

# CAPITALISM AS RELIGION

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*In this unapologetically provocative essay, Arthur Thoby explores the fundamental nature of capitalism. He skilfully argues that Capitalism meets the relevant criteria for classification as a religion, with economics providing its theological foundations and money occupying the role of divinities. He then discusses the harmful consequences of 'Religious Capitalism' for society and its limiting influence on individual thinking.*

"The charm of history and its enigmatic lesson consist in the fact that, from age to age, nothing changes and yet everything is completely different."

Huxley, Aldous.

## Introduction

Voluntarily enigmatic, this assertion of Huxley could, in certain respects, constitute the basis for the definition of postivism, especially regarding the sense of history. This paper, consistent with a certain school of thought that regards history as highly symbolic, will posit that modern Western societies do not fiercely differ from pre-Enlightenment societies in the sense that one still witnesses the realisation of a theology. As provocative as this idea may seem, thinkers from various fields of studies including anthropology, sociology, philosophy and even economists such as Fogel, laureate of the Nobel Prize in Economics in 1993, acknowledge that capitalism and economics convey religious or theological dimensions. In this context, it is argued that the rise of capitalism and Western ideologies had the progressive decline of the Christian Church as a corollary. Accordingly, this papers postulates that capitalism (and economics) is the new recipient of a fervent religious expression. Doing so, this article (i) briefly reviews the notions of capitalism and progress, (ii) establishes the grounding for considering capitalism as religion and finally (iii) analyses the implications of the second point.

## Capitalism and Progress: What is Capitalism?

Rarely has a concept been more controversial than capitalism. Of particu-

lar fashion in the 19th and the very beginning of the 20th century, its use progressively declined during the 20th century to finally vigorously reappear in the writings of Hayek and Friedman. Yet, the very concept of capitalism makes economists uncomfortable. Such uneasiness is to be sought in the history of thought. Indeed, during the 20th century, capitalism was traditionally opposed to other ideologies such as communism or totalitarianism. This opposition gave capitalism the dimension of a *doxa* that does not fit with the scientific representation the field of economics has of itself. For that particular reason, most economists now prefer to capitalism more fashionable words such as 'liberalism', 'market capitalism', 'rational capitalism' and so on. Thus, defining capitalism is particularly tricky and depends on the standpoint one is willing to adopt. This paper being, by nature, inter-disciplinary, one will settle for a broad definition that entails the two following definitions.

Xing and Hersh (2004:100) define 'market capitalism' as a 'process of societal development involving historical, cultural and religious causes. Their approach is all the more original that they regard capitalism as a political realisation rather than 'the logic of history' or a 'natural outcome'.

In his last lectures, Weber outlined a powerful theory of rationalised capitalism (Collins, 1980). He depicts it as a system aiming to provide human needs thanks to 'the entrepreneurial organisation of capital, rationalized technology, free labour, and unrestrained markets' (Collins, 1980:925). Here, the rise of the bureaucratic is central because the latter is responsible for the implementation and enforcement of a calculable system of laws along with the notion of citizenship.

### **Intellectual Revolution and the Notion of Progress**

As many historians of thought, economists, or sociologists underline, understanding capitalism requires a broad inquiry into history and the history of thought. That said, there is a large consensus placing capitalism at the heart of progressivism or modernism.

As pointed out by Lash (2004), this revolution corresponded to the shift from an accidentally chaotic conception of the atom to a state in which nature became a place of exchanges. In light of the 'Enlightenment', the chaos of collisions and exchanges began to form patterns and laws. This is properly illustrated by the Kantian critique of metaphysics, whereby metaphysics is limited to the condition of understanding. In short, the 19th century witnessed a new scientific and metaphysical order celebrating the notion of reason or, as Xing and Hirsh (2004) put it, a shift from the 'Age of Faith' to the 'Age of Reason'.

Simultaneously, great changes occurred in the political realm. As

Weber notes this period was characterised by the struggle of bourgeoisie to takeover political institutions and subsequently expand its economic activities. However, consistent with the Enlightenment principles, the new institutions were designed to convey the ideas of democracy, citizenship and freedom, thus encouraging people's participation in the system.

In sum, post-Enlightenment societies were characterised by an unfettered faith in science and reason, freeing humanity from belief and celebrating democracy. For the first time in its history, humanity was thought to be capable of taking on its own destiny, giving birth to the notion of progress. Thus, progress is a forward-looking concept whose pillars, science and democracy, ultimately aim to ensure humanity's well-being through freedom and the control of nature.

### **Capitalism as Religion: Defining Religion**

Traditionally, religion or theology consists of the study of the transcendent or metaphysical.

In *The Elementary Forms of the Religious Life*, Durkheim (1964) defines religion as 'a more or less complex system of myths, dogmas, rites and ceremonies or, put more simply, a system of beliefs and rites. In this sense, beliefs consist of opinions and representation while rites determine the mode of actions. The French sociologist adds that religious phenomena are generally associated with the observation of (i) supernatural, (ii) divinity and (iii) the belief in spiritual beings.

Bourdieu defines religious power as 'the authority to modify, in a deep and lasting fashion, the practice and world-view of lay people through the absolutization of the relative and legitimation of the arbitrary' (Verter, 2003:153). In other words, he posits that religion structures the perception and thinking of the world and especially the social world. Religion does so by the imposition of a system of practices and representations (social capital) whose structure presents itself as the natural-supernatural structure of the cosmos. In this framework, religious need is an inner compulsion seeking understanding of the world or, to put it in a Heideggerian fashion, the expression of the need for causation.

Capitalism: a Religion?

In a short piece, Walter Benjamin declares that capitalism should be examined as a 'purely cultic religion', i.e. which does not appeal to a dogma or theology (Löwy, 2009). Social actions (rites and ceremonies), he argues, are the only forms of the cult, implying that the latter is solely practical, hence non-transcendental. Finally, capitalism's main origi-

nality, asserts the German philosopher, lies in the fact that it is not expiatory but guilt-producing. Though fascinating the approach is, the latter suffers nevertheless from two important limitations. In short, it fails to recognise the theological and expiatory nature of capitalism.

Fritz Mauthner, further develops the conceptualisation of money already present in Walter's thesis. Basing its assumption on an etymological ground, he posits that God, as Idols, is essentially a human creation that gains life, becomes a significant phenomenon, and then ultimately subdues humanity (Löwy, 2009). Viewed from this optic, banknotes would constitute the new divinities of the cultic phenomenon named capitalism. On this particular subject, Lash proposes an insightful interpretation. The latter postulates that capitalism is the encounter of metaphysics and physics, where metaphysics is in-itself and physics for-itself (Lash, 2004). In this sense, he stresses that money, being abstract and tangible, is both metaphysical and physical. Thus, as exchange values are abstract concepts, money solely constitutes the physical face of capitalism.

Nelson (2001, 2004), argues that capitalism is greatly transcendent. As a matter of fact, it offers to achieve the Kingdom of Heaven (myth) in this world rather than in the hereafter (Nelson, 2004). In substance, economic progress (through the application of progressive methods) is expected to alleviate poverty while providing humanity with the goods and services necessary to its worldly well-being, its salvation. Thus, Fogel notes that the progressive era was a period of intense religious expression (Nelson, 2004). Ironically, historians usually describe this movement as the 'Gospel of efficiency'. Moreover, the abusive association of capitalism with democracy, whose pregnancy appears clearly in the writings of Hayek and Friedman, symbolically reinforces the idea of salvation, capitalism helping humanity in its quest for freedom.

Market mechanisms in themselves carry theological dimensions. Thus, as Cox (1999) points out, free markets and God are both ascribed the same characteristics, namely omnipotence, omniscience and omnipresence. In a more detailed fashion, market laws are elevated to the rank of natural laws. This is the very idea of the Invisible Hand, whose universal and absolute nature justifies and determines social interactions (Xing and Hersh, 2004).

In the light of Bourdieu's definition, economics undoubtedly constitutes a religion. First, economics is a doxa that presents itself as an organised scientific system of explanations aiming to describe the real world (Xing and Hersh, 2004; Nelson 2001, 2004; Oslington, 2000). Here, economists are in charge of the production and reproduction of the theology (Bourdieu, 1998). In effect, scientific aspects seem to have partly taken over the field of economics. Yet, economics failed as a science (notably with regard to prediction)

while it thrived as a theology (Nelson, 2001). In addition, beyond the purely scientific aspect, economic laws and their corollary capitalism are regarded as rational, inevitable and natural (Fukuyama, 1992). Second, economics as a theology produces the basis for moral judgment and values. As a matter of fact, it produces new values corresponding to the old Christian good and evil (Nelson, 2001, 2004). In this sense, actions encouraging the well-functioning of free markets are seen as being good (for the public interest) whereas limiting measures are ascribed an evil nature. From this standpoint, economics enables people to resolve an ethical dilemma regarding the sole pursuit of self-interest. In addition, this moral basis constitutes the point of departure of the notion of expiation. Consistent with the idea of salvation, economics requires short term sacrifices (transition costs) that should be all the more significant if heaven is reachable in this world. Third, economic rhetoric is partly metaphysical (Nelson, 2004, 2001; Oslington, 2000; McCloskey, 1983). Thus, McCloskey (1983) notes that economists do not follow their methodologies (modernism), even arguing that if they had done so, great theories such as the one of Keynes would have never seen the light of the day. McCloskey adds that econometrics is too narrow and illustrates, taking the example of purchasing power parity, that at the end of the day, the interpretation of mathematical results (not to mention the construction of models) is a matter of faith. This, he argues, is perfectly exemplified by the existence of the semantic of evidence. Thus, economists' abuse of sentences and words like: 'significant', 'in some absolute sense', 'evident', 'obvious', 'it is natural to assume' and so on. Moreover, it is ironic to notice that economics' animosity towards metaphysics is itself metaphysical (Oslington, 2000; McCloskey, 1983). More importantly, one should note that in the absence of such a metaphysical rhetoric, several key hypotheses of economic theory could not be sustained.

In sum, one may consider capitalism as a religion in the sense that it is a system of beliefs and rites in which economics plays a theological role. It is a hegemonic system that combines norms, values, divinities and laws. The content of its faith is directly derived from the progressive movement that celebrates the salvation of humanity through science and democracy.

### **Capitalism as Religion: Implications**

Probably the most important implication lies in what Bourdieu calls the habitus. Religion, as a symbolic system, incorporates the individual level in the form of the habitus. Here, the habitus is a structured structuring structure which could be assimilated to a lasting disposition of the individual to act in conformity with a systematic view of the world (Verter,

2003). In this sense, the habitus is responsible for the construction of beliefs and representations at the individual level. Consequently, it is anterior to conscious thought and structures the actions of the individual.

Figure 1 illustrates this concept:

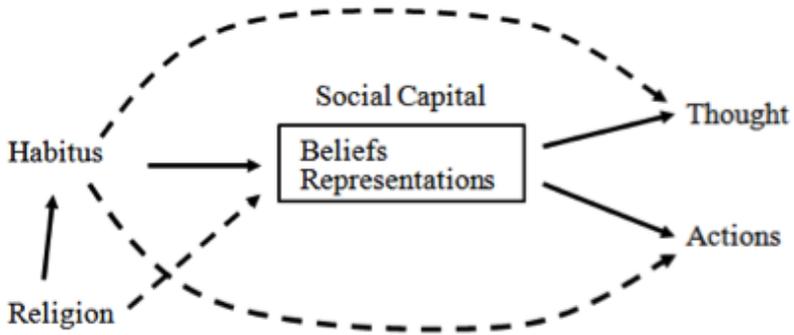


Fig.1 Bourdieu's conception of *Habitus*.

Why does this matter? Essentially, it means that the great principles of capitalism and free markets are no longer processed through the close scrutiny of reason, but rather, the former being the only way to envisage the understanding of the real world, they are given for granted. In the end, conscious thought may be exercised solely within the boundaries set by the theology.

With respect to the habitus, one has to underline the importance of education. It is indeed education that ensures the expansion of social capital and relays the Divine Parole. The educative process reduces the message to its essence, i.e. the key representations that need to be spread in order for the system to ensure its functioning. But in doing so, it both denatures and radicalises it. Moreover, the message is essentially a negative discourse, which constructs itself by rejecting and pointing out the flaws in other systems. A prime example of this assertion is the association of capitalism and democracy. As one remarked earlier, the very notion of progress entailed both science and democracy. But in the course of the 20th century, as communism and totalitarianism rose, capitalism was more and more associated with democracy, becoming, in the end, a condition to the establishment and development of democracy. Note that the process of education may be hazardous for the system in itself as it promotes representations that are not consistent with its

philosophy or may lead to actions inconsistent with the latter.

### **A Blind Faith**

In many respects, one may say that the last two decades have witnessed an unprecedented period of blind faith in the latest version of capitalism, namely neoliberalism. The fall of the Soviet Union marked the triumph of capitalism and its corollary, democracy (Fukuyama, 1992). What the economists call now the Great Moderation could be depicted, in Fagel's semantic, as the fifth awakening, i.e. a blind faith in the 'natural' laws of markets. Two to three decades of transmission of Samuelson's principles and the relative failure of socialist capitalism led eventually to an enthusiastic if not zealous application of neoliberalism whose ambition was to release the providential forces of the market.

First, it decided the implementation, by policy makers that only partly understood the implications of their actions, of an unbridled globalisation. Again, this is not to say that globalisation is a negative phenomenon (I am quite convinced it is positive), but it is quite clear now that this rather was the resultant of dogmatic forces (if not theological) than the product of cold reason. This resulted, in many countries, in severe non-addressed competitiveness issues.

Second, it triggered the development of financial markets in a hazardously deregulated environment. The example of derivatives perfectly illustrates the latter assertion. In the mid-2000s, when it came to regulate derivatives in the US, the American Congress that did obviously not understand the nature of the matter, gave, in a sense, *carte blanche* to American banks to expand their activities recklessly, accounting for the ability of the market to regulate itself.

Thus, poor understanding of both the competitiveness of issues arising from globalisation and the financial innovation is, in a way, the cause of the current crisis, whose point of departure was a blind faith in the market and capitalism as whole.

### **From a Society With Markets to a Market Society**

Regarding capitalism as a religion allows making certain comparisons. The comparison of the history of Catholicism to that of capitalism, at least of their structures, is worth highlighting. Interestingly, looking at the expansion of the catholic faith, the tipping point is certainly its association to the Crone of France, at a time when Clovis sought efficient administrative institutions to rule his kingdom. Note that faith did not play a great role in this association, the goal of Clovis being essentially instrumental. Then, in the course of the following decades, religion expanded its influence and became the holy

authority, being the only source of empowerment of government structures. In short, one may say that the religious entity progressively reversed the balance of power, ultimately subordinating the political realm to its normative supremacy. How does that fit with the history of capitalism? Capitalism being the new religion, it is arguable that modern societies are still tripartite. Figure 2 presents the structure of the tripartite model:

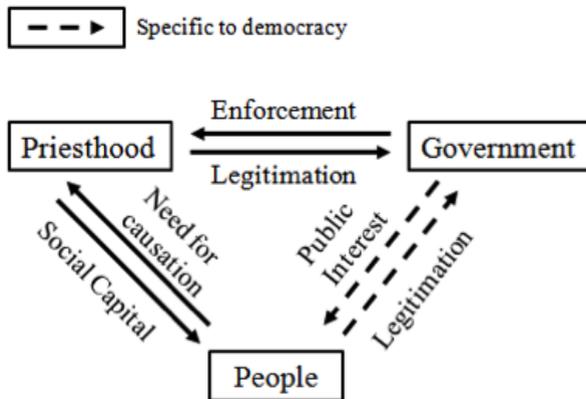


Fig. 2 Tripartite Structure.

In such a framework, in equilibrium (in the sense of sustainability), religious and political power counterbalance each other (here priesthood and government). Should the priesthood overcome government’s authority, it would put the entire system at risk. In many ways, the history of capitalism resembles the one of Catholicism. Thus, in its early conception, capitalism aimed to serve humanity’s well-being (instrumental). Progressively and consistently with its diffusion, the new secular religion gained momentum and counterbalanced government authority. Ultimately, with the relative failure of socialist capitalism (interventionism), religious authority subdued governments, the condition to their legitimacy being related to their accomplishment regarding the hegemonic theology. In sum, capitalism became an end in itself (Friedman, 1982). Symbolically, one may view the current crisis as the natural outcome of a system in which: (i) the private sphere took advantage of the public sphere; (ii) the priesthood’s doxa became an end in itself, subordinating governments to its will.

## Conclusion

Voluntarily provocative, the ambition of this paper was to highlight the partly theological nature of capitalism and show that it can be considered as an essentially religious phenomenon.

Firstly, capitalism was described as a process of social development finding its essence in the notion of progress seeking humanity's well-being through the advances of the modern sciences and the establishment of democracy. Following Weber's definition, this system is characterised by the release of the market forces in which the pursuing of self-interest (entrepreneurial spirit) is the key element.

Then, considering religion as (in short) an organised system of rites and beliefs seeking to provide an absolute understanding of the real world while determining social actions, one concludes that, in many respects, capitalism contains religious and theological dimensions. As a matter of fact, one may assume that social actions constitute rites while money, due to its physical metaphysical nature, plays the role of divinities. Besides, capitalism is highly transcendent. Indeed, it proposes no less that the salvation of humanity via the alleviation of worldly poverty and the implementation of democratic principles. In addition, market laws are ascribed the traditional characteristic of God. Furthermore, economics, though it presents itself as a modern science, presents metaphysical and theological elements in its practice (rhetoric, models, and hypotheses). Accordingly, one may envisage comparing capitalism, at least symbolically, to a religion.

Finally, this paper posits that religious capitalism bears significant implications. From a sociological standpoint, it implies that capitalism becomes directly embodied at the individual level in the form of the habitus, the latter determining conscious thought and actions. Doing so, it sets the boundaries in which thought may be exercised. This, added to the distorting nature of education that diffuses the great religious principles, is the point of departure of developments that have characterised the two last decades. These developments entail (i) a blind faith in capitalism and market laws, (ii) the progressive transmission of power from the political to the religious (economic) authority.

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