

THE RELIGION OF ECONOMICS

I am deeply indebted to the work of Richard Foltzⁱ. It was discussions with Richard starting in 2003 which sparked my research into this topic.

Four decades ago, Hazel Henderson wrote that she became an economist to find out "where the bodies were buried".ⁱⁱ

In researching this chapter I discovered that the cemetery she was seeking has meantime been well and truly dug over. Though the stink of decay is all pervasive, the facts remain largely hidden from the general public so I will here attempt to marshal the evidence revealed by a multitude of grave robbing thinkers and sound the alarm. Their findings are truly stupendous yet the hypnotic spell cast by the so-called "science" of economics is such that news of these findings remains hidden from the broad mass of people. I believe that citing, summarising and propagating their findings is of utmost importance.

The fact that economics, the most pious religion the world has ever known, has managed to audaciously disguise itself as "secular" is the real key to its unprecedented success. Not only secular but a *science*. Not just a science but the only one of the social sciences "hard" enough to have its own Nobel prize.

I propose that the first step to killing this false god and freeing the Earth from its thrall is to unmask it, to name it, to say it like it is.

So here I will tell the story of this strange religion, one whose Sabbath lasts five days out of seven, while for the truly devout, maybe 6 or even 7 days are spent worshipping in huge complexes of temples that scrape the sky, foul the waters and scorch the Earth. When not in their office temples, the pious congregate in "malls" (mauls?) to shop unto exhaustion of the spirit and of the Earth itself.

I have spent 30 years working on the conservation of nature and have long been troubled by the irrationality, indeed insanity, that destroys the biological fabric from which our own lives are woven. Although our actions to protect the Australian rainforests between 1979 and 1986 led to a stream of national parks in NSW, Tasmania and Queensland, for every forest protected in those years, worldwide 1000 were lost and it quickly became clear that there was no way to save the planet one forest at a time. Unless we could address the underlying psychological or spiritual disease that allows humankind to imagine that we can *profit* from the destruction of our own life support systems, tiny piecemeal gains could never amount to a long-lasting solution

James Lovelockⁱⁱⁱ said that it is as if the brain were to decide that it was the most important organ in the body and started mining the liver.

Paul Ehrlich pointed out that "we are sawing off the branch that we are sitting on".^{iv}

These clearly point to a *psychological* problem. I believe that the best understanding of the psycho-spiritual dimension of the environmental crisis is to be found in a philosophy called "Deep Ecology". The term was coined by Arne Naess^v, Emeritus Professor of Philosophy from Oslo University who saw the fundamental problem as being the illusion of separation between humans and the rest of the natural world.

This illusion is coupled with anthropocentrism, the idea that human beings are the centre of everything – the crown of creation, the measure of all being. Only human beings have intrinsic value; anything else can only have instrumental value, as a resource for humans. Anthropocentrism is both a cause of the illusion of separation and is also furthered by the illusion itself.

The strongest root of this anthropocentrism is the Judeo-Christian tradition where only “man” was created in God’s image; only humans have a soul and we are enjoined to subdue and dominate nature which consequently must be in fear and trembling of us.

If we dig at the foundations of classical economics we discover its Judeo-Christian roots: nothing has any value till humans add their labour and intelligence to it. The Earth itself is just “dirt” till we dig it up and turn it into our toys. Only then, when the miracle that is “man” transforms lowly Earth into shit-ola, does it acquire any value.

Just as Christianity and Islam usurped the sacred sites and holy days of the pagan religions they overthrew, now Christianity has been overthrown by its own offspring. A case –in point is the transformation of Saint Nicholas, a fourth-century Christian saint, into Santa Claus, a modern and postmodern god of consumerism. This is described well by deChant^{vi} who also examines the success of best-selling books like “*God Wants You to be Rich*” and “*Jesus, CEO*”.

What used to be the solstice was subsumed by Christmas and this in turn has been swallowed by shopping.

Harvey Cox, professor of divinity at Harvard University, writes that “Disagreements among the traditional religions become picayune in comparison with the fundamental differences they all have with the religion of The Market. Will this lead to a new jihad or crusade? I doubt it. It seems unlikely that traditional religions will rise to the occasion and challenge the doctrines of the new dispensation. Most of them seem content to become its acolytes or to be absorbed into its pantheon, much as the old Nordic deities, after putting up a game fight, eventually settled for a diminished but secure status as Christian saints”.^{vii}

How is it that proposals to protect nature are inevitably “uneconomic”?

The economic cost-benefit analysis invariably decrees that the benefits of laying Nature to waste trump the costs because, in an extraordinary feat of transubstantiation^{viii}, the only things of *real* value (such as air, water, soil and life itself) are deemed to be worthless while social fictions such as money are pronounced to be real. This is a religious miracle of breathtaking power which makes the parting of waters, or turning water to wine pale into insignificance.

Harvey Cox (op cit) points out that the market religion has maintained the sacrament while reversing it: sacred things (like land, water, air, and even the human body) are transformed into profane ones so that they can be commodified and put up for sale – ie transubstantiation

“The willed-but-not-yet-achieved omnipotence of The Market means that there is no conceivable limit to its inexorable ability to convert creation into commodities. In the mass of The Market a reverse process occurs. Things that have been held sacred transmute into interchangeable items for sale.” Land is transformed from the sacred into mere real estate.

We laugh at the cargo cultists – ignorant islanders, savages who stand in straight lines at attention and salute the sky waiting for the airplanes and the “cargo” they carried in World War Two to return.

We are shocked at the ancient Easter Islanders who cut down every last tree to build and transport their lifeless Gods of stone. Yet in our blind devotion to the god of economy we repeat

their insanity on a truly planetary scale.

Only a deeply religious faith allows us to ignore the absurdity of perpetual growth on a finite planet. Back in 1961, in *Life Against Death*, Norman O Brown pointed out that , "we no longer give our surplus to God; the process of producing an ever-expanding surplus is in itself our God"^{ix}

Most students of the religious phenomenon of economics see neo-classical economics as a *false* theology and I will provide more excerpts from some of their analyses below. But first I will introduce the curious case of economist Robert Nelson of the University of Maryland, who **celebrates** the religious aspect of his discipline^x. (Hazel Henderson became an economist to find out "where the bodies were buried". Who better to lead our excavation than an economics professor?)

Nelson disagrees with his profession's wish to think of itself as science, claiming rather that economists are really "more like theologians," – which gives them a much more important role in society. "Economic efficiency has been the greatest source of social legitimacy in the United States for the past century," he writes, "and economists have been the priesthood defending this core social value of our era".

Nelson acknowledges many flaws in classical economic thinking and concludes that "Whatever one might say today of the genuine "truth value" of economics as a body of scientific understanding, the practical reality is that the economics profession for many years was successful in asserting its scientific status. The economic priesthood could effectively police the theological territory of America."

While, as we shall see below, many scholars agree wholeheartedly with his claim (p65) that "without certain theological assumptions, some of the most important conclusions of economic theory could not sustained.", unlike Nelson, most of these scholars use this conclusion to *debunk* economics rather than exalt it.

David R Loy^{xi}, gives us the most compelling of the many critiques of economic religion in his "Religion of the Market" (1997).

He sensibly warns us that "Nelson ... could be said to have overlooked the market religion's sacrificial aspects of worsening global poverty and environmental degradation and points out that "In 1960 countries of the North were about twenty times richer than those of the South. In 1990—after vast amounts of aid, trade, loans, and catch-up industrialization by the South—North countries had become *fifty* times richer. The richest twenty percent of the world's population now have an income about 150 times that of the poorest twenty percent, a gap that continues to grow (Körten: 107-108)^{xii}. According to the UN Development Report for 1996, the world's then 358 billionaires were wealthier than the combined annual income of countries with 45% of the world's people. As a result, a quarter million children die of malnutrition or infection every week, while hundreds of millions more survive in a limbo of hunger and deteriorating health. "

"Why do we acquiesce in this social injustice?" He asks. "What rationalization allows us to sleep peacefully at night?"

"The market religion's sacrificial aspects" ? We might imagine that this situation arises somehow accidentally, an unanticipated, contingent effect of the economic-religious structures that rule the world. A closer inspection however, reveals a much more sinister picture. It turns out that in

order to generate obscene profits, Goldman Sachs, Deutsche Bank, Merrill Lynch, and others – have caused the starvation of some of the poorest people in the world.

In 2007, staple food prices started inexplicably rising and another 200 million people – mostly children – couldn't afford to get food any more, and sank into malnutrition or starvation. There were riots in more than 30 countries, and at least one government was violently overthrown. It wasn't through a fall in supply - wheat production actually rose globally that year. Then, in spring 2008, prices just as mysteriously fell back to their previous level. In April 2008, Jean Ziegler, the UN Special Rapporteur on the Right to Food, called it "a silent mass murder", entirely due to "man-made actions."^{xiii} " And we have a herd of market traders, speculators and financial bandits who have turned wild and constructed a world of inequality and horror."

The god of the market's hunger for sacrifice would put the gods of the Aztecs to shame.

Here's how it works. Throughout the twentieth century, farmers have had mechanisms, "futures markets" whereby they could insure themselves against crop failure or the collapse of prices. Throughout the '90's Wall St traders lobbied for the abolition of the regulations that had hitherto restricted these mechanisms so that only those directly involved in food production could use them and suddenly these contracts were transformed into food speculation "derivatives" that could be traded without reference to the foodstuffs themselves. Previously the economic system of supply and demand ensured that "only" a billion people went to bed hungry. After this deregulation, the cost of food was determined by the value of speculative food contracts not by the availability of the food itself

Jayati Ghosh is a professor of economics at the JNU in New Delhi. Asked if this another bubble that's being deliberately created by finance, she replied

"Yes, absolutely. There is no other way to put it. You have a massive expansion. It sounds incredible, but world rice prices increased by 320 percent between January 2007 and June 2008. So in just 18 months you have tripling of world rice prices. World wheat prices go up by 240 percent, maize prices by 218 percent. Crazy increases in these trade prices of these commodities."^{xiv} Professor Ghosh points out that the price of other worldwide crops which are **not** traded on the futures markets like millet and cassava rose very little in 2007. Her research shows that speculation was "the main cause" of the rise.

As John Lanchester points out in "Whoops! Why Everybody Owes Everyone and No One Can Pay"^{xv}; "Finance, like other forms of human behaviour, underwent a change in the 20th century, a shift equivalent to the emergence of modernism in the arts – a break with common sense, a turn towards self-referentiality and abstraction and notions that couldn't be explained in workaday English."

John Hari explains it thus: "In 2006, financial speculators like Goldmans pulled out of the collapsing US real estate market. They reckoned food prices would stay steady or rise while the rest of the economy tanked, so they switched their funds there. Suddenly, the world's frightened investors stampeded on to this ground...."

So while the supply and demand of food stayed pretty much the same, the supply and demand for derivatives based on food massively rose – which meant the all-rolled-into-one price shot up, and the starvation began. The bubble only burst in March 2008 when the situation got so bad in the US that the speculators had to slash their spending to cover their losses back home."

"The world's wealthiest speculators set up a casino where the chips were the stomachs of hundreds of millions of innocent people. They gambled on increasing starvation, and won. Their

Wasteland moment created a real wasteland. What does it say about our political and economic system that we can so casually inflict so much pain?"^{xvi}

Perhaps this is the kind of thing that Loy was pointing to when he cautioned in his understated way that , "Nelson ... could be said to have overlooked the market religion's sacrificial aspects"

In 2009, in order to prevent recession (the failure of deity to grow), some governments initiated a "stimulus", a sacrifice propitiating the god. In Australia this was done by giving every tax payer \$900 in the hope that if enough people spent this mollifying the god, then the god would be merciful and begin growing again. When the god gets wrathful, He stops growing, we get depressed, people lose their jobs (which provides them with the wherewithal to shop, to participate in the religion).

One is reminded of John Steinbeck's *The Grapes of Wrath* - the conversation between the agents for "the bank" and the poor shit-kicker dustbowl tenant farmers whose land they were repossessing on the bank's behalf.

"... as though the Bank ... were a monster ... because those creatures don't breathe air ... They breathe profits; they eat the interest on money. If they don't get it, they die the way you die without air ... the monster has to have profits all the time. It can't wait. It'll dieWhen the monster stops growing, it dies. It can't stay one size."

"We're sorry. It's not us. It's the monster. The bank isn't like a man."

"Yes, but the bank is only made of men."

"No, you're wrong there—quite wrong there. The bank is something else than men. It happens that every man in a bank hates what the bank does, and yet the bank does it. The bank is something more than men, I tell you. It's the monster. Men made it, but they can't control it."

The tenants cried, "Grampa killed Indians, Pa killed snakes for the land. Maybe we can kill banks—they're worse than Indians and snakes. Maybe we got to fight to keep our land, like Pa and Granpa did."

Its not just the professors of economics who see the religious nature of the "discipline", some professors of religion come to the same conclusion.

Jay McDaniel, a professor of religion from Arkansas, suggested that the dominant faith system of our times contains the complete ecclesiastical apparatus: a priesthood—the economists—whose formulaic mumbo-jumbo nobody really understands but almost everyone trusts to be effective, a missionary organization in the form of the advertising industry, preaching the gospel of salvation through consumption, and a church—the shopping mall—where the rituals of the faith are carried out. The ethics of this faith system are summed up by the belief that the highest virtue is to shop.^{xvii}

The contamination of soul, society and soil by the corruption that is economic thinking are so pernicious, possibly terminal, what are we to do? Its not much use pointing fingers or being holier than thou: nary a modern person is exempt from this religion for even if we are not active in the congregation, still all of us are members of the sect as we drive our cars towards oblivion with their attendant inevitable emissions and paving over of the land. ALL of us are fouling the Earth. Yes, some have their hands on bigger triggers but we are all in this psychotic trance together.

I would like to conclude this chapter by briefly exploring some possible avenues whereby we might respond and fight back:

I believe that we need a philosophical or religious movement to unmask these insidious powers, a “hearts and minds” campaign to which we apply the same fervour that we bring to bear in our campaigns to protect a special place or an endangered species. For no place or species is safe from the scorched earth policies of this god.

Bringing all the force of metaphor and poetry to this struggle, we will throw the money lenders out of the Temple of the Immaculate Biosphere. We must defrock economics, strip it of plausibility, rescind its Nobel Prize, publicly humiliate it and provoke laughter at the posturings of both the naked emperor and his servile obsequious courtiers. Writing this, I realize that I have actually been engaged in this campaign for more than 20 years. Listen for example to [“The World Bank Song”](#) which I wrote in 1991.

People bow to the ideological reign of economics today in the same pious sort of way as they bowed to the reign of inquisitorial Christianity in the Middle Ages – it permeated all aspects of life, and individuals tried to out-do one another in their demonstrations of piety. That fervour looks so bizarre and stupid and sinister to us today, as one day our own bowing to the hegemony of economics will look just as bizarre and stupid and sinister.

When we see economics as a religion, then advertising becomes religious education and I believe that a critique of advertising is a strategic place to begin a campaign to undermine the religion.

Ellul^{xviii} in “The New Demons” calls advertising “the liturgy and the psalmody of the consumer religion.” P3

In her essay “Small Wonder”^{xix} Barbara Kingsolver informs us that “puppeteers of globalized commerce ... fund their advertising each year with more than 100 dollars spent for this planet’s every man, woman and child.”

One often hears the argument that there’s nothing we can do about greed, about the constant desire to purchase more and more “stuff” to fill the gaping hole in our souls, because this is only “human nature”. But if this is so, why the need to spend more money worldwide on the hypnotic deluge of religious indoctrination to reinforce this sickness than on *all other education combined*? More than \$650,000,000,000 a year to reinforce greed and placate the economic god?

No wonder a child in the developed countries has an environmental impact as much as thirty times that of a child in the third world.

To this we must add the free advertising which sustains this paradigm, the hypnotic litanies in every news broadcast telling us endlessly of the vagaries of the stock markets, of the minute rises and falls in the relative values of various world currencies. What are we to make of this? How come no-one complains of the stupefying boredom and uselessness of this information? We are like force-fed geese, consumed by consumption, living matrix batteries whose life purpose is to ensure that that the god of economics remain fed and warm.

The work of exposing and deconstructing the calamitous role of advertising is well underway – Adbusters magazine^{xx} has been doing a great job of stripping the emperor of the veils of illusion

behind which he hides; the Story of Stuff by Annie Leonard^{xxi} provides a very popular online analysis while Reverend Billy of the “Church of Life After Shopping”^{xxii} wittily thumbs his nose at the false god.

But ... these are tiny beginnings and the hour is getting late. We need to build these beginnings into a movement that redefines what it means to be successful, what it means to be abundant.

What needs to be emphasized is the value of respect which stems from a deep understanding of the the profound connection of humans and nature and between humans themselves. Respect is subscribed in laws as rights – the requirement that the rights of others are respected. This is almost universally about human rights, both individual and collective, but also includes the rights of future generations – ‘sustainable development’ and is starting to include laws on respect for the rights of other life forms. Human rights are inalienable and are not granted by a state: they are rights that we hold against the interests and actions of a government/state. The same goes for rights in nature. The issue of respect for other and others and for their rights is outside of the usual theory/theology of economics, which is only about efficiency and expansion.

Fueled by advertising, we dig the Earth up and chop it down to make the “goods” which we can stuff into that great big hole where our soul used to be, each item promising that *this* time its going to work, “buy me and you’ll finally feel alright”. But do we know anyone who has ever reached the end of this particular path, has finally bought the one last thing that finally resolved for them the utter catastrophe of the human condition? Far from it. What we find is that the more that you feed this addiction, the more addicted you become. We need a kind of social therapy, and a change in the programming. Perhaps this is the same as the community therapy that Arne Naess called for to “heal our relations with the widest communities, that of all living beings”^{xxiii}

It has long been recognized that that GNP is a distorted measure of value – the more motor accidents we have the more GNP goes up, the more anti-pollution equipment we are forced to manufacture, the stronger the economy etc.

As far back as 1992 Alan Durning (op cit) wrote that

“Comparisons that have been made over time and between societies show that there is little difference in self-reported happiness. The fact that we in the developed world are now consuming so much more does not seem to be having much effect on our happiness.” P40

Paul Gilding^{xxiv} points out that “this is now well established with solid global data.

What this data shows, in comprehensive global studies, is that happiness and life satisfaction go up sharply when you go from poverty to an income of between \$10K and \$20K per person per year. Then it stops. It levels out and stays there no matter how much more income you get. (Though some studies suggest if you get really, really stinking rich, it then goes down again!) If you want to understand the numbers check out the excellent report “Prosperity Without Growth”^{xxv} .”

An interesting article in the Guardian in April 2010^{xxvi} was titled “Beyond Green Growth: Why we Need a World Without Economic Growth” and explored the idea that “Beyond concepts of green growth or sustainable growth there is also that of 'no growth'.”

The New Economics Foundation has come up with a “Happy Planet Index”^{xxvii} which shows the relative efficiency with which nations convert natural resources into long and happy lives for their citizens.

The nations at the top of the index are those achieving, long, happy lives without over-stretching

the planet's resources.

Costa Rica comes first, nine of the top 10 nations are in Latin America. China is 20th, India 35th. Not a single European country made it into the top 50,

I'm proud to announce that Australia (102) beat both the USA (114) and Nigeria (115)

Its no use *sacrificing* our desire for ever more material junk, we have to stop wanting these things, stop finding them pleasurable rather than bravely forgoing their pleasures. Like with any addiction we must ask: "What is the real underlying problem? What is it we're not facing up to and avoiding by our consumption habits?"

And for this we need a spiritual movement which replaces the false promises of the church of greed with something which really does feed us.

That is, alongside the demolition of the false religion of economics, at the same time the true religion of the sacred cosmos needs evolving. A return to a mystique of the Earth is a primary requirement for establishing a viable rapport between humans and the Earth. Only in this context will we overcome the arrogance that sets us apart from all other components of the planet and establishes a mood of conquest rather than of admiration. To assume that conquest and use is our primary relation with the natural world is ultimate disaster. Here we may find guidance in the work of Thomas Berry.^{xxviii11}

Father Thomas Berry (1914 – 2009) was a Catholic priest who found in the middle of his life that he had turned from being a theologian to being a geologist – that is his source of spiritual inspiration and nourishment turned from a god in the sky to the very Earth itself. He both influenced and was influenced by the deep ecology movement.

A student of Teilhard de Chardin, he proposed that a deep understanding of the history and functioning of the evolving universe is a necessary inspiration and guide for our own effective functioning as individuals and as a species.

He gives us confidence that in spite of the vast momentum of the anthropocentric project and the colossal success of the economic god, sanity may yet prevail:

He writes: "If the dynamics of the universe from the beginning shaped the course of the heavens, lighted the sun and formed the Earth, if this same dynamism brought forth the continents and seas and atmosphere, if it awakened life in the primordial cell and then brought into being the unnumbered variety of living beings, and finally brought us into being and guided us safely through the turbulent centuries, there is reason to believe that this same guiding process is precisely what has awakened in us our present understanding of ourselves and our relation to this stupendous process. Sensitized to such guidance from the very structure and functioning of the universe, we can have confidence in the future that awaits the human venture."^{xxix}

ⁱ http://en.wikipedia.org/wiki/Richard_Foltz . See for example his *Religion of the Market: Reflections on a Decade of Discussion - Worldviews 11 (2007) 135-154*

ⁱⁱ Personal communication with the author June 28, 2010

ⁱⁱⁱ Personal communication with the author, July 8, 2010

^{iv} Personal communication with the author, August 7, 2010

^v Næss, Arne (1973) 'The Shallow and the Deep, Long-Range Ecology Movement.' *Inquiry* 16: 95-100

^{vi} deChant, Dell, 2002. *The Sacred Santa: Religious Dimensions of Consumer Culture*. Cleveland: The Pilgrim Press.

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- vii Cox, Harvey, 1999. "The Market as God: Living in the New Dispensation." *Atlantic Monthly* (March 1999): 18-23
- viii In Roman Catholic theology, "transubstantiation" means the change of the substance of bread and wine into the Body and Blood (respectively) of Christ
- ix Brown, Norman O. , 1959 *Life Against Death: The Psychoanalytical Meaning of History* (p 261). Wesleyan
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- xii Körten, David, 1995 *When Corporations Rule the World*. West Hartford, CT: Kumarian Press.
- xiii <http://www.alertnet.org/thenews/newsdesk/L20698300.htm>
- xv Lanchester, John, *Whoops!: Why Everyone Owes Everyone and No One Can Pay* Penguin 2010
- xvi <http://www.independent.co.uk/opinion/commentators/johann-hari/johann-hari-how-goldman-gambled-on-starvation-2016088.html>
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- xix Kingsolver, Barbara, 2003, *Small Wonder* Perennial/HarperCollins
- xx www.adbusters.org
- xxi www.storyofstuff.com
- xxii www.revbilly.com
- xxiii Naess , Arne , "Self Realization: An Ecological Approach to Being in the World" from *Thinking Like a Mountain – Towards a Council of All Beings*, John Seed et al New Society Publishers, Philadelphia, USA. 1988 and available online at www.rainforestinfo.org.au/deep-eco/TLAM%20text.htm
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http://www.sdcommission.org.uk/publications/downloads/prosperity_without_growth_report.pdf p45
- xxvi www.guardian.co.uk/environment/2010/apr/15/carbon-emissions-waste
- xxvii www.happyplanetindex.org/
- xxviii See www.thomasberry.org/Books/ and especially Berry, Thomas, *The Great Work* Harmony/Bell Tower, 2000
- xxix Berry, Thomas, "The New Story" in *The Dream of the Earth*, p. 137. (San Francisco: Sierra Club Books, 1988).