

Desire, Market and Religion

Jung Mo Sung

London, United Kingdom: SCM Press, 2007 (159 pages)

No Rising Tide: Theology, Economics, Individualism and the Economic Order and the Future

Joerg Rieger

Minneapolis, Minnesota: Fortress Press, 2009 (160 pages)

“Liberation Christianity,” says theologian Jung Mo Sung in his book *Desire, Market and Religion*, “is an ample social and religious movement with a new religious culture that expresses the socio-historical conditions marked by subordination to the international capitalist system—today global—mass poverty, institutionalized violence, and popular religiosity.” In other words, it is a theology at odds with free markets.

Decades after its emergence in the 1960s and seventies, liberation theology remains a controversial approach to understanding Christianity. Moving beyond a mere reinterpretation of the gospel, the movement’s supporters seek broad changes in the political and economic structure of society in an effort to improve the living conditions of the poor and oppressed. The approach is experiencing something of a renaissance. Indeed, Sung’s book is part of a series entitled “Reclaiming Liberation Theology.” Sung and Joerg Rieger are two prominent leaders of this movement.

Both *Desire, Market and Religion* and Rieger’s recent book *No Rising Tide* display two striking weaknesses: a lack of clarity in laying out the steps necessary to reach the new reality envisioned; and an all-too-uncritical approach to public policy. Sung argues that the “task of representing the atomized interests of businesses and individuals and to make the needed investments for the future of capitalism is up to government.” Likewise, Rieger notes that “politicians are democratically elected by the people, while business leaders are not,” as if this puts an end to the discussion about corruption in government, and asks with genuine astonishment, “why would ‘government’ want to take just anything from its citizens, and who is ‘government’ in a democracy if not the citizens?”

The basic framework within which Rieger and Sung appear to operate is one in which the state is there to protect citizens from corporations who seek to implant false desires within them while impoverishing them and despoiling the planet. Rieger focuses his critique on empire and Sung on market idolatry. While it may be a valid point to suggest that empire and economics as they exist today are pervasive and domineering forces in our lives, it would strengthen the arguments of both of these authors if they were to favor the state less and acknowledge that democratic governments themselves corrupt markets and distort outcomes.

An overzealous appreciation for state intervention coupled with a hearty disdain for corporations seems to prevent either author from correctly identifying the “crony capitalist” nature of our economic system. This in turn prevents them from offering a response

to the problem of the empire-as-state that recognizes the incentives within the empire to expand the scope of its power while employing either the language of free markets or of progressivism. Sadly, therefore, the very remedies they suggest will only serve to feed empire further.

In 1978, economist James Buchanan coined the phrase *politics without romance* to describe what he was trying to develop at the time—public choice theory. Buchanan further elaborated in a speech about this concept at Hillsdale College (February 2003):

Armed with nothing more than the rudimentary insights from public choice, persons could understand why, once established, bureaucracies tend to grow apparently without limit and without connection to initially promised functions. They could understand why pork-barrel politics dominated the attention of legislators; why there seems to be a direct relationship between the overall size of government and the investment in efforts to secure special concessions from government (rent seeking); why the tax system is described by the increasing number of special credits, exemptions, and loopholes; why balanced budgets are so hard to secure; and why strategically placed industries secure tariff protection.

In order to build on the work they have already undertaken, deepen their critique, and point readers toward solutions that begin to sever the ties between empire and economic interests, both authors would benefit from a further exploration of public choice theory. As Buchanan argues: “Regardless of any ideological bias, exposure to public choice analysis necessarily brings a more critical attitude toward politicized nostrums to alleged socioeconomic problems.” If Rieger, Sung, or others seek to strengthen their understanding of the connections between empire and economics, Anthony de Jasay’s *The State* and Robert Higgs’s *Crisis and Leviathan* are excellent resources.

From the economic side, both Rieger and Sung conflate free markets with a mercantilist system where, as Laura LaHaye writes in the *Concise Encyclopedia of Economics*, “groups with political power use that power to secure government intervention to protect their interests while claiming to seek benefits for the nation as a whole.” Both single out the Austrian School, for instance, and their presentation of it is important to the overall structure of their arguments. Their treatment requires a fundamental distortion of the ideas of the Austrian School that unfortunately weakens their arguments and reveals a lack of familiarity with important concepts in economic thought that are essential to their project of critiquing free-market economics.

For example, Rieger attacks what he defines as mainstream economics and praises what he defines as heterodox economics, from institutionalism to Marxism. According to his interpretation, every school that he sees as questioning markets is heterodox and therefore offers something positive while any school that he sees as generally supporting markets—from Austrian to Chicago—is mainstream and therefore problematic. This creates two problems for Rieger. First, it puts him in an awkward position with regard to Keynesian economics, which holds far more sway in contemporary economic thought and public policy than he seems to think. This is because Keynesians essentially seek to

use the tools of state intervention to save capitalism from itself, under the assumption that if left to its own devices it will destroy itself. Is such a position one that supports or questions markets? The ambiguity is clear in Rieger's comments. Second, it forces him to conflate schools of thought that are not nearly as compatible as he seems to suggest—namely the neoclassical and Austrian Schools, the latter of which is, *pace* Rieger, usually considered to be a heterodox school.

It would be fair to ask why Rieger and Sung include a discussion of the relatively small Austrian School at all. Much of what they criticize with regard to empire and market stems from a crony capitalism that combines state and business interests, not from truly free markets. (The same could also be said about the critiques made by more popular theologians such as John Dominic Crossan, who has lectured alongside Rieger.) Whether Rieger and Sung fail to understand this distinction or choose to ignore it for the sake of their argument, they consistently use the language of the free market while they criticize the abuses of mercantilism. Thus, they seem not to appreciate the crucial differences among the economic thinkers whom they collectively identify as defenders of capitalism. A good example of this is Sung's treatment of the International Monetary Fund, the World Bank, and the World Trade Organization. Despite that fact that these institutions have very little to do with free markets and are opposed by Austrian economists, Sung lumps Friedrich Hayek with them under the label *neoliberals*.

It is possible that both Rieger's and Sung's understandings of the Austrian School lack sufficient depth to fully comprehend the distinction, for it is clear that they draw from only one economist from the school (Friedrich Hayek) to represent the whole. Rieger even goes so far as to use *Capitalism for Beginners* as a source for one of his Hayek quotes. Setting aside developments in the school since the era of Hayek, that the authors discuss the Austrian School without even mentioning its central figure, Ludwig von Mises, is telling.

One example of how Mises might have informed Rieger's and Sung's analyses can be seen by looking at two quotes from *No Rising Tide* and *Desire, Market and Religion*, respectively:

A deregulated economy has been allowed to produce an imperial bubble where the stock market, the housing market, and the lending sector built forms of power that were more and more disconnected from real values and real life.

Capitalism passes through cyclical systemic crises precisely because, as a complex system, it is not planned and directed by any supra-systemic entity.

Compare these to a passage from Mises's *Human Action*:

Nothing harmed the cause of liberalism more than the almost regular return of feverish booms and of the dramatic breakdown of bull markets followed by lingering slumps. Public opinion has become convinced that such happenings are inevitable in the unhampered market economy. People did not conceive that what they lamented was the necessary outcome of policies directed toward a lowering of the rate of interest by means of credit expansion. They stubbornly kept to these policies and tried in vain to fight their undesired consequences by more and more government interference.

Nonetheless, even on the basis of Hayek's writings alone, it should have been clear to Rieger that the system he attacks as a tragically deregulated market bears little resemblance to what Hayek understands as a market free from state intervention. As Hayek commented in *Individualism and the Economic Order*: "[I]t is a fallacy to suppose capitalism as it exists today is the alternative. We are certainly as far from capitalism in its pure form as we are from any system of central planning. The world of today is just interventionist chaos."

Sung presents Hayek as the "'pope' of neoliberalism," claiming that he embraces "the illusion that technological progress will take us to the earthly paradise." To label someone who strove to undermine utopian thinking as a proponent of the same demands substantive evidence that Sung fails to provide. Far from lauding a utopian endpoint, Hayek describes a constantly changing market system that requires ongoing adaptation. It is precisely because our society is so complex—and cannot be orchestrated to follow a simple and straightforward path of progress toward paradise—that we need market signals to survive. Sung would do well to reflect on Hayek's sobering warning in *The Road to Serfdom*:

Unless this complex society is to be destroyed, the only alternative to submission to the market is submission to any equally uncontrollable and therefore arbitrary power of other men. In his anxiety to escape the irksome restraints which he now feels, man does not realize that the new authoritarian restraints which will have to be deliberately imposed in their stead will be even more painful.

It is not inconceivable that liberation theology can add to the richness of the theological landscape and should not be ignored as such. Nonetheless, as proponents of this view, Rieger and Sung would be more convincing if they displayed a greater depth of economic knowledge. In particular, if they choose to single out particular schools for criticism, it would behoove them to devote significant attention to the origins and contributions of those schools. Austrian economists have contributed much to the study of how war, oppression, and poverty are connected to naïve or intentional use of state power for supposedly positive ends. That Rieger and Sung find it necessary to ignore these contributions in order to advance their theses ought to be of concern to anyone seeking to think through how economies can or should function in light of ethical standards and Christian faith.

One of the definitions of theology is "faith seeking understanding." Rieger and Sung have issued a call to truly understand the nature of the world around us so that we can be effective agents of change. It is hard to argue with such a position. If our faith impels us to try to bring about a more just and humane world, then there is no time to waste.

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