure my country
will remain a superpower if I'm
paying down debt and saving money?

I'm thinking now of how during
the last wave of civil rights unrest
in Alabama, thirty or so years ago,
I was informed that I could be one
of four above-average students
at Wilcox County High School
who would be allowed to skip their
senior year, provided I was willing
to lifeguard at the town pool over
the summer *and* complete a
self-study economics workbook.

This study, to be honest,
was a fairly dry exercise,
but the workbook contained
one fascinating lesson: *A country's
fiscal well-being is eternally tethered
to an ever expanding economy.*

"How," I asked my supervisor
when I turned in my workbook,
"can growth be limitless on
a planet with finite resources?"

"Well," he replied, with a pinched
look, having quickly flipped through
the pages of my workbook
without really looking at them
and scrawling a big red letter A
on the cover, "It's possible, Tom,
but they can't really get into
that in high school economics."

And now, now I'm thinking of the
ever expanding universe, the galaxies
moving away from each other
at faster and faster speeds
into cold, infinite space,
like subdivisions disappearing
into the south Alabama countryside.

Our Responsibility to the Future

By Kathryn Tanner

(adapted from her remarks at the final session of the Trinity Institute conference on “Building an Ethical Economy,” held at Trinity Church Wall Street in New York City in January 2010)

The first important thing to say is that we have a responsibility to the future. That fact of responsibility is not a simple matter: it is not to be taken for granted under present market conditions, especially if one means by “responsibility” a concern for the well-being of future generations.

Long-term thinking itself cannot be taken for granted. If behavioral economists are right, the self-interested actors who organize markets do not take into account future costs and benefits in the same way they do present costs and benefits, even when those actors themselves are the ones likely to bear those future costs. The present is always a more pressing motivator of action than the future – especially when that future is far off, hard to imagine, and not entirely predictable.

Rather than stemming this natural human tendency toward short-term thinking, the present organization of global capitalism has only fomented it. Although the air has recently gone out of them,

Christianity at its best can contribute a realism about human motivations to match any economist’s view of limited self-interest.

financial markets since the 1970s have offered much greater returns in the short term than productive investments have in the long term. With the development of a host of new financial instruments and technical means for trading them, a great deal of money can be made in financial markets nearly instantaneously. Now that the value of different currencies floats and is no longer pegged to gold or

the dollar, high-volume trading in currencies means fortunes can literally be made overnight.

Sinking capital into equipment for the long term in hopes the future production of goods will meet fickle consumer demand hardly seems worth the effort in such an economic climate. Why sock money away like that? The time frame of companies producing real goods and services has accordingly been shortened to compete with financial markets. Why invest in technical innovations with long-term payoffs in efficiency and cost savings, when one can improve the bottom line of one’s company immediately by downsizing the work force?

When the issue is the consequences of our behavior on future generations, the matter only becomes more complicated from a market viewpoint. How is it in my interest to invest in the future if I am not going to be around to reap my share of the benefits? How is it in my interest to act now to prevent future environmental harm if I am not going to be around to suffer that harm? These considerations seem “external” to the usual market-driven ones. How can the circumstances of future generations be of economic interest to me when I’ll be dead?

The Ironies of Self-Interest

Yet viewing such considerations as mere externalities paradoxically leads to actual market failure precisely because individual self-interest fails to produce an optimal social good extending into the

future. Indeed, the disinclination of self-interested actors to factor in the consequences of their actions on future generations may mean not simply benign neglect but active harm to them. According to the logic of self-interest, it is in the best interest of the living to use up natural resources now if those resources will run out only after they are dead; better to pollute the atmosphere to an unhealthy level now and simply force the next generation to clean up the mess. Thus the capacity of human societies to meet their needs would likely decline over time, since no one would want to take the costly environmental measures necessary now to ensure that future generations can meet their own needs on an inhabitable earth.

Ultimate Destinies

An obvious solution here is also an ethical one: get people interested in what happens to future generations for humane and religious reasons, to feel both solidarity with future generations and a sense of social responsibility for their well-being on ethical and religious grounds. My own personal self-interest would in that case be enlarged to include the goal of promoting the good of those who come after me. Or at least part of my own agenda would be not to harm them unduly by what I do to secure my own well-being and that of the people I presently care about.

Religions such as Christianity are a main instrument indeed for shaping people's value preferences in this way – at least they make it their business to try to. Christianity, for example, promotes practices of long-term thinking, efforts to assess and direct the whole of one's life with attention to what one believes God wants from human beings. It asks a person to think not just about the moment but about ultimate destiny, about how what one does now will shape one's ultimate identity, about how one's whole life will come to be summed up and

There is no point in preaching social responsibility for future generations without taking into account the real-world pressures that work against it.

judged by God at the resurrection of the dead and final judgment. And it asks a person to consider that ultimate destiny in community with others: who an individual finally is cannot be separated from who that person has been with and for others. What serves one person's self-interest – what demeans or elevates that individual – cannot be considered

apart from the good of the community she or he has helped or harmed, apart from the well-being of that one body of Christ of which she or he is a contributing member. And that Christian community is explained in the widest possible terms. It includes the whole community of saints extending into the past and into the future. It includes indeed the whole world – the entirety of humanity along with the planet – that God blesses by creating and looking after, from its beginning until its end. As the lover of God, one is called to love all that God loves, to include within the purview of one's own concern the whole that God in God's great beneficence is concerned for.

Justice, or Just Us?

But it also seems to me that there is no point in preaching social responsibility for future generations without taking into account the real-world pressures that work against it. If considering the long-term consequences of one's behavior is generally difficult for people, and the present economic circumstances do nothing but encourage short-term thinking, then religious people need to turn their attention to those economic circumstances. If the financial markets are a big culprit here, perhaps that is just another reason, among the many that are piling up in the present crisis, to support policies to decrease their attractiveness. The short-term profitability of financial transactions could be lessened, for instance, by taxing them, or by regulations that make people hold financial instruments for longer periods of time, or by lowering the degree of allowable leverage when purchasing them; and so on.

Many of the real-world pressures that make it very difficult for people to value the needs of future generations involve issues of present-day injustice, to which I think religious people should be especially sensitive. Religious lip service to "responsibility to the future" without attention to these justice issues does a disservice to both religious concerns and the real difficulties that people face. The question of responsibility to future generations is one of inter-generational fairness, as we noted. But the discussion cannot be restricted to possible trade-offs between now and then. It bears on the present: the question about fairness to future generations is also the question about whether being fair to them will come at the expense of the poor now.¹

Poor people in desperate straits cannot afford to invest in the future; they need to consume what they have now, to get whatever they can get now, in order to survive.² Poor families, for example, no matter how much they love their children, are un-

likely to send them to school if the school's expense and the sudden reduction in the number of family breadwinners mean near-starvation. These families need subsidized education for their children and sources of income that do not involve child labor. Similarly, when poor countries have only carbon-intensive production and raw-material extraction as their feeble means of economic sustenance, they are unlikely to consent to international agreements that restrict both without compensatory aid and real help in diversifying their economies.

The Eyes of the Powerless

To see the connections between inter-generational equity and equity right now is indeed to see things from the vantage point of the poor. If being poor and powerless means feeling no more able to better one's present circumstances than influence future outcomes, why expend effort or incur the costs of trying to improve the lot of those who will come after? Hopelessness about the real possibility of gaining justice, given the array of forces stacked against efforts to bring it about in the present, is as much an impediment to concern for the well-being of future generations as anything. Why expect anything to change?

Equity issues like these – about how to be fair not just to future generations but to presently disadvantaged peoples, and about who should pay the most now for the sake of future generations – are at the root of the mistrust and breakdown in co-operation at recent climate negotiations. Should poorer nations, which may go on to be the biggest

On the issue of climate change and what to do about it, as on so many other issues with economic underpinnings, Christianity at its best can contribute here a realism about human motivations to match any economist's view of limited self-interest, but a realism that is also capable of holding narrow-minded and short-sighted human inclinations to the highest standards – of an ultimately divine justice.

Notes

- 1 See Robert M. Solow, "Sustainability: An Economist's Appraisal," in Robert Dorfman and Nancy S. Dorfman (eds.), *Economics of the Environment: Selected Readings* (Norton, 1993).
- 2 See Arthur M. Okun, *Equality and Efficiency: The Big Tradeoff* (Brookings Institution, 1975), 80.
- 3 See J. Timmons Roberts and Bradley C. Parks, *A Climate of Injustice: Global Inequality, North-South Politics, and Climate Policy* (MIT Press, 2007).

Kathryn Tanner '79 B.A., '85 Ph.D. teaches theology at the University of Chicago. Her books include *Jesus, Humanity, and the Trinity* (Fortress 2001), *Economy of Grace* (Fortress 2005), and *Christ the Key* (Cambridge, 2010).

Given what they perceive as a long history of economic injustices perpetrated against them by more powerful nations, many poorer nations have a shortage of trust.

producers of greenhouse gases, pay the most now, or should the burden be borne by wealthier nations, which were unknowingly in the past and are presently the greatest offenders? International agreement is unlikely without some shared belief that what is proposed is going to be fair. Given what they perceive as a long history of economic injustices perpetrated against them by more powerful nations, many poorer nations have a shortage of such trust; they will require a great deal to be convinced that proposals made by wealthier nations are likely to produce outcomes fair to them.³



**880,000 Jobs
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**Could
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Uniting Economic and Moral Literacy

By Rowan Williams, Archbishop of Canterbury

(adapted from his remarks at the final session of the Trinity Institute conference on “Building an Ethical Economy,” held at Trinity Church Wall Street in New York City in January 2010)

The real key to what we owe to the future lies in our capacity and freedom genuinely to live in the present. By which I mean precisely not the short-term thinking that Kathryn Tanner so rightly identifies, but living out of a vivid and critical sense of the world we now inhabit, being able to look at ourselves, our relationships, our dependencies, our hopes, and our needs truthfully.

Living truthfully in the present – having the spiritual discipline to recognize our interdependence and interactions – is perhaps the basic condition of working constructively for the future.

One of the worst things we can do is to imagine that what we owe to the future is essentially just worrying about it. As if what we owe to the future is a constant brushing away of where and who we are now in order to live in the imagined world of tomorrow.

Apostolic Attitudes

That’s a lesson that the New Testament vision of living in the last days puts before us. Why is it that, in the New Testament, thinking that you’re living in or near the last human generation doesn’t seem to

One of the worst things we can do is to imagine that what we owe to the future is essentially just worrying about it.

have a paralyzing or depressing effect? I think what’s going on in the New Testament is two things: one, the sense that what has already been begun by God in God’s work with humanity is about to come to a conclusion, which will make humanity still more human, in closer relation with God. It’s not a last generation that has run out of steam, run out of

energy, run out of hope, and has given up on the future. On the contrary, the sense in the New Testament of living in the last generation is precisely the sense of living in intense excitement about a future that is deeply mysterious and unimaginably joyful. The second thing is, of course, St. Paul’s very firm warning to some of his converts: don’t imagine that the idea of living in the last generation gives you an alibi for the present.

Living truthfully in the present means acknowledging that my actions and decisions in this moment will, whether I like it or not, whether I intend it or not, create a future. With every decision I’m involved in, I set in motion a series of causal interactions. I create something. For instance, I am, here and now in the present, a parent. I have set in motion a train of causal interactions called another person – two, as a matter of fact – and that’s me, that’s who I am now. Doing justice to the future is somehow bound up with doing justice to that aspect of myself now, doing justice to the fact that, here and now, I am making a future: my decisions create, or indeed potentially destroy, aspects of the world I live in.

Thus, by doing justice to my present self as an agent making a difference for the future, I hope to come to a point where my basic, determining attitude toward the future is not one of worry or fear,

but of taking responsibility for the gift that I can't help giving towards the future.

What are the areas in which this cashes out most clearly? Let's take the environmental issue. To know that the next generation needs what we need, because they live in the world we inhabit, needs food security, needs environmental stability, is perhaps the most blindingly obvious part of this equation. Our responsibility for our environment is part of that doing justice, that truthful recognition that human beings need that sort of stability and security, in the lives they lead. We owe to the future decisions that will, we trust, make their lives as livable as ours are. That's how we do justice, recognizing that their interests are like ours.

Defying Short-Termism

If we're thinking about the environment in terms of security and stability, we need also to think of the human environment, the social ecology, as a challenge to the short-termism that afflicts our culture. What are we making possible or impossible in terms of employment, in terms of social care, in terms of the security of the vulnerable, in the next generation? We are capable of making decisions now about where our profits are invested for the future, in guaranteeing certain things about care for the sick, for the elderly, for the disabled, for the vulnerable in general. We owe that to them because we can never tell which of our own children will be involved in that level of vulnerability. We want to do justice to that risk.

Indeed, there are cases of business enterprise that take seriously the community in which they operate. There are cases of companies taking very seriously the fact that they are physically neighbors

great Quaker companies in the UK, for instance Cadbury's, the chocolate-makers, and it's rather a touching part of it. I would like to see in our education more good narratives of virtuous practice – stories worth telling as a way of uniting economic literacy with moral literacy.

Finally, we owe to the future what I can best describe as passing on a human, or humane, vision. Passing on a sense of what's possible for human beings. That is, what we owe to the future is the treasuring of cultural resource. Of course, I don't by that just mean making sure that we lay down, as it were, a cellar of Mozart CDs for our children and grandchildren, though there are worse fates than that. But treasuring, keeping alive and being willing to transmit – and I use the term without any apology – the best that humanity has been capable of. We need to look towards a future where our children and grandchildren are not only kept secure and stable, but where they're challenged, excited, amazed, and enlarged. I would say that that is a crucial part of what we owe to future generations, keeping alive the memory of what humanity at its richest may be.

Rowan Williams, born in Wales, is the 104th Archbishop of Canterbury, spiritual leader of the world Anglican Communion. Confirmed Archbishop in 2002, he is also a theologian, author, translator, scholar, and poet.

We need to look towards a future where our children and grandchildren are not only kept secure and stable, but where they're challenged, excited, amazed, and enlarged.

to particular communities and putting themselves in some ways – their facilities – at the service of local communities, thinking about sensible and constructive working patterns in terms of how a community lives. I think of the cooperative history of some major companies where workers' cooperatives have produced some very competitive companies without the alienation that often goes with that. That's part of the history of some of the

SABBATH XII
by Wendell Berry

If we have become a people incapable
of thought, then the brute-thought
of mere power and mere greed
will think for us.

If we have become incapable
of denying ourselves anything,
then all that we have
will be taken from us.

If we have no compassion,
we will suffer alone, we will suffer
alone the destruction of ourselves.

These are merely the laws of this world
as known to Shakespeare, as known to Milton:

When we cease from human thought,
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stirs in the most inhuman minds.



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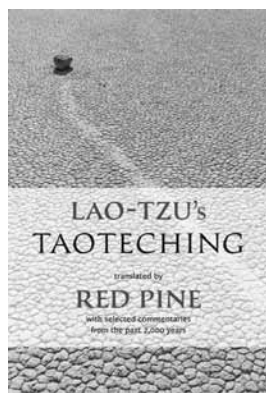
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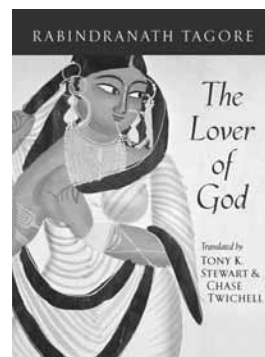
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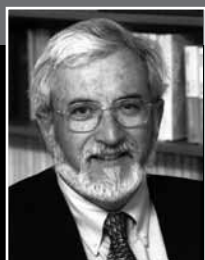
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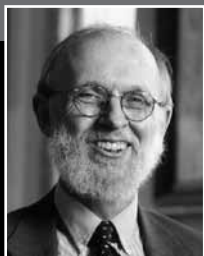


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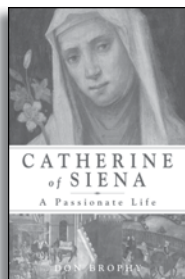
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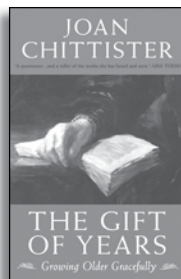
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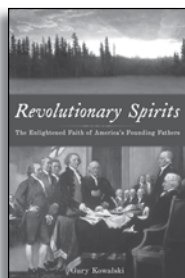
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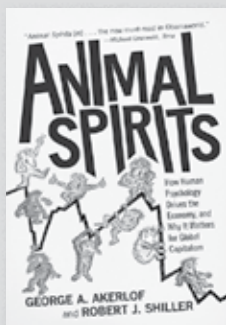
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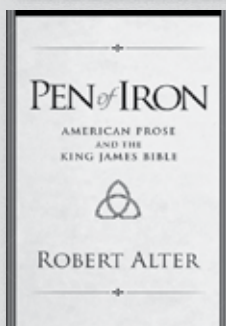
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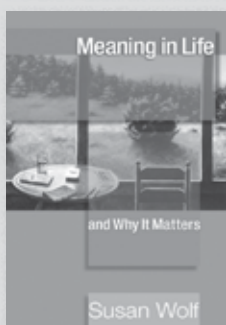
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From the Editor: Currencies

By Ray Waddle



After her husband got laid off last year, artist Kathleen Thum, who was teaching part-time Skidmore College in Saratoga Springs, NY, started looking for full-time work as the primary breadwinner for the family, which included their three-year-old son.

In this economy, it wasn't easy. She found the task of job-hunting frustrating, time-consuming, exhausting. So many people were applying for so few jobs. (Eventually, she received a two-year temporary full-time teaching appointment at Skidmore, easing the urgency for now.) But the stress of searching for additional work took her away from her art and her studio practice. Last summer, she decided to take a stand.

She started turning money into temporary art. The idea began as a whimsical experiment. Paint images on one \$1 bill each day for a month. Turn that revered commodity – cold cash – into a canvas for vivid color and emotion. She created images on one side of the bills (washable paints allow the bills to be returned to circulation), and she exhibited all thirty-one of them at the Recession Art show at Invisible Dog Gallery in Brooklyn, NY, last fall, a show called “No Money No Problems.” (see recessionartshows.com)

Some of them are featured on the cover of this *Reflections* issue and opposite this page.

“Even with financial woes, I was determined to continue to make art, experience that joy and freedom,” she says.

She embraced the irony of the situation. Preoccupied with finding work and making money in a tough economy, she turned to real money to make art.

“It made me think more in depth about the meaning of value – the artist's internal sense of value in creating art, versus the external commercial value of it.”

Thum's dollar series bears the marks of her style. Her artistic work often evokes a landscape of internal human vitality – cells, tissues, membranes, veins, nerves. Thus her money art series ponders yet another perennial conflict – that between the impersonal economy and flesh-and-blood humanity. The market ought to serve people and promote human well-being. During a recession, however, it seems to be the other way around.

Daniel Blochwitz is alert to economic ironies too. He grew up in East Germany, a society of surveillance and censorship where citizens learned to read for subtext and hidden meanings behind bland official announcements and other public forms of communication.

“All communications were carriers of meaning – whether comedy or film or literature, you had to read between the lines for the deeper message imbedded there,” he says.

Blochwitz was sixteen when the communist wall came down, and he moved to the U.S. to go to college. He is now a visual artist working in New York. *Reflections* spotted his photography after it was featured last fall at an art exhibit on the theme of economic turmoil at the Gallery at the Arts Guild New Jersey in Rahway, NJ, a show called “Moolah.” (see rahwayartsguild.org)

Blochwitz found America to be a much different place, of course, from the old Eastern Bloc. But he brought with him his eye for imbedded meanings and odd juxtapositions of images. The raw and energetic street life and never-ending messages of daily American commerce gave him much to think about.

“There's the idea of the ‘third meaning’ – place two images together and see if a third meaning emerges,” he says. “I try to frame different images and place them in front of you and ask you to read what's going on there.”

In the public media world of a democracy, he noticed, “everything is presented as if it all has the same weight. A blatant lie can have the same weight as something that we'd all agree has truth to it. It becomes hard to decipher what is true and what is fabricated. That's an area I try to navigate and expose and make people aware of. I want people to question what they see and hear and not let everything pass as equally true, equally valid.”

In a free and freewheeling capitalist society, the dominant commercial images are obviously not the product of a plodding, repressive state bureaucracy. But the teeming clash of twenty-first-century messages – a parade of the rich and poor, the humorous and poignant, the treasured and trashed – invite interpretation nevertheless.

“America,” he says, “is very generous in providing images.”

Whether bringing an artist's eye or an analyst's mind to the subject, the contributors to this *Reflections* all seek to get a handle on this strange, dazzling thing we call the economy, which is at once so flush and fierce in our face every day, yet also so abstract, too big for words, an ideological concept to fight over. By naming its forces or questioning its values or restating its aims, contributors here hope to demystify its power a bit and give us back an ethical stake in its outcomes.

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POETRY

Wendell Berry, Kentucky farmer and writer, is the author of some fifty books of essays, fiction, and poetry.

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Mary Crescenzo, an award-winning playwright and poet, is co-artistic director of The Peekskill Playhouse, located in New York's Hudson Valley.

"Between Sun and Sand" is reprinted by permission of the poet.

Jim Harrison is the author of more than twenty books, including the novella *Legends of the Fall*. His volumes of poetry include *The Shape of the Journey: New and Collected Poems*. He lives in Montana and Arizona.

"Sunday Discordancies" from *In Search of Small Gods*. Copyright © 2009 by Jim Harrison. Reprinted with permission of Copper Canyon Press.

Robert Hass, a California native, served as Poet Laureate of the United States from 1995-97. His poem in this issue, "Ezra Pound's Proposition," refers to the influential modernist American poet whose eccentric economic theories led him to embrace fascist Italy during World War II; Pound was charged with treason by the U.S. after the war.

"Ezra Pound's Proposition" from the book *Time and Materials: Poems 1997-2005*. Copyright © 2007 by Robert Hass. Reprinted by arrangement with Ecco, an imprint of HarperCollins Publishers.

Louis Jenkins, born in Oklahoma, lives in Duluth, MN. His collections of prose poems include *Just Above Water*, *The Winter Road*, *Sea Smoke*, and *North of the Cities*.

"The State of the Economy" from *Before You Know It: Prose Poems 1970-2005* © by Louis Jenkins, Will o' the Wisp Books, 2009.

Tom Kimmel is a Nashville songwriter, performing artist, and poet. See tomkimmel.com.

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