

The ethics of capitalism. The word ethics and the word capitalism are not usually found in the same phrase. I certainly never put them together until I lost the argument that there was no such thing as ethics in capitalism. I lost the argument to one of my professors while I was in seminary.

I studied with Nimi Wariboko, a Nigerian, Pentecostal Minister, with an MBA in finance and accounting from Columbia, and a Ph. D. in Ethics from Princeton Theological Seminary. He worked in investment banking and financial analysis on Wall Street. One of his many books is *God and Money: A Theology of Money in a Globalizing World*.

I don't, and you shouldn't either, hold Nimi accountable for the little that I know about economics or capitalism for that matter, but he helped me to learn to make some important distinctions that I hadn't understood before I studied with him. In fact, he insisted that I separate capitalism, as an economic system, from social/philosophic moral expectations. In other words, he helped me to understand that I had every right to be disappointed, but had no reasonable basis to expect a VW bug to pull out timber up and over the hill. That's simply not what the VW was designed to do.

I had been horribly bothered by what I saw as the immorality of the capitalist system. I had taught myself to express the fact, in a way that I thought people could hear, without rejecting me and my thoughts out of hand. I would not come right out and tell people that I thought capitalism was immoral because of the amount of poverty and injustice I saw in our society. Instead, I'd tell people that I disliked "the way we did" capitalism in this country.

Although I didn't know it at the time, my languaging was quite appropriate. As I learned more about it, I came to understand my problem was not with capitalism, per se, but rather the way we "do" capitalism in this country. Many countries are built on a capitalist economic system and do not have the societal problems that we do. You may argue, they have other problems, and no doubt, it's true. Which, for me, simply confirms that perfect hasn't been found, at least not yet. So we need to decide what we want to maximize, what problems we'd prefer to avoid, in what direction do we want to lean our economy? What values do we want to live by?

Capitalism has proven itself to be an incredibly effective economic system. Capitalism has demonstrated itself as the most efficient means to create wealth. And it is very good at it! Capitalism has created a tremendous amount of wealth, the world over. At the same time, capitalism has an underbelly. It also creates losers. In fact, capitalism requires there be losers, in order to function. Capitalism is *designed* to create winners and losers, more losers than winners. That's how it creates wealth.

Inequality is such an embedded notion within this economic system that its language has an entirely different economic meaning than it does to the layperson. The underlying assumption, in the US, is that in order to proactively manage inflation, which debilitates wealth, it is necessary to constantly have 5-6% of the population unemployed and unproductive. This state of “ideal circumstances” is referred to as “full employment”. There are clearly some mental gymnastics necessary in order to conceive of full employment as synonymous with 5% of the population intentionally unemployed.

But capitalism does not operate without ethics. That was a significant learning for me. Capitalism does indeed have its own inherent ethics. It’s just that its internal ethics are not the ethics we tend to think about, or recognize as ethics. When we use the term ethics, we often mean a philosophical, or religious set of moral beliefs, principals and values.

Those are not the ethics of capitalism. The ethics of capitalism are primarily concerned with consistency of procedure, which provides the necessary level of trust required to facilitate financial transactions and exchanges. These ethics have little or no concern for the ramifications or outcomes of those procedures.

Most, if not all, professions have their own set of ethics. Their ethics may or may not have any concern for the ramifications or outcome of applying those ethics. Doctors, lawyers, teachers, therapists and ministers all have a professional code of conduct, ethics they are expected to live by. Many professionals come under a category of what’s known as “mandated reporters.” They are obligated to report to authorities whenever they come to believe someone has been abused or is in danger of harming themselves. It is not their job to first determine what the outcome of their reporting may be.

Because capitalism is an economic system, one must look at the metrics used to evaluate economic activity, which center on money, trade and exchange and other quantifiable measurements. Even when people are ostensibly the element to be addressed (e.g. a human development index or welfare economies) they are converted into measurable data or numerics, which allows for comparisons that fit within economic models. At some point it’s all about numbers, not people.

If people are to be the primary focus of concern, one must go to a different system, use a different set of metrics, a different system of ethics. If we are to be concerned with the well-being of people, with issues of equity, fairness, and human dignity we can not look to a capitalist system for answers.

Capitalism is designed primarily to create wealth. To attach or superimpose ethical or moral considerations of equity, human dignity and fairness onto an amoral economic system, is analogous to an attempt to domesticate a tiger. One may have a very well behaved, well-trained tiger, but such behavior does not change the fundamental nature of the predator. One can never assume the instinctive nature of the animal will not manifest in any next moment. Without constant mindfulness and vigilance one is in dangerous waters indeed.

Since capitalism is very good at doing what it's designed to do, [create wealth,] if one is concerned with an other set of outcomes, one must look elsewhere for guidance, for mechanisms to achieve something other, such as fairness and justice. You and I can do as much as we are able, to care for the poor, level the playing field or go green, but that is not enough. Individuals simply do not have sufficient clout to mitigate the impact of an economic system.

We must turn to a governmental system to do that. The government, which an economic system is intended to support, is the only entity big enough, strong enough to establish criteria for how it will operate. It's the only entity able to establish laws, requirements, boundaries, for what is expected or acceptable.

Our tax laws have an impact on the way our economic system operates. Our laws are intended to produce certain outcomes, to leverage the society in a particular direction. Laws reflect our moral compass. Laws are created by our elected officials and the officials that they appoint, such as judges.

Here-in lies our central problem. Our elected officials, just like you and I, exist within the economic system that we have. To the extent our governmental system, allows the economic system, to be the primary driver of our societal standards, we *will* not, and *can* not, *ever*, achieve an outcome that is primarily focused on fairness, justice, and human dignity.

I believe the United States, as a governmental entity, has lost its bearing. I believe the country has come unhitched from its foundation in democracy. I am not talking politics. I'm talking about governing in a way that is primarily consistent with democracy, rather than governing in a way that is primarily consistent with capitalism.

For our government to tell us that corporations have the same rights as people, can be thought of as people, is to govern in a way that is primarily consistent with capitalism. Corporations exist primarily to make profit, to create wealth. They produce things that ostensibly improve our lives. But their overriding reason for existing is as a means to produce wealth. We as citizens do not exist primarily for that purpose. We may all want wealth, but that is not our primary reason for existing, at least I hope not.

Our elected officials play almost exclusively by the rules of wealth creation. Increasingly, the policy decisions and laws that come out of our government seem to reflect the interests of corporations rather than those of the people. This ought to come as no surprise. The wealthy and those with access to wealth and power are important relationships to establish and maintain for those in high-level elective office.

During the elections of 2008, it's been reported, the average cost of winning a seat in the House was over \$1.1 million. The average cost of winning a seat in the Senate was more than \$5.6 million. While support from the wealthy and influential has always been a central part of electoral politics, the cost of the election process has become ever more costly.

With the Citizens United ruling, the Supreme Court, has opened the spigots and money has flooded the electoral process like never before. There is essentially no restraint on the amount of money that can be given to candidates or spent on behalf of candidates. Clearly, some people's free speech is louder than others, like yours and mine.

While politicians may be any number of things, they are not stupid. They fully understand the axiom, "don't bit the hand that feeds you". Not only do they not bite the hand, they often give it manicures and buff fingernails. These people understand the absolute requirement of give-and-take relationships and how to use and leverage power and influence. We are quickly approaching what some have called having "the best government money can buy."

As I said before, capitalism is incapable of being "domesticated", that is to say, to operate in a way that maximizes fairness, justice and human dignity. The best that can be done is to harness and constrain the basic nature of capitalism. This is *absolutely required*, if society is to provide the majority of its population with a life of well-being. Is it possible to have an ethical/moral society if the majority of its population is on the losing end of most exchanges?

In God and Money, Nimi, makes a forceful argument for viewing money as a social relationship with theological and ethical implications for how the economy should work. From a Trinitarian perspective, he argues for a single global currency as a means to infuse ethical considerations into the very operation of the economy. That might work, but it seems to me a long way off.

I believe in the power of "we the people." Collectively, "we the people" have the power to change the way our government operates. First, we have to get the government's attention. That's happened with the Tea Party and the Occupy movement. Next, I think it is essential that we wring as much money out of the electoral process as possible. Then we must elect and hold accountable people whose primary focus is on "we the people. "

Capitalism will continue to do just fine. It's "we the people," justice, equity, and human dignity that need attention. Some how, "we the people" must coral capitalism and bend it to better meet the needs of the many, not primarily benefit only the well-to-do. And we had better get on the job in a hurry, or we will wake up to find a government the founders would not recognize.

Amen