

## **The Divine Economy & A Theology of Debt**

*September 22, 2011 by Rev. Dr. James A. Noel, San Francisco Theological Seminary/GTU*

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***“Render unto Caesar what is Caesar’s and unto God what is God’s.”***  
**—Mark 12:17**

### **A Letter of Witness**

On August 18<sup>th</sup> of this year, 2011, over 100 Protestant leaders from 12 different countries in Latin America sent a letter addressed to the Churches of the United States. Signers of the letter were: the presidents of the Protestant Councils and Alliances in countries such as Peru, Ecuador, Honduras, Argentina, Brazil and Uruguay, as well as directors of humanitarian aid and social action organizations... the Latin American Council of Churches (CLAI), Fellowship of Evangelical Churches (CONELA), the Association of Reformed and Presbyterian Churches of Latin America (AIPRAL), the Micah Network, Red del Camino (the Network of the Way), the Movement Together for Children and others. Denominational leaders who are signers include the Assembly of God, Baptists, Church of God, Free Brothers, Pentecostals, Presbyterians, Methodists, Lutherans, Reformed, and Episcopalians. Other signers include seminary rectors and presidents, directors of national Bible societies, professors of theology, and leaders of other professional Christian networks. Their letter reads:

*Dear brothers and sisters in Christ,*

*We are fellow believers with you in the God who has never ceased reaching out to defend the poor and the excluded. We view with deep concern recent decisions in the United States that will add to the suffering of the most vulnerable members of U.S. society.*

*As people of faith who have ourselves lived through economic and political turbulence in recent decades, we join with U.S. religious leaders from all Christian faith traditions who are fulfilling their prophetic role by standing in solidarity with the poor. In such times, faith leaders must be true to their vocation and amplify the voices of the vulnerable millions that have been excluded from the heated political debates that have raged in Washington.*

*Those who govern should know that the decisions made in your country have consequences for the economies of other nations around the world. In the medium and long term, they will affect the lives of millions of people in the countries of the Global South. It seems to us immoral that politicians, with some exceptions, embrace only the interests of the wealthy, preferring to cut social assistance to those in greatest need.*

*We know the generosity and solidarity of the American people and the assistance programs to the poor that operate through churches and civil society organizations in Latin America.*

*It is therefore inconceivable to us that the wealthy make no effort to take responsibility for the debt generated by the country as a whole. Paying more taxes will not bankrupt them. Cutting social benefits jeopardizes the lives of the retired, the sick and others who are in need. Is this not brutally unjust?*

*Therefore we, the undersigned Christian leaders of Latin America, write to express our solidarity with the people of the United States, especially those who embrace Christianity, who call for a true and just resolution to this crisis — a crisis that is not only economic, but also, and above all, moral.*

*We encourage you to join the efforts of various churches, including those called “Circle of Protection.” Our prayers are with you, dear brothers and sisters in the faith. Do not falter in your efforts, although these may be lonely times for people whose prophetic voice the politicians seem not to want to hear.*

*God is watching the politicians and will not stop telling them: “Give justice to the poor!” (Psalm 82:3)*

### **A Theology of Debt**

The authors and signatories of the above letter presuppose that economic systems and conditions are as much a religious as they are a political concern. If they are correct, debt and the crisis into which the United States has been flung have theological implications, perhaps even theological solutions. Indeed, I contend that the economic order and its justices or injustices must be subject to theological review. Upon reflection, I believe we will find what I call a “theology of debt,” a faith position that understands all human beings as indebted to one another and to God, thereby undermining all class divisions that thrust some into unbearable poverty and others into excessive wealth.

To many Americans, however, it is difficult to conceive of the current debt crisis as a theological issue. Americans have been culturally conditioned to view religion and politics as operating in two distinct spheres, correlating, respectively, with the private and the public.

American society prides itself on the constitutional principle of the separation of church and state. Ultimately, this can be traced back to the influence of Enlightenment thought upon the architects of the U.S. Constitution, who wished to prevent (assure against) the fragmentation of the very fragile nation they were then founding—a fragmentation that very easily could have transpired if differing religious passions had been allowed to dominate and divide the public square. Politics, therefore, came under the domain of public discourse, while religion was confined to personal morality.

Among these two spheres, economics became an ambiguous category, at times defined as a private matter for individuals to determine their success or failure in this “land of opportunity,” while at other times, understood as a strictly political (read, “public”) matter, instituted and regulated by the government. Likewise, Americans at times understood the economic system to be a matter for religious concern (e.g. prohibition, anti-slavery, child advocacy), and at other

times, preferred economics to be divorced from religious morality, the sole product of individuals pursuing self-interest. More recently, so-called Neo-Liberals have argued for an economy that operates independently of *both* religion *and* society. They contend that the forces of the “market”—an abstraction of economic principles and tendencies—are sufficient to protect and ensure the economy.

### **Adam Smith, The Theologian**

This autonomous market position often claims legitimacy by invoking the memory of the English Puritans who came to these shores seeking religious freedom. Religious freedom is here associated with what C. B. McPherson characterizes as “possessive individualism,” which is a distortion of the Puritan mentality. The Puritan theologians who wrote about the economy actually discussed medieval notions like “just price” and “just wage.” Only within a broad post-feudal understanding were they precursors of Adam Smith.

When we come to Adam Smith, his works should be read as theological treatises and not just as economic theory. Although effectively secular in some assumptions, he is making a theological argument to explain not only how wealth can accrue to a nation but, as well, why some people will be impoverished. We shall come to see that the notion of a theology of debt is not strange at all because liberal and neo-liberal economic theory and practice operate within an implicit theological paradigm—and not just a theological, but also an anthropological framework.

According to the historian of religion, Charles H. Long, to be human is to engage in some form of exchange. Humans engage in exchanges with other humans, nature, and the unseen entities occupying the invisible realm. In so-called “primitive” societies, religion encompasses all these exchanges. Thus, Long understands religion as something encompassing the meaning people perceive in their interrelated exchanges with nature, other humans, and the invisible realm—and how they value and allocate the surplus of all those exchanges. In certain rituals, we observe the explicit awareness of a debt or obligation arising from these exchanges which maintain the relationship between the various parties. Gift exchange is one example and sacrifice is another. The Christian faith is predicated upon a profound exchange between humanity and God expressed in such statements as, “God so loved the world that God gave God’s only begotten Son...” (John 3:16) or Paul’s “You were bought for a price” (1 Cor. 6:20). Back to Adam Smith.

Adam Smith (1723-1790) held his chair in Moral Philosophy at the University of Glasgow at a time when Evangelical Christians dominated professorial appointments to that institution and comprised small but significant numbers of the British Parliament. Think of such social reformers as Chalmers and Wilberforce. Political economy was not thought of as an exact science operating impervious to moral and ethical considerations. Many conceived it as something that had to be managed to conform to what human reason could discern as the Divine economy (or the divinely-intended economy). This was attempted with great earnest because, it was thought, not to do so would subject the nation to divine judgment. Such was Smith’s theological context.

Smith argued that God had designed human beings to be free and, therefore, governmental impediments to trade violated God’s design. He also argued that individual human beings were

most concerned with achieving their own happiness and enjoyment even at the expense of their fellow humans. In his *Theory of Moral Sentiments* (1759), he argued, more or less, that God had designed human beings to act from selfish motives that are ameliorated or balanced by an equal need for group approval. In *The Wealth of Nations* (1776), he continued the argument that this human propensity should not be impeded because in the grand scheme of things the whole society and nation eventually benefit from the innovations and wealth created by the enterprising minority through the mechanism of the “invisible hand.” In this way Smith, through inversion, appropriated John Calvin’s notion of “Divine Providence” and secularized or naturalized it.

Save for the lone and tragic Robert de Lamennais (1782-1854), the excesses of the French Revolution made it difficult for European and white American theologians to imagine any possible alternative mode of human exchanges other than capitalism. Its argumentation gave it the appearance of the “natural” and it appropriated the eschatological from Christianity by guaranteeing ever-increasing wealth and progress to its converts. That this system of exchanges was predicated upon the colonization and enslavement of non-Europeans and exploitation of white workers went un-theorized and un-critiqued in any serious fashion until we encounter Karl Marx (1818-1883). Sadly, no Christian theologians were to comment upon W. E. B. Du Bois’ *The World and Africa* (1946) or Eric Williams’ *Capitalism & Slavery* (1944)—if they were even aware of these texts.

### **Idols: Where Capitalism Went Wrong, Theologically**

When Marx talked about “commodity fetishism” he was intuiting that—contrary to current theories about secularization—the West is not irreligious; rather, money and the commodity are its new gods or idols. In other words, when all human exchanges are reduced to the calculation of monetary value, then the object of that pursuit functions as God. Moreover, what their valorization obscures from consciousness is that money and the commodity are manufactured by us. Money has no inherent value. It is something governments make and there is nothing that guarantees its worth other than government’s monopoly on violence. So much for the market... Hence, money and the commodity operate in the same way as the fetish of so-called primitive peoples.

Christian theologians were unable to include Marx’s critique of capitalism in their theological reflection for a number of reasons. They presumed money to be “natural” and missed the radical implication of Jesus’ response when someone asked if poll taxes should be paid to the Roman Empire. “He asked: ‘Whose image is on this coin?’ He then said, ‘render unto Caesar what is Caesar’s and to God what is God’s.’” Remember that those listening knew that it was written in Genesis that the human being was created in God’s image, which means that human beings were not to be sacrificed to Empire. Everybody misses that point and thinks of the passage in terms of the separation of religion and the political and economic order noted earlier. Hence, there is no adequate pushback from Christian quarters when our government sacrifices its youth and the poor to the god of Moloch.

Thus, with the exception of Walter Rauschenbush’s (1861-1918) Social Gospel and the subsequent Civil Rights Movement, Black Theology, and Liberation Theology—Christian theology has presumed the validity of Smith’s model in such a way that gospel categories had no

critical bearing on the political economy. For example: the majority of white Americans in the 1920s and 1930s were not in any way informed or affected by the Social Gospel any more than the majority of African Americans and Latin Americans today are informed and affected by Black Theology and Liberation Theology, respectively. This is well documented in the studies conducted by sociologists Robert and Helen Lynd of a typical American town called Middletown (Muncie, Indiana), first in the mid-1920s and again in the mid-1930s.

The Lynds discovered that even though the typical working class person was losing ground during the depression due to the forces of industrialization and urbanization, the sermons preached in Middletown's churches were devoid of social analysis and critique. The sermons were almost identical to ones preached in the 1890s in spite of the drastic change in the political/economic landscape. To do otherwise was to risk being labeled communist.

Raymond Carr has reminded me, however, that the problem historically is not the lack of prominent theologians taking up the cause of the poor, but rather the suppression of their positions in Christian (particularly American) memory, as if these thinkers' social analysis, witness, and *praxis* could somehow be divorced from the more spiritualized aspects of their theology. Carr, who recently defended his dissertation on Karl Barth and James Cone, reminds us that:

“In Europe, Barth laid a heavy critique of Capitalism as early as 1911 in *Jesus Christ and the Movement for Social Justice* in which he observed that ‘capitalism is the system of production which makes the proletariat into the proletariat, i.e., into a dependent wage earner whose existence is constantly insecure.’ He argued that capitalism is standing in the way of God's coming Kingdom on earth. He was deeply critical of the kind of ‘competition’ among producers which basically made weaker human beings into a means to an end. He held the same critique as late as 1951 in CD III/4, 544; calling for a ‘championing of the weak against every kind of encroachment on the part of the strong.’ This was in a section where he discussed capitalism, specifically its foundation on private capital. The fact that these observations by Barth are overlooked by American Theologians demonstrates how American theology at this critical point basically functions as a form of culture Protestantism.”

Carr's critique of American Christianity indicts all strata of society. Today, among many African American Christians, who are prone to embrace anything that their white evangelical counterparts espouse, the “Prosperity Gospel” is in vogue. The Prosperity Gospel according to my colleague, Matthew V. Johnson, in his article, “The Poverty of the Prosperity Gospel,” operates within the theoretical framework of Adam Smith and legitimates it by attributing his “invisible hand” of the market place to God's intervention on behalf of the “blessed.” The blessed can easily identify themselves by their material prosperity which, in turn, is the measure and reward of their faith. Those who are blessed are free of want which in terms of our topic means being free of debt. In our society the ideal state for an individual to enjoy is one wherein one can say: “I don't owe anyone anything.” However, this is quite a different ideal than the one whose absence in American society Robert Bellah lamented in his study *Search for the Common Good*. There probably was never a sense of common good in America from the standpoint of those who were enslaved or made landless.

### **Debt and Reciprocity: Anthropological and Biblical Principles**

An anthropologist whose thinking is very akin to Long's is David Graeber. In his recent book, *Debt: The First 5,000 Years*, we learn that all cultures are held together by a sense of mutual and reciprocal obligation that members have toward one another. This matrix provided a base for the informal yet complex systems of credit that preceded monetary exchanges for thousands of years before money was even invented. In these societies, everyone owed everyone something and therefore there was not a sharp class and moral distinction between debtors and creditors. Everyone was both a debtor and a creditor. The class distinction between the two is, therefore, something more recent in the long trajectory of human history. And in Judaism, Christianity, and Islam, there is a concern to create a human community based on reciprocity and mutuality. This is what "law" in Judaism and Islam and "koinonia" in Christianity seek to accomplish. The biblical term for this is justice which also translates as righteousness.

Debt in and of itself is not bad when it is based upon a system of exchanges that assures everyone receives what is owed him or her according to the operative cultural norm. Alexander Hamilton regarded the national debt as a blessing for America because he thought it would help bind the colonies together as a new national entity. Of course, Hamilton was talking about reciprocity and mutuality among Euro-Americans. He had no intention of calculating in monetary terms the debt the nation owed Native Americans (American Indians) or the African Americans whose labor contributed significantly to its overall wealth and prosperity. The descendants of slaves who took a chance on the aspiration "not to owe anybody anything" in the late 1990's and 2000's by purchasing homes at then attractive mortgage rates are now being consigned by governmental decisions and the economy to the debtor class and condemned as morally culpable.

If one's cosmology is confined uncritically within Adam Smith's model then, yes, the poor, the unemployed, the hungry, the sick without health care, the homeless, and ill-housed have no one to blame but themselves because the fact that some one percent or less of the world's population are multi-billionaires shows that wealth is being generated. The system works. Everyone will eventually benefit. God is rewarding the industrious and punishing the dullards and laggards. So extend tax breaks for the rich and impose more burdens on the poor by reducing their meager benefits even more because they do not deserve them anyway. We do not owe them anything.

This is a far cry from both the New Deal Franklin D. Roosevelt implemented and the Great Society President Lyndon B. Johnson championed. A new cultural ethos emerged in the 1970s during the Margaret Thatcher-Ronald Reagan Era. Giving a new twist to John Calvin's notion of "double-predestination," David Graeber wrote in his book *Debt: The First 5,000 Years*:

Actually, one might speak of a double theology, one for the creditors, another for the debtors. It is no coincidence that the new phase of American debt imperialism has also been accompanied by the rise of the evangelical right, who—in defiance of almost all previously existing Christian theology—have enthusiastically embraced the doctrine of "supply-side economics," that creating money and effectively giving it to the rich is the most biblically appropriate way to bring about national prosperity (p. 377).

Christian theology must explicate what is meant by the term “Kingdom of God” whose arrival Jesus announced throughout his ministry. In the Lord’s Prayer, which we say by rote, we pray: “Thy Kingdom come, Thy will be done on earth as it is in heaven... Give us this day our daily bread... and forgive us our debts as we forgive our debtors.” It seems that the Kingdom whose arrival we seek to hasten is one wherein debtors are relieved of debt’s onerous burden and the hungry receive daily bread—not because they have necessarily earned it, through hard work, etc., but because they are entitled as God’s children to receive God’s blessing.

I ask my conservative friends in the audience [readers] if they can imagine God’s Kingdom arriving while there are still poor people? What about sick people without health care? What about homeless people? Of course not! I would argue that Christians are called to work with people of other faiths and anyone of goodwill to eliminate the presence and causes of human deprivation and dehumanization in the building of the Kingdom. This is how we express our gratitude for receiving from God what we did not earn and can never repay. This is how we operate in a debt-defined theology and society. On this side of eternity, we must endeavor to formulate a theology that protects the poor and does not condemn them. Martin Luther King Jr. made society the debtor when he said in his “I Have a Dream Speech” in 1963:

In a sense we’ve come to our nation’s capital to cash a check. When the architects of our republic wrote the magnificent words of the Constitution and the Declaration of Independence, they were signing a promissory note to which every American was to fall heir... It is obvious today that America has defaulted on this promissory note, insofar as her citizens of color are concerned. Instead of honoring this sacred obligation, America has given the Negro people a bad check, a check which has come back marked “insufficient funds.”

King, therefore, reverses the moral gaze, from the usual suspect of moral blame with regard to debt (i.e. the debtor), to focus on the entity that creates and polices its mechanism. He, in other words, has called American society to account for the debt it owes its citizens and people of other nations affected by its monetary policies.

If we wish to heed the call of scripture, to have ears to hear the words of Jesus Christ, if we wish to live into the dream prophesied by Dr. King, we as a church and as a society must seriously re-examine our understanding of economics and debt. Many of us think that the present economic crisis has to do with debt ceilings and bail-outs when in actuality, the present crisis has far more to do with a fundamental misunderstanding of human community (and the economics that bind members of that community) and a moral bankruptcy in which the Christian church has been either complicit or silent.

Debt is the natural condition of humanity: we are all, in our interconnectedness, indebted to one another, relying on one another for survival. Debt is the theological condition of humanity: we have received a salvation we did not earn. Since all are debtors, any class division between debtors and creditors is a false dichotomy predicated, at best, upon ignorance and, at worst, upon greed and sin. Again, since all are debtors, the appropriate and necessary mode of interaction is compassion, sharing, and mutual support. *That* is a theology of debt which might actually save this country.

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