Economic Crisis, Economic Justice, and the Divine Commonwealth[1]

Gary Dorrien

It is a great privilege for me to address this remarkable gathering of ecumenical social justice advocates. I've been asked to speak about the economic crisis of our time and the involvement of Christian communities in struggles for social justice, and I'm going to begin by saying something about the tradition of ecumenical social ethics that we share.

The idea that our faith calls us to create a just society is as old as the biblical message of letting justice flow like a river and pouring yourself out for the poor and vulnerable, as in the magnificent text from Isaiah 58 that underlies this conference. This scriptural idea was renewed in the early 1880s by the Social Gospel Movement, which created the field that I teach, social ethics. Long before the Social Gospel arose, there were Christian movements in this country that opposed slavery, war, economic oppression, male supremacism, and alcohol. But the Social Gospel introduced something new—the idea that salvation has to be personal and social to be saving.

The Social Gospel Movement was the greatest surge of social justice activism ever waged by the mainline churches in this country. It was not a coincidence that the social gospel, social ethics, sociology, socialism, and the very ideas of social structure, social salvation, and social justice all arose at the same time; also corporate capitalism and the trade unions.

There were 17 things wrong with the Social Gospel Movement, beginning with the fact that most of it was moralistic, idealistic, and not very brave about racial justice. We have paid a steep price in the churches for the fact that the Social Gospel failed to interrogate white supremacism as a structure of power based on privilege that presumes to define what is normal. But for all the things the Social Gospel got wrong, it got some crucial things right. It recovered the centrality of the Kingdom of God in the teaching of Jesus. It taught that Christianity has a mission to transform the structures of society in the direction of social justice. It created the Ecumenical Movement in this country. It was the wellspring of the Civil Rights Movement through the ministries of Reverdy Ransom, Benjamin Mays, Ida Wells-Barnett, Mordecai Johnson, and Martin Luther King Jr. For decades it was a mostly Protestant enterprise in this country, but John Ryan planted the seeds of a Catholic Social Gospel that became a movement in the 1920s.

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Above all, the Social Gospel expounded a vision of economic democracy that is as relevant and necessary today as it was a century ago.

In the Social Gospel, society became a subject of redemption. Social justice became intrinsic to salvation. Before the modern era, nobody knew there was such a thing as social structure. With the Social Gospel, the church began to say that if people suffer because of politics and economics, then the church has to deal with politics and economics, and it has to do so by changing unjust social structures. A great deal of ecumenical social ethics has backed away from its origin as a movement for economic democracy, but at its best it has kept faith with the Social Gospel founders—Washington Gladden, W.D.P. Bliss, Walter Rauschenbusch, Reverdy Ransom, Vida Scudder, Jane Addams.

The Social Gospel was a response to the story of its time—the rise of corporate capitalism and the trade union movement—and a call for economic democracy and the common good. The story of our time is that the common good has been getting hammered for 30 years and we need economic democracy more than ever.

Global capitalism commodifies everything it touches, including labor and nature, putting everything up for sale. Nothing is exempt from the pressure of competition. Social contracts have vanished under threats of obsolescence and ruin, while the global market exploits resources, displaces communities, and sets off wealth explosions in wild cycles of boom and bust. The debates that we are having today about busting public unions, cutting Medicaid, and privatizing Medicare are by-products of 30 years of economic globalization and of massive, structural, politically engineered inequality.

Wages have been flat for 35 years and inequality has worsened dramatically. The share of America's income held by the top one percent has more than doubled since 1982. Today the top one percent of the U.S. population holds 39 percent of the nation's wealth and takes in 25 percent of its annual income. The top ten percent hold 70 percent of the wealth. The bottom 50 percent hold two percent.

The crash of 2008 wiped out $8 trillion of home value. The banks that frothed it up are sitting on $2 trillion of cash. They salted away their bailouts and went back to gambling in the swaps market, which pays better than boring investments in the real economy. Wall Street has recovered nicely, but we have 8.5% official unemployment and upwards of 20% real unemployment, with higher figures in African American communities. Every trade deal that we have signed has resulted in jobs leaving the United States. A corporate executive is said to be a great success if he slashes his payroll, eliminates benefits, and makes bigger profits. But what kind of success is that?

For the past 20 years the bestselling books about globalization have told us to forget about changing the system. Tom Friedman, a celebrant of the second wave, calls it "turbo-capitalism." In the academy we call it "neo-liberalism." Economic globalization—the integration of national economies into the global economy through trade, direct foreign investment, short-term capital flows, and flows of labor and technology—has "flattened" the world, Friedman says. In a flat world you either compete successfully or are run over.

According to neo-liberals, global capitalism reduces national politics to minor tweaks. There is no third way in political economy anymore; there isn't even a second way. Any nation that wants a growing economy has to wear a one-size-fits-all "golden straightjacket" that unleashes the private sector, keeps inflation low, minimizes government, eliminates tariffs, deregulates capital markets, and allows direct foreign ownership and investment.

Neo-liberals exaggerate the futility of attempts to channel economic forces. Contrary to the story that they tell, the U.S. did not ensure its prosperity by donning the golden straightjacket and relinquishing its manufacturing base. From the late 1940s to 1975, productivity and wages soared together in the United States, creating a middle-class society; meanwhile there were no bank crises, as New Deal reforms kept commercial banks out of the investment business.

But wages flattened in the mid-1970s and productivity kept soaring. The rich got richer in the 1980s and 1990s while everyone else fell behind, taking on debt to keep from drowning. During this period nearly every manufacturing-oriented society outperformed the U.S. in income growth *and* did so with more equitable distributions of income. In the 1980s the U.S. cut the marginal tax rate from 70 percent to 28 percent and cut the capital gains rate from 45 percent to 20 percent. That was a revolution, a blowout for politically engineered inequality. Then the global integration of two radically different models of growth—debt-financed consumption and production-oriented export and saving—created a wildly unstable world economy featuring asset bubbles and huge trade imbalances.

First the U.S. hollowed out its industrial base that paid decent wages, providing incentives to firms that made things to make them elsewhere. Then it rang up enormous trade deficits that left the U.S. dependent on China and Japan to finance its debt. Then the economy cratered after the debt resort reached its outer limit in the housing market and the mortgage bubble burst. For 20 years we were told that governments were passé in this area. But when the housing market crashed, these supposedly obsolete governments coughed up $12 trillion in two months to save the system from itself.

It started with people who were just trying to buy a house of their own; who had no concept of predatory lending; and who had no say in the securitization boondoggle that spliced up various components of risk to trade them separately. It seemed a blessing to get a low-rate mortgage. It was a mystery how the banks did it, but this was their business; you trusted they knew what they were doing. Your bank resold the mortgage to an aggregator who bunched it up with thousands of other sub-prime mortgages, chopped the package into pieces and sold them as corporate bonds.

Securitizations and derivatives are great at concocting extra yield and allowing the banks to hide their debt. Broadly speaking, a derivative is any contract that *derives* its value from *another* underlying asset. More narrowly, it's an instrument that allows investors to speculate on the future price of something without having to buy it. Today speculators are driving up the price of oil because the Middle East

could explode this spring or summer if Iran is attacked and there is a gusher of money to be made if one makes the right bet.

Credit-default swaps are private contracts that allow investors to bet on whether a borrower will default. Twelve years ago that market was $150 billion; today it's $70 trillion, and it's at the heart of the meltdown. AIG's derivatives unit was a huge casino selling phantom insurance with hardly any backing that now we have to pay for.

Speculators gamed the system and regulators looked the other way. Mortgage brokers, bond bundlers, rating agencies, and corporate executives all made fortunes selling bad mortgages, packaging the loans into securities, handing out inflated bond ratings, and putting the bonds on balance sheets. Banks got leveraged up to 50-to-1 and kept piling on debt. The mania for extra yield fed on itself, blowing away business ethics and common sense.

This year, speculative corporate debt in the U.S. is going to explode, as the reckoning for high-risk loans, bonds, and leveraged buyouts transacted five to seven years ago will occur. In the bond business this is called a maturity wall. Last year over $40 billion came due for junk bonds that were sold before the credit crisis hit in 2007. This year that number will soar to $160 billion; the following year it will be at least $212 billion; and the next year it will be over $340 billion. This coming avalanche of over $700 billion of speculative debt was created just like the mortgage crisis, with CDO's that sliced and diced corporate loans, and all of it is coming due as the U.S. government has to borrow $2 trillion to bridge its deficit. Another credit crunch is coming, and today the entire European Union is teetering on a systemic collapse.

In this country the big banks are still holding about $2 trillion of toxic debt. But their bailouts have made them feel better; their profits are up; they fought every reform in the Dodd-Frank bill; and they are spending $50 million per quarter to obliterate the reforms that passed.

When Obama took office there was a lot of talk about the "bad bank" model, which creates transitional banks to soak up the toxic debt. Here there is a risk of getting prices wrong. If the government overpays for toxic securities, taxpayers are cheated; if it doesn't overpay and the banks take mark-to-market prices, some banks could go under. Some advocates of the bad bank strategy said the government should stall on the price issue, waiting until values rise, which is what Germany did. But to the FDIC that smacked of alchemy, floating assets into the ether.

So Treasury Secretary Timothy Geithner settled on an Aggregator Bank that blends the original Henry Paulson plan—cash for trash--with some elements of the bad bank topped off with an auction scheme. Our government is spending $1 trillion subsidizing up to 95 percent of deals partnered with hedge funds and equity firms to buy up toxic debt.

Of all the possible strategies to deal with this problem, this one is the most cumbersome and non-transparent. It is obsequious to Wall Street. It is based on the dubious hope of finding private buyers for rotten goods. It offers a taxpayer guarantee to investors that they won't lose money if they get in. It is a scheme to bribe private investors to buy the bad assets for more than they're worth, which the banks are resisting anyway, since they just want to go back to gambling without government interference.

Today seven banks control 66 percent of the nation's assets. Fifteen years ago that figure was 18 percent. That's the path we are on, a staggering concentration of power that has turned the big banks into giant hedge funds. Two years ago we had a chance to break up the megabanks, thanks to Ohio Democrat Sherrod Brown. The Brown-Kaufman amendment to the Dodd-Frank bill would have allowed no bank to risk more than three percent of the nation's GDP or hold more than ten percent of the nation's total insured deposits. These caps are large enough to allow effective economies of scale, and had Brown-Kaufman gone through, it would have broken up the seven megabanks.

In the Senate this amendment won 30 Democratic votes and three Republican votes, despite failing to win the support of the Obama Administration or the Senate Democratic leadership. Brown-Kaufman would have passed had Obama supported it. According to Obama, he opposed it because he believed that the Volcker Rule was a better way to restrain the speculative excesses of the banks. It didn't help that the person who cut the bailout deals and arranged the recent bank mergers was Timothy Geithner.

But then we didn't get the Volcker Rule either. In 1999 the Clinton Administration teamed with Phil Gramm to tear down the Glass-Steagall wall between commercial and investment banking, which opened the door to the megabank empires and mergers of the Bush years. It was a big deal when Obama announced that he supported Paul Volcker's proposal to reinstate the wall between commercial and investment banking.

The federal government provides deposit insurance and other safeguards to ensure that America has a stable banking system. These privileges were not created to give unfair advantages to banks operating hedge funds or private equity funds. Banks should not be allowed to speculate with cheap money that the government safety net provides. The current system allows banks to make trades conflicting with the interests of their customers, which has fueled a riot of speculation.

The ostensible purpose of Wall Street is to raise money to finance making things in the real economy. But CDO deals are not investments. They do not create any actual bonds or mortgages, or add anything of value to society. They are pure gambling on whether somebody else's bonds will succeed, inflating the housing bubble without financing a single house. They are like side bets at a casino, except the Federal Reserve, implicitly, protects these bets. According to the SEC, Goldman Sachs, Citigroup, and other firms have looted their own customers by creating derivatives that are designed to fail, and then betting against them.

The Volcker Rule was designed to undo this arrangement. This was not mere technocratic tinkering. This was using political power to change the system. But in the end, the Dodd-Frank bill could not pass without the vote of Scott Brown, who gutted the Volcker Rule, demanding exemptions for trading in Treasury bonds

and bond issues by government-backed entities. As always, these exemptions led to others, and today the Volcker Rule is shot full of holes.

There are some good things in the Dodd-Frank bill. It requires most derivatives to be traded on a public exchange and cleared through a third party. It established a new consumer agency and authorized regulators to impose higher capital reserves. These were significant victories over an overwhelmingly better-funded opposition. But Dodd-Frank is riddled with poison pills and loopholes, especially exemptions for foreign exchange swaps and pension funds, and carve-outs for corporate users of derivatives. It relies heavily on the Federal Reserve, which is very friendly to the big banks. Dodd-Frank does not require higher capital reserves or abolish gambling with CDO's. It takes a pass on the biggest problem, that the Too-Big-To-Fail banks are also too big to be regulated. And now Wall Street has gutted Dodd-Frank on the Volcker Rule, debit card fee caps, and oversight of complex derivatives.

Simon Johnson, until four years ago, was chief economist of the International Monetary Fund. He argues that the finance industry has effectively captured our government. During his early career at MIT Johnson tried to be skeptical about this, but then he went to the IMF and got a close look at the symbiotic relationships between the world's economic elites and its governments. In the U.S. it goes far beyond mere access or even collusion, he says; here the two career tracks of government and high finance are melded together. And that is problematic when the oligarchy screws up and the economy implodes.

When the IMF enters the scene of a crash, the economic part is usually straightforward: nations in crisis are told to live within their means by increasing exports, cutting imports, and breaking up bankrupt enterprises and banks. Every nation that is not the USA would get this prescription. But the U.S. controls the IMF, it has a powerful and well-connected oligarchy, and it pays its foreign debts in its own currency. So our recovery began by paying off Wall Street.

There are significant differences between the South Korean and Indonesian crashes of 1997, the Malaysian crash of 1998, Japan's lost decade, the recurrent crashes in Russia and Argentina, and the meltdown of 2008. But they all have in common the most important thing: a financial oligarchy that rigged the game in its favor, built an empire on debt, overreached in good times, and brought the house down on everybody. When the house collapses, elites do what they always do: They take care of their own. To get a different result, a nation has to take control of the problem and break the grip of the oligarchy. Otherwise you muddle along in a lost decade of your own, further entrenching the oligarchy.

The usual IMF playbook is clear: find a bottom, clear out the clutter, get the fiscal and monetary houses in order, and, if possible, shake up crony capitalism. There is always going to be an economic oligarchy, so the best we can do is shake it up from time to time. To this end Johnson recommends new antitrust laws, although he cannot say what they would look like, and he says it's pointless to cap executive compensation, since they always find a way. In his book, *Thirteen Bankers,* Johnson makes a good case for shrinking the big banks.

If we take the existing system for granted, that prescription is about the best we can do. It is certainly better than the course that President Obama took. But we need to talk about something bolder and more creative than the IMF playbook: Renewing this country with a massive investment in economic democracy.

For over two centuries, Americans have debated two fundamentally different visions of what *kind* of country the U.S. should want to be. The dominant vision is of a society that provides unrestricted liberty to acquire wealth. The second is the vision of a realized democracy in which rights over society's major institutions are established. In the first view, the right to property is lifted above the right to self-government, and the just society minimizes the equalizing role of government. In the second view, self-government is considered superior to property, and the just society places democratic checks on social, political, and economic power. In the dominant vision, the goal is to attain enough success to stand apart from others, not have to worry about them, and perhaps look down on them. In the second vision, a just society reduces the punishments of failure and the rewards of success, subordinating private interest to the common good.

Both of these visions are ideal types, deeply rooted in U.S. American history. Both have limited and conditioned each other in the U.S. experience. But in every generation one of them gains predominance over the other, shaping the terms of debate and possibility, telling the decisive story of its time.

Today an extreme version of the dominant American vision is being asserted very aggressively. The story of our time, in this view, is that a great people is being throttled by a voracious federal government. Americans are over-taxed; government is always the problem; somehow the federal government caused the financial crash; we have a debt crisis because we have too much government; and cutting taxes is always the key to success, never mind if you're in a recession and/or you've cut taxes quite a few times already. The Tea Party Movement won a huge political windfall by claiming that Obama's mildly Keynesian stimulus of $787 billion was anti-American and Socialist. We were losing 700,000 jobs per month when the Tea Party arose, free-falling straight into a depression, but somehow it was horribly wrong to save the nation from reliving 1933.

The Tea Party is overwhelmingly white, middle-class, and either middle-aged or elderly. It thrives on a deeply felt dichotomy between the deserving and the undeserving. At the grassroots level, much of this movement is not hostile to Social Security or Medicare, unlike the professional ideologues that are exploiting it. Conservative activists are quite certain that they deserve their own Social Security and Medicare. But they are outraged that undeserving people get benefits from the government. They deeply resent that they are losing their racial privileges. In their version of the American dream, there is no such thing as the common good. There is only the sum of individual goods, which many people do not deserve.

The Tea Party, a new phenomenon, rests on resentments and an ideology that are far from new in U.S. American life. But this ideology of predatory capitalism and democracy for the few has no standing whatsoever in the tradition of ecumenical social ethics. Here we begin with the recognition that we owe obligations to each other. There is such a thing as the common good. And when the sum of individual goods is organized only by a capitalist economy, it produces a common bad that destroys personal goods along with society. I have four points to make about that.

1. Americans are not overtaxed. This year the total tax burden reached its lowest point since 1958. In 1999 Americans spent 28 percent of their income on federal, state, and local taxes, which was the usual amount going back to the early 1970s. Today that figure is 23 percent. As a percentage of GDP, American taxation is at its lowest level since 1950, 14.8 percent.

2. This is how we got in debt. If we had stuck with the Clinton tax rates, our national debt today would be minimal or non-existent. Our nation's debt exploded because during the Bush years we cut the marginal rate and capital gains taxes without paying for either, we established a drug benefit that we didn't pay for, and we fought two wars that we didn't pay for. These expenditures doubled the nation's debt in seven years, and the record keeps mounting, accounting for three-fourths of the new debt that has accumulated during Obama's presidency. Most of the remaining new debt is cleanup for the financial crash.

Today the wealthiest Americans pay income taxes at Mitt Romney's rate, 14 percent. Investment managers earning billions per year are allowed to classify their income as carried interest, which is taxed at the same rate as capital gains, 15 percent. Constantly we are told that the investor class would lose its zeal for making money if it had to pay taxes on its actual income or if the capital gains rate were raised. But there is no evidence for this claim. No investor passes on a promising investment because of the tax rate on a potential gain.

A tax system that serves the common good would have additional brackets for the highest incomes, as the U.S. once did. It would have a bracket for $1 million earners and a bracket for $10 million dollar earners and a bracket for $100 million earners and so on. It would lift the cap on the regressive Social Security tax, taxing salaries above $110,000 per year. It is absurd that someone making $1 million per year pays no more into Social Security than someone making $109,000. Reforming Medicare is going to be difficult and complex, because Medicare is a four-sided contraption of political compromises resting on fee-for-service medicine. But Social Security is comparatively simple; we could make it solvent simply by returning to elementary fairness. If you make $500,000 per year, this country has done very well by you. You can afford to contribute more to the country's social contract with the poor and elderly.

3. A federal budget is a moral document, a point made by the Call to Action issued this week by the Faithful Budget Campaign. Congratulations and thanks to Douglas Grace for directing this outstanding ecumenical campaign. If we scaled back America's global military empire and reinstated a progressive tax system, we could eliminate the federal debt by 2021 without cutting Social Security, Medicare, Medicaid, education, or research.

A morally decent tax and budget plan would tax capital gains as ordinary income. It would cap the benefit on itemized deductions at 28 percent. It would tax U.S. foreign income as it is earned. It would eliminate the subsidies for oil, gas, and coal companies. It would place a tax on credit default swaps and futures and charge a leverage tax on the megabanks.

Nothing in this proposal is radical, nor all of it put together. We would still be well below European levels of taxation. All of it together merely mildly restores the principle that people should pay taxes on the basis of their ability to do so.

4. Tax rates are not the most important factor contributing to economic growth. Creating a healthy and productive workforce is far more important than the fluctuations in tax rates that we debate in election years. Educating the workforce for 21st century jobs and investing in research and technology are more important. Developing a strong infrastructure and saving for investment are at least as important as tax rates.

Today the economy is sluggish because of weak consumer demand caused by stagnant wages, job uncertainty, and the ongoing ravages of the mortgage disaster. If we opt for muddling through a lost decade, we can savage the public sector unions, as the Cameron government in Britain has done, and we can slash Medicaid and Medicare. The alternative is to renew the country by making massive investments in a clean energy economy. Labor costs, equipment costs, and the cost of capital will never be lower than they are today. The U.S. has under-invested in infrastructure, education, and technology for decades. A national infrastructure bank, once created, would get serious money plowed into infrastructure rebuilding on an ongoing basis.

If we can spend trillions of taxpayer dollars bailing out banks and eating the toxic debts of AIG and Citigroup, we ought to be able to create good public banks at the state and federal levels to do good things. Public banks could finance start-ups in green technology that are currently languishing and provide financing for cooperatives that traditional banks spurn. They can be financed by an economic stimulus package approved by Congress, or by claiming the good assets of banks seized by the government, or both.

Or they can be established at the state level. Today the only state in the U.S. that isn't reeling from the credit crunch, North Dakota, is the only state that owns its own bank. North Dakota has its own credit machine, making it less dependent on Wall Street than the rest of the country. Recently, Washington voted to establish a state bank, and currently there are significant movements to establish state banks in Massachusetts, Illinois, Michigan, Virginia, Missouri, New Mexico, and Vermont. If these movements succeed, that will be a huge step in the direction of economic democracy.

Economic democracy is about extending the values and rights of democracy into the economic sphere. It features mixed forms of worker, community, and mutual fund or public bank enterprises. I do not believe that the factors of production trump everything. But I do believe that those who control the terms, amounts, and direction of credit play a huge role in determining the kind of society that everybody lives in.

People work harder and more efficiently when they have a stake in the company, when it's *their* company. In Spain, the Mondragon network is spectacularly

successful; in the U.S. we have 14,000 firms with worker-ownership plans, and approximately 1,000 are fully worker-controlled. These are building blocks for a movement.

On the way to a serious movement, economic democracy is about building up institutions that do not belong wholly to the capitalist market or the state. It begins by expanding the sector of producer and consumer cooperatives, community land trusts, and community finance corporations. Credit unions play a key role. Credit unions are growing; one of the best things that the Occupy Movement has done is to encourage people to join credit unions.

But merely expanding the cooperative sector is not enough. Cooperatives usually prohibit non-working shareholders, so they attract less outside financing than capitalist firms. They are committed to keeping low-return firms in operation, so they stay in business even when they can't pay competitive wages. They are committed to particular communities, so they are less mobile than corporate capital and labor. They smack of anti-capitalist bias, so they have trouble getting financing and advice from banks. They maximize net income per worker rather than profits, so they tend to favor capital-intensive investments over job creation.

Most of these problems are virtues, and the problematic aspects can be mitigated with tax incentives. But we also need something bolder and more visionary. We need forms of social ownership that facilitate democratic capital formation, have a greater capacity for scaling up, and are more entrepreneurial. Specifically, we need public banks and mutual funded holding companies in which ownership of productive capital is vested. The companies lend capital to enterprises at market rates of interest and otherwise control the process of investment. Equity shareholders, the state, and/or other cooperatives own the holding companies or public banks.

Mutual fund models contain a built-in system of wage restraints and facilitate new forms of capital formation. They have nothing to do with nationalization, and investors still seek the highest rate of return. This approach does not rest on idealistic notions about human nature; and it does not need a blueprint. I have favorite models to push, but the key thing is to expand the social market in ways that make sense in particular communities.

Most of our traditions in social theory and Christian social ethics have operated with unitary ideas of capitalism and socialism, as though each were only one thing. Economic democracy must be built from the ground up, piece by piece, breaking from the universalizing logic of state socialism, taking seriously that there are different kinds of capitalism. The tests are pragmatic. The U.S. Pacific Northwest has a network of longstanding, highly successful plywood cooperatives. Some plywood workers choose to work in conventional firms instead of the cooperatives. No political economy worth building would force them into a different choice.

But having a real choice is the key to a better alternative. A politics that expanded the cooperative and social ownership sectors would give workers important new choices. The central conceit of neoclassical economics could be turned into a reality if meaningful choices were created. The textbook conceit is that capitalism doesn't exploit anyone, because labor employs capital as much as capital employs labor. But in the real world the owners of capital nearly always organize the factors of production. To expand the cooperative and other social market sectors would give choices to workers that neoclassical theory promises, but does not deliver. It would show that there is an alternative to a system that stokes and celebrates greed and consumption to the point of self-destruction.

The earth's ecosystem cannot sustain a U.S. American-level lifestyle for more than one-sixth of the world's population. The economy is physical. There are limits to economic growth. Global warming is melting the Arctic ice cap at a shocking pace, as well as large areas of permafrost in Alaska, Canada, and Siberia, and destroying wetlands and forests around the world.

For many years we have needed a social movement to break the Wall Street oligarchy. And now, suddenly, we have one. The organizers of Occupy Wall Street would not have succeeded had they operated like conventional trade unions and social justice groups. They are building a social movement that prizes radical democracy, radical hospitality, and a distinct blend of non-violence and outrage. They are committed to an egalitarian, autonomous, leaderless process. They operate by at least 80 percent consensus, moving as slowly as consensus requires. They have nurtured a powerful sense of community, building a global protest community that is transformative in the lives of those who are joining it.

For the occupiers, it is more important to sustain a spirit of rebellion than to agree on what the government should do about derivatives or tax justice. Occupy Wall Street is not a progressive organization; it is a social movement with a radical democratic ethos. It is raising hell about a system that has turned American society into a pyramid and made a mockery of American democracy. And it is not going away.

Coalitions are forming that were not possible six months ago. In one month this movement spread from Lower Manhattan to more than 900 cities and four continents. The Occupy Movement has clearly stated what it is against. It is against allowing corporate economic power to run the government. It is against predatory banking and foreclosures, bailouts for megabanks, and the perpetuation of inequality and discrimination based on race, sex, age, gender identity, or sexual orientation. It is against monopoly farming and the poisoning of the food supply, the abuse of animals, unsafe working conditions, the outsourcing of labor, the legal status of corporations as persons, lack of health coverage, the erosion of privacy, and the abuse of military and police power.

That should be enough. Meanwhile the movement is getting a very bitter taste of police power. Phase two has come sooner than we wanted, as a consequence of repression. In this phase, churches are already playing a larger role, as supportive communities and as meeting sites. Occupy Faith, the religious wing of Occupy, is organizing local Truth Commissions focusing on home foreclosures and a bus tour that will kick off the Truth Commissions.

There is an important role for religious communities in the Occupy movement—showing up and taking part. There is nothing stopping religious communities from doing so, and many have done so. In New York it is hard to imagine what the Occupy movement would be without Judson Memorial Church, Park Slope Methodist, Trinity Church Wall Street, and a few others. At Union Seminary, 45 students have worked in the movement as protest chaplains. Many religious leaders have been involved in the movement at the sites of occupation. And many occupiers have found themselves doing ministry with the homeless, a ministry that religious communities know a great deal about.

But the larger work of building this movement does not focus on a privileged site of occupation or protest. The occupiers do not identify this movement exclusively with themselves. They want people from various walks of life to occupy their own dwellings, institutions, and groups, asking what it means in these places and associations to struggle for a better system than the one we have.

We need a defiantly progressive movement that breaks the Wall Street oligarchy, scales back America's global military empire, and rejects the U.S. American obsession with supremacy and dominance. The late Charles Kindleberger, in his major work, *World Economic Primacy, 1500-1990,* described the rise and fall of the great economic powers of the modern world. The chief internal causes of decline that he identified were increased consumption, decreased savings, resistance to taxation, corruption, mounting debt, finance becoming more dominant in the economy than industry, and above all, military overreach. When Kindleberger wrote in 1996, he was not sure whether the U.S. had entered the downward path. But his book reads like a forecast of the past decade.

Forty years ago, Senator William Fulbright warned that the U.S. was well on its way to becoming an empire that exercised power for its own sake, projected to the limit of its capacity and beyond, filling every vacuum and extending U.S. force to the farthest reaches of the earth. As the power grows, he warned, it becomes an end in itself, separated from its initial motives (all the while denying it), governed by its own mystique, projecting power merely because we have it.

That is what happened in our time, and for those of us who belong to a faith tradition, having a religious faith keeps us in the struggle against empire and for social justice. In Hebrew and Christian scripture, the test of ethical action is how it affects the struggles of oppressed and excluded people.

Christianity is not relevant in the sense of teaching a theory of politics or economics. Jesus did not talk about problems of proximate means and ends, calculated consequences, or defending structures of justice. But the teaching of Jesus impels us into struggles for social justice and holds us there, whether or not we succeed. *That* is its relevance. To love God above all things, and your neighbor as yourself, is the motive force of the struggle for the flourishing of life.

Love makes you care, makes you angry, throws you into the struggle, keeps you in it, and helps you face another day. It helps you hold in view the big picture, the Kingdom of God, which is not our production. The kin-dom, or commonwealth, of God is comprehensive and multi-dimensional. It is the heavenly realm, and the divine spirit that enlivens every human soul, and the building of a commonwealth of God on earth, and the eschatological "not yet" that pulls us into the future and toward the end of history. The commonwealth of God is something in which we have a tiny, partial, wonderful, mostly unheralded, sometimes painful, always grace-filled role to play.

We are not in control. It is not up to us to fulfill God's will for the world. In drawing closer to God we are thrown into work that allows others to share in the harvest, and that is enough. No one can say if our efforts will make a difference, which is all right. But the biblical imperative to pour yourself out for the hungry and satisfy the desires of the afflicted is utterly certain. After our struggles have ended, it is the ever-gracious God of glory and love who will make something of them. The words are from 2nd Peter: "God's divine power has granted to us all things that pertain to life and goodness, that through these we may overcome the violence that is in the world, and become partakers of the divine nature."

We need new forms of community that arise out of but transcend religious affiliation, culture, and nation. All our traditions have propensities for dogmatism and prejudice that must be uprooted. If those of us who are Caucasian or mostly Caucasian fail to interrogate white supremacism, we will resist any recognition of our own racism. If those of us who are male fail to interrogate our complicity in sexism, we will perpetuate it. If those of us who are Christian fail to repudiate anti-Semitism, Christian supercessionism, and Christian exclusivism, we will perpetuate the evils that come with them. If those of us who are heterosexual fail to stand up for the rights of LGBTQ individuals and communities, we will have an oppressive society. If we swear our highest loyalty to our nation, we will perpetuate U.S. American imperialism. And if we sit out the next election we are going to have a government that privatizes Social Security, replaces Medicare with a voucher, reduces Medicaid to block grants, busts public unions, and gives yet another whopping tax cut to corporations and the wealthy.

A century after the Federal Council of Churches issued the historic Social Creed of the Churches, the National Council of Churches has a new social creed. Chris Iosso and Michael Kinnamon were the driving forces behind it. It calls for "full civil, political and economic rights for women and men of all races." It demands the "abolition of forced labor, human trafficking, and the exploitation of children." It supports "employment for all, at a family-sustaining living wage, with equal pay for comparable work." It stands up for the right of workers to organize, opposes the death penalty, calls for the abatement of hunger and poverty, and endorses universal healthcare, social security, and progressive tax policies. It commends immigration policies that protect family unity and foster international cooperation. It stresses the necessity of adopting simpler lifestyles; living within our means; protecting the earth's environment; and investing in renewable energy. It supports equitable global trade that protects local economies, and advocates a foreign policy based on international law and multilateral diplomacy. It calls for nuclear disarmament, reductions in military spending, and the abolition of torture. And it calls for cooperation and dialogue among world religions.

It is no easy thing to get our religious communities to stand behind a statement as strong and prophetic as this one. Every line of the new social creed has a story behind it. To hang in there against a national myth that opposes the common good and a financial oligarchy that is the most powerful force in our nation's

life, one has to have a certain stubbornness and moral outrage. But if the stubborn types can build on what Occupy Wall Street has started, we might actually build a better social order.