

# God and the Financial Crisis



# God and the Financial Crisis:

*Essays on Faith, Economics,  
and Politics in the Wake  
of the Great Recession*

Edited by

Gary D. Badcock

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## PREFACE

This collection is drawn from a series of Conference events and special papers contributed over the period 2011–14, hosted by the Centre for Public Theology at Huron University College in London, Ontario.

The goal of the Centre for Public Theology is to facilitate research on issues of broad public concern, bringing academic theology into dialogue with other academic disciplines and with the public at large. This interdisciplinary approach is aimed both at encouraging a movement in theology beyond what has become the ghetto-world of conventional religion in the contemporary West, and at making useful contributions to scholarly thinking about pressing issues in public life. Our recent projects have included work on subjects such as the Afghanistan war, out of which a previous collection was published by Cambridge Scholars.<sup>1</sup>

This new volume represents the main outcome of a somewhat larger overall project on the financial crisis of 2008, and the ensuing “Great Recession.” The chapters herein have been written by people from a variety of disciplinary backgrounds, walks of life, political persuasions, and theological traditions—all sharing a general conviction, however, that questions of money, together with contemporary problems of poverty, inequality, and economic stability, are too important *not* to be made the subject of theological analysis and critique. The contributions range over themes as diverse as the actual events in the banks leading up to the crash of 2008, to the nature of religion, business ethics, economic growth and global development, idolatry and its contemporary expressions, and, not least, what has lately come to be known as “quantitative easing for people instead of banks.”

A recurring theme in what follows is that religious ideals and assumptions have profound cultural importance, including in the sphere of economic life—and that such ideals and assumptions are found pervasively in the contemporary West. They appear, however, not only in specialized, overtly religious institutions such as the churches, but also in

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<sup>1</sup> Gary D. Badcock and Darren C. Marks, eds., *War, Human Dignity and Nation Building: Theological Perspectives on Canada’s Role in Afghanistan* (Newcastle upon Tyne: Cambridge Scholars, 2010).



those quasi-religious, customary, and mainly unquestioned assumptions that govern individual and collective life well beyond the specialized world of institutional religion. What this volume suggests is that mainstream patterns of economic and social experience in the modern West are governed by such customary beliefs (such as our “belief” in free individuals who make choices in an abstractly free market) and practices (such as the consumerism which is embraced as the meaning of life), which is to say that they can be illuminated by appeal to the categories of religion, and possibly that they can best be understood in this way.

As editor, I would like to thank my recent Centre for Public Theology Research Assistants, the Rev. Malith Kur and Mr. Tristan Paule, for their work in helping to prepare this collection for publication. In the planning phase also, a number of people lent a hand. Particular thanks goes to Mrs. Sharon Lindenburger, whose skills were so invaluable, and to Mr. Andrew Labenek, whose willingness to contribute concretely amid a hectic schedule was much appreciated. Thanks also to my colleague in the Centre for Public Theology, Dr. Darren C. Marks, for his friendship and collaboration, and to the former Dean of Theology at Huron University College, the Rev. Dr. Bill Danaher, for his support. Finally, special gratitude is due to the contributors to this volume, who have been exceedingly patient as publication was delayed by life’s circumstances.

I would like also to acknowledge the support of the Social Sciences and Humanities Research Council of Canada, whose Aids to Small Universities grant made the Centre for Public Theology at Huron University College possible—and with it, the publication of this volume.

Gary D. Badcock

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## CHAPTER ONE

# A FAILURE OF THE “GODS?”: A THEOLOGICAL RESPONSE TO THE FINANCIAL CRISIS

GARY D. BADCOCK<sup>1</sup>

### **An Age of Ideology**

We live, I wish to suggest, in a peculiar age of ideology and dogmatism. Contrary to the commonly-held view that what surrounds us is a sea of relativism, ours can instead be regarded in a number of ways as an age of certainties that are unquestioningly assumed, obeyed, and even forcefully imposed, effectively as articles of faith. Our dogmatism is nowhere more evident than in the world of politics and economics (though similar things might well be said of multiple spheres).<sup>2</sup> In politics, the power of our dogmas became plain for all to see in, for instance, the invasion of Iraq in 2003, which supposedly was to be welcomed by its people as salvation, but which has turned out to be anything but that; or in the election in 2008 of a man who was presented almost as the ‘saviour of the world,’ Barack Obama—raising for himself, of course, a series of unrealizable expectations that would come back to haunt him, and those who supported him. William Cavanaugh has memorably referred to the cultural assumptions underlying such views as “state soteriology:” the claim, endemic in mo-

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<sup>1</sup> Gary D. Badcock is the Peache Professor of Divinity at Huron University College, Western University.

<sup>2</sup> A generation ago, the polymath Michael Polanyi argued against the then-dominant scientific positivism, maintaining that its efforts to escape the tradition-bound limits of “faith” were futile, since everything from academic mores to language itself to the very publications upon which science depends are rooted in socially-mediated concepts and practices that become unintelligible once faith is removed from the system. The “tacit” knowledge assumed by science, Polanyi shows, constitutes one of the modern forms of dogmatism.

denity and certainly deeply characteristic of that paradigmatic Enlightenment democracy, the United States, that humanity can be redeemed from brokenness through the state.<sup>3</sup> The absurdity of assuming that anything other than mixed gains can be made in the political order ought to be apparent to anyone who has lived in, with, and under one, but under the influence of this particular dogma it is difficult to stop people from assuming that society is perfectible.

That we live in an age of ideology is, however, even more evident in the unquestioning assumptions made in the discourse of human rights, which are asserted in law even though no explanation can be offered within the terms of our present worldview for whence and why they exist, other than the sheer fact of their declaration as self-evident (which does not really make them so). It is evident among the politically correct who generally, as is well known, can brook no contradiction, and whom one often and paradoxically fears to confront on pain of persecution, exclusion, or professional dismissal.<sup>4</sup> And it is evident, not least, in the world of economics—where, as the French sociologist Pierre Bourdieu frequently put it, a neoliberal utopianism founded on the dogmatic abstraction of “a pure and perfect market” has reigned supreme for most of our adult lives.<sup>5</sup>

Now, of course, it does not follow from any of this that dogmatism is necessarily or always a bad thing. The ancient word “dogma,” though having pejorative associations in contemporary usage, simply means a “teaching” (or sometimes a “law” or “decree” when used in a more legal sense). We continue today to rely on the equivalents of the ancient “dogmas,” though less in religion than in the secular sphere: the line we are fed, that the chemicals in pre-packaged food are safe to consume, for instance, or that a vaccination is safe to receive, are rather akin to “decrees” delivered by the regulatory bodies hearkening to a lab-coated “priesthood,” and we act upon their judgments mostly on the basis of their authority, which in turn cannot function except on the basis of public trust. On the whole, the

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<sup>3</sup> William T. Cavanaugh, “The City: Beyond Secular Parodies,” in John Milbank, Catherine Pickstock and Graham Ward, eds., *Radical Orthodoxy* (New York: Routledge, 1999).

<sup>4</sup> A useful illustration is the reaction seen a few years ago to former Archbishop of Canterbury George Carey’s claim that opponents of gay marriage in the United Kingdom are being publicly vilified much as the Jews were in the early days of Nazism—the reaction being as important and interesting for present purposes as Carey’s initial observation.

<sup>5</sup> Pierre Bourdieu, “The essence of neoliberalism,” *Le Monde Diplomatique*, English Edition, Dec. 8, 1998, <http://www.mondediplo.com/1998/12/08bourdieu> .

existence of such a nexus of authority and of fiduciary trust in so much of life is a good thing, and we cannot do without it, even if it is true that the dynamic can also lead to damage.

In the world of economics, however, the neoliberalism of the past thirty years, involving at its heart financial deregulation and the globalization of financial markets, together with a commitment to free trade and the subordination of collective national and especially labour interests to the maximization of profit, has presented itself as the only “realistic” description of economic reality. The logic of neoliberalism has, of course, been applied in some contexts more consistently than in others, and it is significant that those economies in which it has been most consistently followed were among those most obviously crippled by the meltdown that began in 2008. The truth of the matter, however, is that the kind of macroeconomic theory on which it relied was always a kind of *faith*, and indeed, how far this faith went is apparent in the light of the Lehman failure and the banking crisis that ensued. It is highly significant that almost none of the economists in neoliberal favour saw the crisis coming, and in fact most major economic figures of the decade (such as Ben Bernanke, Chairman of the Federal Reserve, the central bank of the United States) actually believed at the time that a financial crisis was theoretically impossible. The macroeconomic struggles of the past were over: the classical view of free markets had triumphed; in broad terms, the conviction was that free markets can cheerfully be left free to regulate themselves. The market, so the mantra went, is naturally self-regulating and self-correcting; thus, merely if we leave it alone, “all shall be well.”

Such was, and is, the free market faith. It is perhaps understandable, in the light of the revolutions of 1989, the collapse of the Soviet Union, the rise of “capitalist” China—or of a quasi-mercantilist China at any rate—that leading representatives of the “free world” should have thought their victory so complete. The now-classic literary expression of this particular form of fiduciary *hubris* was the 1989 essay of Francis Fukuyama, “The End of History?” which presented the outcome of the Cold War literally as the pinnacle of human socio-political development.<sup>6</sup> Fukuyama is, of course, widely ridiculed for this little piece, particularly in the light of 9/11 and all that ensued, but it is no stretch to conclude that he read the times in

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<sup>6</sup> Francis Fukuyama, “The End of History?” *The National Interest*, Summer 1989. The essay was followed by a somewhat less triumphalist reworking of the theme in Fukuyama, *The End of History and the Last Man* (New York: Free Press, 1992).

a way that proved prophetic in the economic sphere at least—or so, at any rate, until very recently.

The tides of faith ebb and flow in any fiduciary system. What we can say in retrospect today is that these free market convictions, which first motivated and which then sustained the dominant economic policies of the past three decades, is today at a much lower ebb—among some, it is at its lowest ebb, arguably, since the aftermath of the Great Depression. True, the abstraction of the pure and perfect market may not be dead, but it is certainly a wounded creature, and indeed, in many centres of economic policy-making, it is fascinating to see that the figure of Doctor John Maynard Keynes has appeared again at the infirmary door, after thirty years of exile, ready to soothe the market's ills. Even the “neocon” Harper government in Canada implemented clearly Keynesian economic strategies on a monumental scale in the wake of the 2008 crash, occasioning howls of protest from a vocal segment of its supporters. The world of mammon is not quite as simple as it seemed just a few years ago.

It is, then, not only the markets that crashed. For what has also taken place is a crisis of confidence in one of the leading ideas of our lifetime. Perhaps you and I never really believed in it, or perhaps we did—but what is certain is that most of the powers-that-be *were* believers, or had no option but to be, whether in government, in industry, in banks, or in international institutions such as the IMF. I would suggest, however, in the wake of the events of 2008 that (protestations of the Chicago School notwithstanding), the *pure* free market faith is not coming back on a global level anytime soon—certainly not with the swagger it had in its hey-day in the 1980s and 1990s. The Occupy Movement of 2011 was one expression of the widespread unease felt in many societies about the economic reforms of the past thirty years. The central message of Occupy was not to be confused with Occupy's anarchic character, as it was something of far-reaching importance that has the potential (second only to the sheer failure of 2008) to upset the free market consensus. That message is this: neoliberal approaches to the market have generated from the very beginning, and all along the way, massive increases in economic inequality. While it is important to observe that the increase of inequality is not strictly part of the theory, and that most economic liberals appear genuinely to *believe* in the goal of decreasing inequality by creating opportunity (a version of “inclusivism”),<sup>7</sup> empirical observation of the effects of neoliberalism simply

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<sup>7</sup> At one point, PM David Cameron pledged to spread “privilege” rather than to defend it in Britain:

do not bear out the claim that this works straightforwardly on the macro level. Or, to put the same thing another way, it may work in limited ways in particular times and places (e.g., in stabilizing prices in Moscow under Boris Yeltsin), or it may work in a nation like Britain for some tens or hundreds of thousands of entrepreneurs, but it does not work for millions of their fellow-citizens. The doctrine of the pure and perfect market, whether found dressed in the spats of the 1920s or the fancypants super-computer algorithms of investment bankers since financial deregulation, has been something of a failure.<sup>8</sup>

All of this, however, is mainly by way of a rehearsal of what has been argued by others, and there is no further need to labour the point. What I wish to do now is to turn to the question of theological analysis and response, and to pick up on certain of the themes with which I began. For if it is true that we live in an age of dogmatism, then the question arises, what happens when the dogmas prove to be unbelievable? What happens when the nexus of authority and trust of which I spoke earlier breaks down?

### Failed “gods”

Part of the argument that I have been constructing is that ours is still in a rather strange sense an age of “faith”—but that we have dubious and hidden gods. I shall argue shortly that a particular problem for Christianity is that the Christian God has been assimilated to these dubious ideas, or that the Christian God is construed in such a way as to serve the same ends, but let us leave this aside for the moment. To make this claim about the ubiquitous character of contemporary religion will perhaps be controversial, and requires a certain clarification of what is meant by the term. To begin at the beginning, the Latin word *religio*, according to Lewis and Short at any rate, has in ordinary usage the basic sense of a system of worship or a public cult, though the word also has associations with the concept of sanctity, and can even be used for the idea of an obligation between citizens or friends, in the kind of bond which is commonly thought to be sacred. Modernity is occasionally accustomed to thinking of religion as something private rather than public—indeed, widespread use of the

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<http://www.telegraph.co.uk/news/politics/conservative/9598922/I-will-spread-privilege-in-aspirational-Britain-Cameron-tells-conference.html> .

<sup>8</sup> A recent measure of such failure, and a classic Social Democratic response to it, can be seen in the Broadbent Institute’s recent report, *Towards a More Equal Canada*, dated October 2012: <http://www.broadbentinstitute.ca/>.

word “religion” itself is something mostly modern, part of the age of enlightenment and individualism<sup>9</sup>—but in fact none of the senses of the Latin word is consistent with the notion of religion as something private.

Contrariwise, and even more in the modern period, the sociology of religion has insisted, to quote Emile Durkheim, that religion is inherently “something eminently social,”<sup>10</sup> and in that sense distinct from a person’s faith, which in Durkheim’s analysis is more a matter of individual taste and experience. Durkheim’s importance for the sociology of religion easily ranks alongside that of Max Weber, and has, if anything, been even more influential in the field of religious studies, but he has been largely neglected by theologians themselves. Durkheim, rather more even than Weber, effectively eviscerates the whole theological enterprise when he opines flatly that society is God: “I do not see in the divinity any more than society transfigured and thought symbolically.”<sup>11</sup> Yet, whereas this might seem to mark the end for religion, the truth is that for Durkheim it is not possible to conceive of religion’s disappearance, since religion is constituent of the social. That is to say, what is generically called “the sacred” serves to organize and reinforce those social structures without which it is impossible to live in a community. So long as there is society, in short, there must be religion.

One of the interesting things about Durkheim’s analysis is that it allows for the variety of religion empirically observed, and for varieties of expression of the core of religious life as something inherently social. Curiously, what Durkheim fails adequately to consider is that what is called religion in his analysis can operate in a society that is overtly “secular.” This should scarcely have given him pause, in my view, given that his position is that, in effect, society is God. Durkheim’s generation had, after all, inherited the philosophical inversion of the 19<sup>th</sup> century, whereby the finite world came to be vested with absolute meaning and the theological came to be seen as derivative of it (so that God is our creature rather than the converse), and finally came to be regarded as merely epiphenomenal. The

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<sup>9</sup> This is a now-classic argument, formulated by Wilfred Cantwell Smith, *The Meaning and End of Religion* (New York: Macmillan, 1963).

<sup>10</sup> Emile Durkheim, *The Elementary Forms of the Religious Life*, trans. Joseph Ward Swain (London: George Allen & Unwin, 1915), p.10.

<sup>11</sup> É. Durkheim, *Représentations individuelles et représentations collectives* (1898), in: *Sociologie et Philosophie*, (Paris: Presses Universitaires de France, 1951), 36; as cited in Jesús Romero Moñivas, “Science And Religion in the Sociology of Émile Durkheim,” *European Journal of Science and Theology* 3 (2007): 26.



classic 19<sup>th</sup> century humanist contention that “humanity is God,” since it is the source of all that we value—so that it is to be literally served and adored—is clearly echoed in Durkheim’s view, even if the latter has its roots in a more explicitly ethnographic analysis, and is to that extent a more scientifically-grounded claim.

Nevertheless, the coming down of heaven to earth in 19<sup>th</sup> century thought is not sufficiently reflected in Durkheim’s sociology of religion, which consequently misses what I want to suggest is the really decisive thing. That is to say, the vesting of the earth with all the significance that had once been accorded heaven—including the generation of law, meaning, and life itself—means that one actually no longer needs to generate an overtly “religious” symbolic system by which to order society, since one already has one’s god or one’s absolute in the *this-world* of life, society and nature as such.<sup>12</sup>

It is Pierre Bourdieu (died 2002), arguably the greatest French sociologist since Durkheim (died 1917), who more than any other sees this point, and works it out in his theory. This, I think, is despite its being apparently more in tune with Weber because of Bourdieu’s preoccupation with questions of power. Bourdieu’s sociology has been aptly described as ‘a “generalized” sociology of religion (with religion presenting in paradigmatic fashion properties common to all spheres of symbolic activity).’<sup>13</sup> To put the same thing another, hopefully less complicated way, the theoretical tools stemming from an analysis of religion are everywhere present in Bourdieu’s treatment of society, so that, even though he writes very little about religion directly (considering it essentially an unviable proposition actually to *be* religious in the conventional sense in the West today), he is considered by virtue of the strategies employed in his analysis of secular society *per se* to be a major source for the contemporary sociology of religion. He was clearly right about large parts of the West. There are, as we know, no longer groups of religious specialists who stand at the centre of the social order (Bourdieu’s “priests”), but nevertheless, there is certainly still abundant generation and imposition of “givens” that have the potential “to make visible and to make believable” the otherwise arbitrary claim to

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<sup>12</sup> One suspects that this underlies, for instance, the “religious” quality of so much of the ecological movement, even among its ostensibly secular adherents.

<sup>13</sup>Erwan Dianteill, “Pierre Bourdieu and the sociology of religion: A central and peripheral concern,” in David L. Swartz and Vera L. Zolberg, eds., *After Bourdieu: Influence, Critique, Elaboration* (New York: Kluwer Academic Publishers, 2005), p.66.

power of some over others.<sup>14</sup> Bourdieu speaks of this capacity in terms of “symbolic power,” “symbolic capital,” or even “symbolic violence,” and what is of direct relevance to our theme—his contention is that just this underlies what he deems to be the free market “faith.”<sup>15</sup>

I am not wanting to argue that either Durkheim or Bourdieu have got hold of the theological question rightly, nor do I wish to suggest that their (necessary) sociological reductionism ought to go unnoticed or uncriticized in this or any other theology. I am not, as it happens, a social-scientific reductionist, but we do not have scope at present for this digression, and in any case, the point of this discussion is rather different. It is to alert us to two possibilities: first, that a culture may be *symbolically organized* in ways directly comparable to what is operative in religion, even though it may be avowedly “secular”; and second, that religion proper needs to be aware of the criticism that its fundamental function is to validate a particular social order that is, at bottom, arbitrarily constituted. Indeed, in all the great sociological theorists, this is really the singular and decisive function of religion, to generate some *mythos* that precedes and grounds the possibility of public *logos*.

What I want to suggest is not only that the *mythos* that has shaped the economic practices and the political discourse of neoliberal societies for nearly a generation has been constructed in subterranean ways by a set of assumptions that really operate as a kind of religion, though refusing to entertain open acknowledgment of that fact. It is also that many, at least, of the Christian churches have also done precisely what Durkheim suggests they must, which is to provide the symbolic validation of the dominant structures obtaining in the social order, which is to say in the present context, *the neoliberal economic order*, upon which the whole system rests. That is to say, the Christian religion in the modern West has served, and serves even today, to ground and justify precisely the neoliberal social agenda. The fact that a given church might reject such claims, citing innumerable left-leaning or “progressive” reports and policies produced over the years that fly in the face of the neoliberal polity, matters little on this analysis, since at its deepest level, it preaches and forms people into precisely the kind of free subjects and consumers who are the axle around which the whole economic machine turns. And since this is the case, then

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<sup>14</sup> Pierre Bourdieu, “Sur le pouvoir symbolique,” *Annales ESC*, 32 (1977):410, as cited by Dianteill, “Pierre Bourdieu and the sociology of religion,” p. 79.

<sup>15</sup> Bourdieu, “The essence of neoliberalism.”

the churches (the bulk of them in the West, at any rate) must in a manner of speaking be considered complicit in the making of the financial crisis.

One of the really telling characteristics of intellectual life in contemporary “churchland” is that few people really ask this question, despite the fact that a goodly number of our religious leaders have at least a cursory background in sociological theory, as do a considerable number among the active membership. Perhaps the chasm it opens up is too deep for them to cross; perhaps, to the contrary, they merely enjoy the (often considerable) symbolic capital they have accumulated as things stand. I would tend to suggest myself that the process of religious enculturation, or what may well be the same thing, the desire to be “relevant” to the world in which we live, blinds the church to the possibility that, instead of working for the world’s transformation, it merely grounds, mirrors and reinforces its excesses. It is easy, of course, to apply the sociological critique to, let us say, the Catholic Church in Chile under Fascist rule in the mid-20<sup>th</sup> century, or to the Dutch Reformed in South Africa. What we are less prepared to see is that our own preoccupation with the question of the experience, flourishing, and freedom of the individual, whether as expressed in “decisions” made for Christ, or in the characteristically “liberal” non-prescriptive approach which insists that the act of authentic believing (anything at all, seemingly) is what matters, or for that matter in that non-directive nurturing and counselling that became so characteristic of the pastoral care movement in the late 20<sup>th</sup> century, equally explain and reinforce a social world in which de-socialized, atomized, abstractly free individuals are really both source and goal. Just these, however, sustain the system of private interests and tastes of modern individuals, the highest function and purpose of whom in life is to consume. Protestant denominationalism, as Lesslie Newbigen often argued, serves the same destructive ends: denominationalism, as he tended to put it, is consumerism in a religious mode. The denominations have, on the whole, fiercely resisted the intrusions of the ecumenical movement (which they tend to regard as a means of *affirming* themselves as they are rather than of actually ending their existence); ecumenism threatens denominationalism, however, because it threatens the notion that the church is an association of abstract individuals who share the same private opinions.

There would be a number of ways of illustrating the same dynamic. To take one of the most obvious that I have drawn attention to elsewhere, it ought to be a scandal to Christians that the same principle used in modern political polity to defend the legitimacy of religious belief, namely, freedom of speech and of conscience, is equally employed to defend the exist-

ence of pornography on supermarket and stationery shelves. Instead, a good many Christians actually thank God for such freedom of speech and conscience on a weekly basis in liturgical settings in the modern West. Liturgically and theologically, however, this is a barbarism, for it means that they also thank God for the ubiquity of pornography, which is made available to them under precisely the same principle. The courts have merely been consistent in applying the logic here. It is an insufficient defence to say that the churches do not “mean” to say this in their prayers, for the fact of the matter is that, by literally sacralising the principle of individual freedom in public worship (and indeed at every step along the way in churches which assert the supremacy in matters of religious faith of the individual), they validate the very thing that makes the freedom to say or to publish absolutely *anything* legally and philosophically necessary. Examples of this could be multiplied further; the disappearance of the concept of blasphemy, never mind in Western society, but also in Western Christian churches, could be mentioned, not least because there are societies in which this omission and commission is simply incomprehensible. But we must leave the matter aside and move on.

The claim is that the atomized individual of modernity, upon which depends also the concept of the economic risk-taker, producing in turn a cult of the winner, of the economic survivor who accumulates reserves of capital by virtue of his or her individual initiative, is symbiotically reflected in and underwritten by the religious individualism that dominates the lives of Western Christians and is represented in the core of contemporary Western Christian practice. It is no accident, from this point of view, that south of the Canadian border a few years ago, a disproportionate number of evangelical Christians stood among Mitt Romney’s most fervent supporters in his run for office, there being no functional difference between the particular way in which the sacralization of individual freedom occurs either in evangelicalism or in Mormonism. American evangelicals were perhaps surprised to find themselves supporting a member of a “cult,” as was said, but to employ our earlier argument, the *mythos* in each case validated precisely the same *logos*. The two, in short, amounted at this level to one and the same thing. From this point of view, I confess, I found developments in the last American Presidential election both theologically horrifying and fascinating: horrifying, because of the associations of Christian “commitments” with an obviously extreme neoliberalism—which is now imprinted on the minds of millions of onlookers in the general population; and fascinating, because the whole show reveals how deeply the political and the religious are in fact tightly bound together, despite the fiction of the firewall standing between American church and state.

My basic contention, however, is that these symbolic systems, these “gods,” have failed. They have failed in the churches that owned them, which are disintegrating before our eyes; they have failed in the political arena, which under their influence becomes ever more polarized and destructive; and they have failed in an exquisitely spectacular way in the financial crisis that began in 2008 and that, in many nations, still continues. These gods can no longer be trusted; indeed they *are* no longer trusted, or at least, not in quite the way that they were. We are brought to the position of needing to explain why we became so committed to them. And, we need to learn how to let them go.

On such terms, the financial crisis of 2008 and beyond ought to be a watershed for Christian theology in the West. Rather like an Augustine facing the challenge of untangling the meaning of the fall of Rome, we ourselves need to learn to say that God was never in the city of the world in quite the unambiguous way that the old “religion” assumed. Not only do we need to say this, but we need to acknowledge how deeply impacted all that was by a kind of idolatry. And this means nothing less than that in the church, a great many of us need to learn how to speak of God in the public square all over again.

## **A Theological Response**

To speak of idolatry is, of course, to use rather strong language. The word evokes such images as that of the Golden Calf, and of the errant people of God who, it is said in holy scripture, sat down to eat and drink before it, and then “rose up to play” (Exodus 32:6; 1 Corinthians 10:7). Perhaps the cavorting in question today is less obvious, but in the present context, the rough equivalent of the Golden Calf would indeed be the Charging Bull of Wall Street, the bronze sculpture representing profit that stands at the edge of the Financial District in New York City. Idolatry does not necessarily require literal physical expression, or literal sacrifice and offering; for to fashion a god “in the form of anything that is in heaven above, or that is on the earth beneath, or that is in the water under the earth,” and to “bow down” to such gods (Exodus 20:4-5) can, as we have seen, happen in subtle, insidious and ingenious ways. It is possible (the sociologist might actually say that it is necessary) to fashion a god who is the servant of a socio-political system, whose principal function is to validate and sustain it, and in our age as in all ages, it takes considerable independence of mind and courage to speak the truth about this to the princes of the church. But we theologians have helpers in the social sciences. If nothing else, the sociology of religion ought to provide a warning to the

church of the permanent possibility that all it says is a service to something on the earth beneath rather than to God, who is Lord and Judge of all.

It was out of the sorrows of the trenches of World War I, in reaction against the *Kulturprotestantismus* that publicly sought to justify the carnage, and then again amid the furnace of the European Fascism that sought to assimilate the Christian churches and to employ religion in its own project, that a subtle political theology developed in the 20<sup>th</sup> century that I suggest needs to be learned and appropriated again. Its central figure was Karl Barth, although ultimately the same tones can be heard in the work of leaders equally profound, if less prolific, such as Dietrich Bonhoeffer (who was, interestingly, an expert in sociology) or, in England, the Anglican Bishop George Bell. In a nutshell, that theology is this. Because God is God, and is not to be fashioned in the image of anything in the world, God is not to be aligned with any political or economic system. To be sure, the Christian can make common cause with varied political projects as provisional expressions of central Christian teachings. A politics that vilifies the refugee, the sick, the young, or the elderly, for instance, can only be resisted by the Christian, in alliance with those political parties and processes that would oppose such evils. But there is a delicate line to be negotiated and not crossed that stands here, between making common cause and identifying this or that political or economic stratagem as what it means to be a Christian or what it means to be the church. In fact, each of these theologians tends to insist that the Christian gospel prescribes no particular political polity. The church is capable of existing in any political context—and indeed even in recent history certain forms of the Christian church have thrived under the most oppressive regimes, such as in the Cultural Revolution in China. What the church must do above all else is keep its distance, since what is at stake in its life is the name of God and its witness to God. For God is *semper maior*, “always greater,” or “always more.” God, as God, does not fall into any of our usual categories, whether metaphysical, moral, political or economic (*Deus non est in genere*). This, I would suggest, is the basic thing that has been forgotten by so many of the churches of the modern West.

Barth makes a most interesting point here, maintaining that one of the great and perennial questions of Christian theology, which needs to be asked in the most searching way, is whether or not the church in any given historical epoch allows God to be domesticated to the prevailing structures of power. For when the church puts its shoulder to the wheel of the world, allowing the name of God to be used in ways that chime in with the central

ambitions and power claims or any epoch, then, we can be sure, it has slipped into idolatry. For this reason, Barth rejected *Kulturprotestantismus* as a perilous danger, and claimed that what is essential for the Christian church in approaching questions of political and social importance is to disown any claim that a particular politics or economics is straightforwardly to be identified as God’s will. This was why Barth himself, in the context of the middle decades of the 20<sup>th</sup> century, took the view that Nazism literally had to be preached against from the pulpit—and the later, difficult war against Nazism too—because it made overtly religious claims about God’s will as expressed in the *Führerprinzip* and the rhetoric of blood and soil. Yet, for the very same reasons, he also resisted the claim of the West in the Cold War, precisely because of the thread of divine warrant that was asserted both in European and North American Christianity for the Western polity.

This is a delicate, nuanced position that might well be remembered as much in the face of the “My Little Pony”<sup>16</sup> approach to questions of economic justice that infests so many pulpits, as in response to the theology that sacralizes our own cultural individualism, and with it, the free market “faith.” It is not simply that one or other of such approaches is bad for us, or even that it may be bad for the poor—or for that matter any other group in society (since perhaps the rich might also be targets of persecution under some system in our lifetimes). It is that too close an identification of God’s way with this or that human way necessarily misrepresents God, because it makes God in the image of this or that thing “on the earth beneath,” which for theology is among the most serious of all human errors.

Thus what emerges here at the end is the need to assert the freedom of theology, and indeed, the freedom of God in theology: a rediscovery of the idea of transcendence, and a recovery of the true wealth of “religious capital,” is in order. Such a rediscovery is in order first and foremost for the church itself, since without these it will inevitably find that it has nothing genuinely new, or different, or really radical to say to the socio-political order, and it will instead be reduced inevitably to what merely mirrors and reinforces that world as it already is.

What does this imply, finally, for us in the church who ask the question with which we began, the question of God and the financial crisis? The

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<sup>16</sup> The phrase is happily borrowed from Francis Spufford, *Unapologetic* (London: Faber and Faber, 2012), p. 12. Spufford uses it rather differently, however—to critique the simplistic politics and anti-religion of the John Lennon song, “Imagine.”

answer is that because we and what we preach in so much of the church has been woven into the fabric from which the crisis was cut, there is need first and foremost for a kind of intellectual repentance. I would say myself that we need a new Augustine on the scene—or at any rate, a new *City of God* to guide—so entwined with the foundations of the free market “faith” is so much of our own Christian faith in modern times. This would entail that the task of theological renewal, which has become so imperative amid the moribund character of Western Christianity, might well need to begin with insights gleaned from “public theology,” the conviction that theology is not well practiced in the religious ghetto, because its central message is bound up intimately with, and is profoundly affected by, great public questions. That the gods so clearly embraced in the subjectivism and atomistic individualism of neoliberalism and Western Christianity alike have failed is a signal, in short, that we have gotten things badly wrong, and that some new direction is needed.



## CHAPTER TWO

# OUT OF SORTS: ETHICAL REFLECTIONS ON THE FISCAL CRISIS AND THE GREAT RECESSION

FREDERICK BIRD<sup>1</sup>

### Introduction

In the several years since 2007, North American and European countries have experienced, in differing degrees, a financial crisis and a prolonged economic recession. As a result, millions of people have suffered extensive losses. They have lost homes, savings, income, and jobs. In some areas, some countries, and for particular groups of people, especially the young, unemployment rates have been experienced at levels as high and higher than 20% of the labour force. Many others have suffered from aggravated levels of under-employment. Although they will find ways of getting by, most of those who have lost their homes and their jobs will not be able to recover from these losses anytime soon. The fiscal crisis and ongoing recession have aggravated personal strains, deprivations, and losses especially for those less well off. To be sure, many wealthy and affluent households suffered huge losses as well in their investments, savings, pensions, and expectations. Expecting to retire in a few years, many older workers have decided they cannot afford to retire soon, because of these losses. The strain on the millions who have lost their homes and jobs has been extensive.

What many, many people have found especially galling about this situation has been the inability of governments and businesses to find ways of improving the overall operation of their economies in any decisive ways. Thankfully, at the height of the fiscal crisis emergency, governments and

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central banks intervened in dramatic ways so that the crisis did not become much, much worse, in ways that seemed very likely at the time. Nonetheless, although they come from different countries and hold diverse political views, people generally are feeling aggravated by a wide range of issues and problems—from job loss to increasing size of student debts, from the steady rise health care expenses to inequities in the tax system—associated with this on-going economic recession. Two decades ago, after the Soviet Union collapsed, Western industrialized countries congratulated themselves on the vitality and resilience of their economic and political institutions. Clearly, we assured ourselves, these events demonstrated the strength and resourcefulness of our systems of free markets, private enterprise, and liberal democratic government institutions. Now we wonder why the political and economic institutions we were celebrating so recently have been unable to act more effectively with respect to prolonged periods of economic woe.

Although experiences vary, sometimes markedly from country to country, from region to region, and for some rather than other social groups—for example, think of the current prospects in Germany and Greece—people generally seem to be suffering not only directly and indirectly from the economic losses, but also from profound feelings of anger and disenchantment. How did we get into this mess? Why can't our leaders act more forcefully to address these problems effectively? Many people experience a sense of threat. They feel precarious, and they worry that things may well get worse for them. Will they be able to find opportunity for better employment? Will their saving be sufficient when they retire? In ways that we do not always clearly understand, we wonder whether larger climate changes, growing government debts, increased government spending on social insurance and public welfare, and/or our dependence on fossil fuels adversely affect us. For diverse reasons, this fiscal crisis and ongoing recession leave us feeling out of sorts. Given the wealth our economies have produced, the continued discoveries of our scientists, and the innovations of social and business entrepreneurs, we feel very deeply that things could and should be different. In general, we feel we have worked hard and lived responsibly. So we are inclined to wonder how these problems could have become so aggravated and have remained this way so long. Many of us feel quite upset. We still seem to be in the midst of a crisis, global both in scope and character. How can we make sense of this situation? What can and should we do?

In ways that are sometimes similar but generally dramatically different, both the Tea Party and Occupy movements have voiced anger with respect

to this on-going crisis in terms that have gained widespread support. Both have expressed discontent felt by millions. Both point to fundamental problems that seriously do need to be addressed. Both reflect understandable feelings of frustration. The current patterns of government and business are not, they complain, working the way we think they could and should. Both movements argue, as I will argue, that the fiscal crisis and great recession have occurred because of a larger set of factors—what I will call social malpractices—which not only have functioned to shape the character of these events, but also have adversely affected public and private well-being.

The Tea Party movement emerged in the United States in the spring of 2009 and spread quickly, largely as a grass roots movement interested in changing the character of partisan politics. Those involved have broadly compared themselves with popular movements of dissent in the Middle East, China, and from American history. As part of its basic agenda, the movement has directly sought to shape political processes by supporting political candidates that aligned with its philosophy. The movement has opposed the extension of Medicare, efforts to expand regulatory controls over polluting emissions, and policies that would liberalize immigration policies. The Occupy movement emerged in the fall of 2011, staged its initial occupation in the financial district in New York City, and quickly spread to other cities and countries. By October 15<sup>th</sup> of that year there were sit-in or live-in demonstrations in more than 950 cities in more than 82 countries. Using public protests and acts of civil disobedience, the Occupy movement especially called attention to the power exercised by those with the most wealth. They sought to embody a new kind of egalitarian and participatory political process, sometimes referred to as “horizontalism,” which provided occasions for people to assert control over their lives as communities of people apart from the established, hierarchical systems of administrations and politics.

Both initiatives represent popular grass root movements, whose organization and rapid expansion have been facilitated by the uses of social media. Both initiatives share a deep suspicion of large banks and leading financial institutions. Both movements see themselves as representing the average people over against the excessively influential special interests. However, for the most part these movements seem to hold diametrically opposite views, both with regard to what is especially wrong with the way political and economic institutions operate, and what should be done to improve the situation.

A number of people, associated both with the Tea Party and groups on the political Right, argue that the inability to emerge from the on-going recession reflects the ways governments have acted to waste public resources and interfere with and obstruct otherwise productive business practices. They complain about the ways government budgets continue to rise in part because of over-staffed government bureaucracies and irresponsible support for people on welfare, who, they insist, should be supporting themselves. They point to the way excessive regulations add needless expenses to businesses that make firms less able to perform profitably. Given the on-going recession, they complain about excessive taxes. They allow that recessions do happen from time to time, but they believe economies will largely correct themselves if governments do not excessively interfere. These criticisms of what they regard as “big government” are typically combined with complaints about a variety of groups that seem to pose threats to the commonweal, such as illegal immigrants, convicts, drug users, and diverse minority groups. Overall, these groups on the political Right fear that matters will likely get much worse unless action is taken to restrain governments. In particular, they point to the huge and growing government deficits as an imminent threat likely to lead to a much larger and more devastating economic crisis.<sup>2</sup>

In large part, these critics, at least in the United States, from groups like the Tea Party and the political Right seem to connect our inability to emerge from this on-going recession with the ways in which governments and the public have allowed themselves to deviate from traditional values. In spite of government spending, in very broad terms they note how schools are not performing as well as they should, how crime rates remain high, how family values seem threatened by new mores, and how people generally feel less happy. They point to the ways in which government spending has steadily increased, government regulations have become more costly and complicated, and tax policies have become more convoluted and complex. In the process, these critics have encouraged and fostered both increasing suspicions of governments and aroused fears that matters may well become worse. In ethical terms, these right-leaning critics have addressed the fiscal crisis and economic recession in large part by identifying both some people and practices, associated with governments, liberal elites, and those adopting questionable moral practices that seem especially blameworthy.

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<sup>2</sup> Paul Ryan, *Path to Prosperity: A Blueprint for American Renewal* (House Budget Committee: March 20, 2012).

In contrast, a number of groups, associated with the Occupy movement and characteristic of the political Left, have argued that the current crisis has occurred because of the greedy, self-aggrandizing practices of those with the greatest wealth, the one percent, whose nominal incomes at least in the United States, grew by 277.5% between 1979 and 2007.<sup>3</sup> Many on the political Left have argued that it was people and organizations from these privileged groups of overpaid executives, investment bankers, and financial speculators, whose risky behaviour occasioned the financial crisis in the first place. Yet, it was these groups who have especially benefited from government bailouts. Although the actions of these well-to-do people and organizations have wrought extensive harm, they have suffered comparatively little from the fiscal crisis and great recession. The political Left argues that the ways these powerful groups have managed to weather the crisis seem fundamentally unfair in relation to the millions who have suffered and continue to suffer in so many ways. Groups associated with the Occupy movement complain that those with great wealth and power have shaped business practices and government policies in their own interest. In the process they have been causing widespread ecological harm and undermining basic democratic process. The Occupy movement and critics on the political Left argue that these wealthy and powerful elites have conspired, and continue to conspire, to subvert political and economic institutions to their own advantage.

For those adopting the kinds of contrasting stances I have just described, these positions seem both empirically credible and emotionally satisfying. Although the positions taken by these movements often seem extreme—especially when proponents on one side or the other make quite radical proposals—in many ways these movements express pessimistic sentiments about current economic and political problems that are much more widely held. In an ironic way, these positions are mutually reinforcing. Because so many seem to embrace the alternatives they oppose, their own views seem more compelling and the alternatives seem more morally questionable. In many ways, those adopting Tea Party and Occupy-like views of the fiscal crisis and great recession seem to talk right past each other. Still, viewed as a whole in complementary ways, both movements raise important and serious concerns. Various politically unaccountable elites have increased their wealth and political influence in troubling ways. In many areas, government regulations have indeed become excessively complicated and offer new opportunities for circumvention. Interestingly,

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<sup>3</sup> Data from the Congressional Budget Office, cited by Paul Krugman, *End This Depression Now* (New York: W. W. Norton, 2012), p. 76.

after being criticized for their complicity and the laxity with which they pursued their auditing tasks, accounting firms have ironically found new employment opportunities helping firms comply with new regulations established by governments both recently and nearly a decade ago. Tax laws have become excessively complex and still allow loopholes for those clever enough to find them. Far too many businesses are operating in ways that cavalierly ignore the ecological limits of their activities.

However, I am not making reference to the contrasting views associated with movements like the Tea Party and Occupy in order to propose a mediating middle ground that combines features from both camps. Rather, I am calling into question both kinds of responses—both of which are not without merit—because both tend to become excessively moralistic; both lack historical perspective; and both tend to be reactive. In his essay *On the Genealogy of Morals*, Nietzsche referred to the moral tone of complaints such as those voiced by groups like the Tea Party and Occupy as a product of resentment. He argued that ethics far too often are voiced primarily to express sentiments of loss and unhappiness rather than self-affirmations based on what people genuinely value. Far too often people articulate moral views to find compensation in imaginary revenge, sanctifying such feelings of revenge by referring to them as claims of justice.<sup>4</sup> From my perspective, both alternatives tend to become excessively moralistic. They are inclined to characterize those they oppose as deeply morally culpable while, at the same time, voicing statements that paint their own position as particularly morally virtuous. While these groups have raised truly important issues, they have also tended to express their views in morally self-righteous terms. Both groups have tended to respond to, while then going on to aggravate, feelings of suspicion, fear, and resentment.

While expressing a number of particularly important observations, neither group goes far enough in its critiques and analyses. This crisis has to do with more than the effects of a bubble in the housing market. It reflects more fundamental issues than those associated with the painfully slow movement back toward something like full employment. It has to do with more than our views of public debt. It reflects deeper issues than the ways banks created especially risky new financial instruments. In many ways, as I will demonstrate in due course, the fiscal crisis and great recession represent the tip of a much larger and more basic set of issues. If we are to re-

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<sup>4</sup> Friedrich Nietzsche, *On the Genealogy of Morals*, trans. Walter Kaufmann and R. J. Hollingdale, in Nietzsche, *On the Genealogy of Morals and Ecce Homo*, ed. Walter Kaufmann (New York: Vintage Books, 1967), First Essay, Section 10.