

KINDOM ECONOMICS

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Mt 6:24-34

I'd like to talk with you this morning about economics and suggest that there are some irreconcilable internal contradictions within unchecked, free-market capitalism that lead inexorably to the environmental devastation, global poverty, and wars that threaten our civilization. I'd also like to suggest that we can find a vision for an alternative economics in our Scriptures, a vision that we're called to flesh out and be faithful to.

Almost twenty years ago, after I'd been practicing medicine for a while here in the inner city, I began to reflect on Jeremiah's message that a society that did not practice justice didn't deserve and wouldn't get the protection of God. From my perspective it was pretty clear that our society wasn't practicing justice, but I didn't understand then what it meant in our context for God's protection to be withdrawn. Now, it begins to become obvious, of course, as our society's individualism and consumerism have pushed us closer and closer towards inevitable overlapping crises.

These crises we're heading for—whatever combination of global warming, the end of cheap oil, economic collapse, the loss of democracy, the consequences of AIDS in Africa, or any of the other issues we've talked about in this community—these are inextricably interwoven with the unchecked, free-market capitalism that dominates global economics. If the economic system is founded on self-interest, profit, and constant growth, you're going to get problems like these. Capitalism's proponents argue that if we just produce more goods and adhere to a tighter free market, we'll solve our problems, but the reality is that more of the same isn't going to solve the problems caused by the system in the first place.

What I have not noticed until very recently, however, is the presence in our Scriptures of a clearly articulated alternative economics. In fact, I'm coming to believe that the Reign of God is a vision of economics, and we ignore it at great peril. While it might initially seem out of place, discussion of economics belongs here on Sunday morning.

As you might guess, the truth of those last statements depends on a broader understanding of the word "economics" than is usual. The word economy comes from two Greek words, *oikos* or "house" and *nomos*, "one who manages," so etymologically economics has a broad meaning something like "care for the household." In our current context, we might best think of economics as "care for the earth and its creatures." What does this economic vision in the Scriptures look like?

- Most importantly, the subsistence needs of all are met before the luxury needs of any.
- It includes care for the earth, for instance, letting the land lie fallow every seven years.
- In Luke, Jesus says he's been sent to proclaim the year of the Lord's favor, which most scholars take to be a reference to the Jubilee, the occasion once every 50 years when land was returned to its original owners or their descendants so that no one could get too rich and everyone would have the chance to begin anew.
- Interest is forbidden so that people can get loans, and lenders are instructed to forgive those loans if people can't really pay.
- The act of accumulating possessions is, both directly and indirectly, responsible for injustice; we should keep only as much as we really need.
- And on and on.

From beginning to end, the Bible articulates an economic vision that bears little relationship to modern economics.

Even now, though, it often feels overblown to me to claim that there's a "Biblical economics." There are two reasons for this feeling, I think.

- First, modern economics has defined itself so narrowly that it's become essentially the study of market mechanisms, a minute subcategory of a sub-classification of what the Bible would understand as economics. It turns out that the founders of modern economics did this quite deliberately. They believed in the Enlightenment tradition that the world could be divided up into little pieces, rationalized, and controlled, so they wanted to create a scientifically sound, methodologically replicable system that could measure and predict things exactly and with reproducible results. To do this, though, they had to exclude from the definition of "economics" anything that couldn't be directly measured and reduced to a number: for instance, human needs, care of nature, and condition of the community. Which is to say, they excluded most of the things that we really care about in our society.
- The second reason that the idea a Biblical economics seems so strange is that our modern economic system—based on self-interest, competition, advertising and consumerism, and constant growth—is so wildly different from the Biblical vision that there's the tendency to spiritualize the Biblical vision and not believe it applies to economic life.
 - "What d'ya mean, give to anyone who asks of you? In this city I'd go broke."
 - "What's all this 'lilies of the field' business? **You** try raising a family."

And so on.

But in the larger meaning of economics, the Reign of God is a Gospel economics.

Some years ago I preached a sermon about the theology inherent in the fundamental assumptions of capitalism, almost all of which, it turns out, contradict Gospel assumptions.

- Each person is to act only in his own self-interest.
- Financial profit is the only goal. In pure capitalism all business decisions are to maximize profits.
- Value is measured by price. Human labor is simply another factor of production, so the cost of labor should be minimized. Pay people as little as possible.
- What goods are made and how they are distributed is determined completely by who has the most money.
- Capital is private property.

I won't belabor the point here, but it's probably obvious that each of these assumptions is contrary to Biblical values. That being the case, we'd expect that eventually they'd lead to big problems. Modern capitalism is incapable of solving the problems of environmental devastation, misuse of limited natural resources, poverty, devastating global unemployment and growing inequality because the problems grow within the structure of capitalism itself. They're built in. That is to say, to a large degree, it doesn't matter who's president, who's in Congress or who the political leaders of other countries are: If they're unwilling to fundamentally alter the modern economic system, we will inevitably slide from crisis to deepening crisis.

What are some examples of these contradictions built-in to capitalism?

Well, for instance, modern economics can only deal with things that can be measured by their monetary worth. But most of the really important things in life don't have a price tag: Our significant relationships, the education of poor children, the quality of the air and water, to say nothing about the rising temperature of the earth. So, when your job leads to deterioration in your relationships, when rising inequality leads to the collapse of public schools, when pollution befouls the air and water, or when the earth warms, the economic system cannot self-correct because none of those things enter into the calculations. In technical language, the costs of these kinds of damage to our society have been "externalized," that is, somebody else has to suffer them. So the business doesn't need to worry about them. In fact, even the ecologically conscious managers of, say, a steel mill *have* to pollute in order to survive. If they were to decide on their own to pay for the expensive equipment to clean the air and water while the other steels mills didn't, they'd have to charge more for their steel and lose out in the competition: end of company.

As a second example, consider that capitalism is about competition, which means it's about lowering costs. Since workers are just "forces of production," the goal is always to lower labor costs as much as possible (without sacrificing quality). If it's possible to outsource those jobs to another country, then that's what the business should do, even if the employees here all lose their jobs. If it's not possible to outsource the jobs then you pay as little as possible. A real life example of that occurred in California several years ago. Safeway stores have always been heavily unionized and their wages and benefits have been reasonable. Several years ago in Southern California, Wal-Mart moved in and undercut Safeway's prices, in large part because Wal-Mart pays very low wages and few benefits. Safeway apparently felt they couldn't survive without lowering wages, so the unions struck. After a strike of many months the agreement reached was that existing workers could keep their good wages and benefits but any new employees would come in at less-than-living wages and few benefits. If we take the facts as they're given, Safeway was willing to pay the higher wages and benefits (they'd been doing it for years) but had no choice under the competitive system that is capitalism. To make matters worse, our courts have ruled that the responsibility of a publicly owned company is to make as much money as possible for its stockholders. Even if Safeway managers had been willing to lower profits in order to keep decent wages and benefits, they could have been sued by stockholders for profits that weren't maximized.

Third, capitalism depends for its existence on continuously increasing production. It essentially equates happiness with material prosperity so the goal is to increase the material goods available indefinitely. And if you criticize capitalism for worsening poverty, the capitalist response is that increasing production will provide more for everyone. The problem, of course, is that our earth won't sustain "more for everyone." We simply don't have the resources. But built into the fundamentals of the system are ever-increasing production and productivity.

Now, I'm very aware that there are sophisticated pro-capitalism counters to these arguments, which are important but we won't get into them here and now. What I'm trying to suggest we think about, however, is that many of the worst abuses of capitalism might, in fact, be built-in. As long as we continue to move in the direction of free-market capitalism, the problems that we're facing will continue to grow.

Let me point out a few religious implications here. First, for most of us the ultimate spiritual question is what makes humans truly happy. What makes for a complete life? For modern economics the answer to those questions is: material goods. More stuff! But all the psychological research shows that once a basic material comfort has been reached, a higher standard of living doesn't lead to more happiness. It's an utterly false idol.

Second, the adherents of capitalism point to a belief in the "invisible hand" that will take the selfishness and crassness that's built into capitalism and transform it into a system that is better for everyone. Adam Smith, sometimes called the founder of capitalism, wrote that the spontaneous operation of the market lead economic processes "by an invisible hand to make nearly the same distribution of the necessaries of life, which would have been made, had the earth been divided into equal portions among all its inhabitants."¹ Although this now seems self-evident nonsense, apologists still say that eventually capitalism will benefit everyone. That, it seems to me, is a leap of faith so great as to make fundamentalism seem positively scientific.

As I mentioned earlier, capitalism was originally part of the Enlightenment project to rationalize everything, but we've increasingly been asked to have faith in a system against the evidence. One can't even criticize capitalism these days without being laughed or hooted off the stage. Like all false idols, one of its primary powers is to convince us that there are no other options.

I said earlier that one of the reasons I've been so unable to see the alternative economic system built into the Bible is that the Biblical assumptions are so contrary to the assumptions of our society as to seem positively naïve, almost embarrassing. But let's try to take it seriously. Let's sketch out just a few of the underlying implications of the Biblical economic system:

1. We're all in this together, and everyone is to get basic subsistence needs met before anyone begins to get luxuries.
2. In order to make that possible, we're to learn the concept of "enough." We're to learn to limit our consumption and give the rest to others.

¹ Goudzwaard, Bob and de Lange, Harry, *Beyond Poverty and Affluence: Toward an Economy of Care*, Eerdsman Publishing Co, 1995, p 44-45.

3. While a basic material well-being is necessary, ultimately our happiness doesn't come from increasing material possessions. From those "revolutionary Beatitudes" that Tom talked about last week we learn that those who are truly happy are the poor in spirit, those who mourn, the meek, those who hunger and thirst for justice, those who practice mercy, and the peacemakers.²
4. Care, care of each other, care of the earth, care of self is fundamental to human well-being.

"But," someone says, "that's not an economic system; those are just values. How are you going to get those to work in the modern economy?"

Well, that's right they are, in a way, just values, but everything starts out with values. Modern capitalism has as its value increasing material prosperity and it's not working out very well for us. So, we need to start out with fundamentally different principles.

"How are we going to get those to work in the modern economy?" Well, the easy answer is that you can't, really. You have to change the economic system and impose upon it the values that belong to the Reign of God.

Now, this isn't as vague or far out as it sounds. All of us here have to varying degrees done just that. In fact, people do it all the time. Many of us here, for instance, earn considerably less than we could because we want to do a certain kind of work that we value. Most of us here have considerably reduced our standard of living from what it could be, simplified our lives, learned to recycle, give generously to people who have less than we do and to causes that care for others. We don't think of those things as changing the economic system, but they do. They're choices to step outside of free-market capitalism and into the Reign of God. While most people, if asked, would say they *believe in* capitalism, in fact, they *act on* completely different assumptions every day.

We could also build those values into our global economic system if we chose to. In fact, to a limited degree even we in the US have, and other countries have built them in to a much greater extent. It's possible through taxes and various local, state and federal programs, for instance, to create an economic floor beneath which no one is allowed to fall. One of the things that keeps us from doing this is the capitalist dogma that if people's subsistence needs are met, they won't work. But if we evaluate our own experience and see the ridiculousness of that assertion, it would be quite possible to build in an expanded Earned Income Tax Credit, for instance, an expanded and increased disability and unemployment system, a system of universal health care, and so on. Conceptually these are not difficult to create.

Nor would they be unreasonably expensive. How would we pay for them? Today the top marginal tax rate is 35%. In other words, a married couple will pay taxes of 35% on any amount of income over about \$300,000. But in the 1950s, during the Republican Eisenhower Administration, the top marginal tax rate was 91%, and the economy seemed to work just fine. We could have an economic system that made sure that everyone got subsistence needs met before others bought yachts. What has kept us is a set of free-market values, reinforced by the advertising propaganda of those who would lose materially from instituting the Gospel values. If we were consciously to choose a different set of values by which to orient our economy, a great deal would be possible.

I mentioned earlier the economic practice of externalizing costs. But it's perfectly possible through government regulation to insist that all businesses pay the full cost of their products, including, for instance, the costs to ensure that they're producing in sustainable ways.

And so on.

² Vaage, Leif E, *God's Economy*, 2005, p 130

We've talked a good deal in this community about the coming crises. Built into those crises, of course, are opportunities. It seems to me that the small alternative structures that we're building within this community will be enormously valuable when the crises come. We can't know, of course, just what those crises will be like or exactly what we'll need, but we can almost guarantee that the economic choices we are making now, based on Biblical values, will serve to renew the economy later. The community at St Andrew's Way; those welcoming refugees into their homes; the communities at Joseph's House, Cornerstone, and L'Arche; Way to Jerusalem; Eve's arrests and eventual jail time; all of us working for "enough" rather than "as much as we can," and on and on: These create alternative structures based on Biblical values. Right now, they're small and may seem insignificant. But we know what happens to Gospel seeds. And it's very possible that the time we are heading into now will demand exactly those seeds.

Now, I know that we all want to know what to *do*, and I'll get to that in a minute. But we need to be careful about exactly what we mean in asking what to do. If what we mean is: What can I do that will fix the problem, that will make this go away, then we don't understand the enormity of the complex issues we face. If what we mean is: How can we fix this and get back in control, then we don't understand the failure of modernity. I mentioned earlier that the founders of modern economics believed in the Enlightenment tradition that the world could be rationalized and controlled, which is the essence of modernity. In some ways the failure of capitalism is the failure of modernity itself. We've been under the illusion that we could ignore the spiritual rules of the Universe, the rules that God gave us, and that we could take care of the "economy" ourselves, using rules that we invented, that made sense to us. The failure of capitalism to produce an economy that could either take care of everyone or even be sustainable is indicative of the ultimate incapacity to human beings to bring everything under control. So we can't ask for control. We can only hope to be faithful to the Reign of God.

In that light, what can we do? For starters, I'd counsel four things, none of which will change things drastically now but each of which will prepare us for the time we're heading into.

1. With the help of prayer, our faith community, our friends, our family, let's learn what's "enough" for us. Probably that will mean reducing our levels of consumption. (Here we can get help from each other.) If we're going to be those teaching others to learn the economics of enough, we'll have to learn it ourselves. We'll want to discover the joy of living more simply ... so we'll be able in the not-so-distant future—when the time is right—to teach it.
2. We can start being aware of how the culture talks about economics. Pay attention to how the news is presented, how arguments are made about the various trade agreements, how taxes are discussed. And then begin to think about questions we would raise if we were even more grounded in God's economics. We're going to want to be very good at this kind of discussion.
3. We can learn more about what Biblical economics looks like for us and continue to bring it to being in our everyday life. People don't believe there *is* a Biblical economics much less that it could ever work. Learn the truth and begin to model it for others.
4. Finally, in everyday conversations, let's begin to name the failures of capitalism. We don't have to make a big deal of it or even make an argument. If the topic of global warming comes up, we can just say, off-handedly, "Well, everybody knows we'll have to change the economic system to really deal with that; free-market capitalism just can't do it." Begin to talk as if "everyone knew" that unchecked capitalism is a pretty limited system. "Well, everyone knows that this free-market capitalism has increased inequality and poverty." And so on.

Let's begin to change the conversation about capitalism, at least within our own communities.

Amen.