

Religion Today
October 19-25, 2008
Religion & Money
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A funny thing happened on the way to global capitalism -- money stepped in and replaced the responsibilities of religion. Through faith, religions once exerted the power to determine how human communities allocated their time, by requiring them to observe sabbaths, holy days, and religious festivals. They directed people's attention toward the ultimate social good of a unified community based on ethical behavior toward each other, and even revealed how members should devote themselves toward a future salvation that lay in heaven or nirvana.

Over time, however, money has inserted itself into people's daily lives to refocus their time, attention and devotion. As this happened, people's faith was redirected toward national and global capitalism.

Now that the financial markets are collapsing, politicians and financiers asking us to have faith, "confidence," in the system. Without that faith, the network of national and international finance cannot survive, any more than religions can survive without faith in a god or other ultimate being. How do religion and high finance compare?

For religious traditions, divine beings (or other metaphysical power) are the source and guarantor of all value. For U.S. finance, the Federal Reserve is the source and guarantor of money's value.

For religious traditions, prayers and offerings are rituals of exchange between humans and the divine power to which they appeal for their food, shelter, and future salvation. For financial markets, the exchange of money provides the key ritual. It moves between the human material world, where people are paid money for their labor and use that money to purchase things, and the metaphysical world of value, the world in which people believe that a dollar bill represents the "value of a dollar."

Thus, it is now money that brings us food, shelter, and hope for a secure future. While we have generally believed that money was the most real thing in our world, it turns out that money is more like prayer than a physical thing -- like religion, money requires a community of faith in order to work in the world.

If you look closely at a dollar bill, you see that it is just a piece of paper that says you can get the value of one dollar for it -- it is only a symbol of value. As the grease for economic transactions, it keeps the ritual relationship uncomplicated -- the dollar passes over a simple altar, into a cash register. Using money in this straightforward ritual makes it easy to purchase an ice cream cone, for instance, but it nevertheless forms an act of faith. Whenever we use money, we perform a transaction of obligation and credit that expresses faith in the future value of a piece of paper, i.e., the dollar bill.

At many higher levels of complexity, financiers invented new instruments of value based on this simple economic faith in the value of a dollar. These had many different names and purposes, such as "sub-prime mortgages" or "derivatives." When such financial instruments were found to have no real value, then the obligation to have a source and guarantee of value was forsaken. Faith was lost and the financial system began to fail.

The rituals of exchange found in religious traditions bring people together. A ritual such as marriage expresses the obligation that each person will be true to their vows and the faith that this will be true "till death do us part." These key elements build a powerful social reality that unifies the family and the community to which it belongs. Money, by contrast, creates distances between individuals, and those distances in turn generate a lack of social empathy and ritualized cohesion. When the guarantor of that dollar disappears, the value of the dollar disappears.

The "god of money" is dead, so to speak. Without the glue of social communities ensuring the value of the exchanges and building faith in a common future of social good, the bubble of global capitalism gets pricked, and money becomes an empty symbol. Is money real? Only by faith.