Why Support the Occupy Movement?

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I would like to provide a new angle on the Occupy Movement from a Christian point of view, specifically from the standpoint of my own work as a Christian theologian. Christians, I believe, should be supportive of the Occupy Movement and not simply for the obvious religious reasons. What are those obvious reasons? Christian concerns about social justice, Christian concerns especially for the poor, for all those disadvantaged and downtrodden, marginalized and harmed by forms of social exclusion and exploitation—such concerns clearly overlap with issues that the Occupy Movement has now brought to the forefront of our national consciousness: economic inequity and the economic plight of the 99 percent woefully underserved by our political and economic system since the financial crisis hit. Christianity and the Occupy Movement are closely aligned on these grounds of shared concern—concerns about injustice and about the economic disadvantage suffered by so many. But more than this, I believe that basic beliefs of Christianity contain an alternative vision of economic life that helps make sense of and pull together coherently the multiple strands of our economic and political predicament targeted for protest by the Occupy Movement—that's what I want to argue now. I'll try to show what this alternative Christian vision for our economic lives is, what the multiple concerns of the Occupy protest are, and how that Christian vision of economy brings those multiple strands of protest together.

First let me briefly outline the alternative vision of economy that Christianity provides. One major element of that vision, which I think lies at the very heart of Christian belief, is the idea of a society of mutual benefit, a society in which we all benefit at the same time from the same sources of wealth generation, a society in which we benefit together from wealth produced rather than alone. A society of mutual benefit is not simply a society, then, in which some have a lot and generously redistribute to others less fortunate than themselves some of what they have—in order to equal things out a bit—a society of philanthropic giving. More than this, a society of mutual benefit is one in which it makes no sense to benefit alone without others benefitting too; such a society therefore implies an economy where mechanisms of wealth generation are organized from the start in mutually beneficial ways.

I think a host of very basic Christian beliefs about God's own life and about how God shares God's life with the world contain within them this sort of vision of a society of mutual benefit. Let me give a few examples of Christian beliefs that hold up such an alternative vision of economic life.

Within the very life of God—God's own triune life—as Christians describe it, one finds a mutually beneficial kind of production and circulation of the good. What each person of the trinity has the others have as well; the very same divine life is common to them all. No one member of the trinity can enjoy the good of divine life without the others also partaking in it. The good of divine life is produced within one member of the trinity only as that divine life is circulated to the others and found within them as well. And as the good of the divine life circulates among them that good never leaves any of them; they all continue to have what they provide to others.

In Christian accounts of the incarnation one finds this same sort of vision of community enjoined for the very purpose of ensuring mutual enjoyment of goods by the different parties (so to speak) making up Christ's person—his divinity and humanity. Without losing what God has, God becomes incarnate in Christ to provide *to* the humanity of Christ what God continues to enjoy: eternal life, for example. By way of the closest community with one another in the person of Christ, both the humanity and divinity of Christ come to enjoy, to benefit from, the same divine goods, the same divine wealth, one could say, of eternal life. The God incarnate in Christ does not lose divine life by providing it to, producing it within, Christ's own resurrected and glorified humanity; and the humanity of Christ cannot benefit from divine life alone, without the divinity of Christ, with which it is joined, continuing to enjoy it. To the contrary, this is a community designed from the very start just to produce mutual enjoyment.

And similarly with other human beings' enjoyment of what God offers to them in Christ. What God gives to one person by way of Christ God can also give to others. This is no zero-sum game; the very life of God can be distributed to all without any one coming to benefit at the expense of another. Indeed, the more that I am saved simply by God's free grace, the less I have reason to expect to be saved alone; mine becomes a destiny potentially shared with all others, irrespective of any difference in circumstance or in individual merits or demerits that might set us apart. What might lead me to question my own salvation is the limited character of God's mercy; the more I seem to be saved alone the more reason I have to question the generosity of God upon which I depend for my own salvation.

Now what are the multiple concerns of the Occupy Movement and how does this Christian vision of an economy of mutual benefit help make sense of them, help integrate them, bring them into a coherent picture of the problems we face as a nation? Among those multiple concerns, first of all, is a worry about democracy. The Occupy Movement is tapping into the suspicion that our democracy is not really of the people any more. Our chosen representatives are not working for us; we have little ability to influence policy in our own best interests through them. Democracy needs to be reconceived; and that's what Occupy's General Assemblies are—an experiment in a genuinely participatory democracy. The little hope that organizers have in the democratic polity we supposedly enjoy is one reason why this, unlike other movements for change, has no clear policy recommendations to make: it is not trying to influence the powers that be, but to empower people to take control of their own lives and come to their own decisions in the very process of constructing new forms of political life together.

A second major concern of the movement is wealth inequality, captured in the now famous slogan "we are the 99%," the 99% who don't seem to be benefiting economically from the present system, which favors the wealthiest 1% by way, for example, of current tax policy. In 1963 the top federal tax rate was 91%; today it is 35%. The tax on long-term capital gains—from selling stock, say—used to be 20%; now it is 15%. Whatever economic growth there has been over the last few decades seems to have gone disproportionately to those at the very top.

And clearly the movement is drawing a connection between wealth inequality and the failure of democracy: we don't live in a genuine democracy but in an oligarchy of the wealthy. Money buys influence given the current state of campaign finance law, especially after the recent Citizens United Supreme Court decisions, and given the extent of corporate lobbying in Washington.

A third major concern is the new economy of debt and risk management—finance—finance-dominated capitalism, concern about the financial crisis in 2008, about the government response to it and its aftermath, concern, for example, about the continued indebtedness of ordinary Americans, particularly of students forced to finance their educations through huge loans, backed by the government but at interest rates that don't seem to fully reflect those guarantees and that are therefore higher than need be.

This concern about the financial system is one galvanizing focus for the movement that helps in great part to bring together its other two concerns. Consider the slogan commonly chanted: "banks got bailed out, we got sold out." "Sold out" suggests we have been betrayed by the very people chosen to represent us. That banks got bailed out and we got sold out makes clear we don't live in a genuine democracy of the people. And it is also a prime example of the inequalities of a grossly inequitable sort that the movement protests. The slogan is pointing out what easily appears to be an outrageous inequality of treatment on the economic front: some people, little people, most of the people, still have to pay their debts when things go sour (when the housing market collapses and their homes are worth less than their mortgages), while powerful banks, their debts, are immediately "forgiven," despite the fact that it was their lax and sometimes even predatory lending practices that got us into this mess to begin with.

Now, how does coming at this whole complex of issues from a Christian point of view make a difference? I suggest that a Christian vision of an economy of mutual benefit helps put all these concerns together into a coherent picture, by leading one to ask whether there isn't some system of wealth production in place here—some underlying form of profit generation—giving rise to the wealth disparities. In light of that Christian economic vision, one should look at wealth inequalities and consider their original causes, the economic system that underlies and produces them to begin with. From the Christian point of view I just laid out it doesn't make sense to assume too quickly that the problem here is simply a failure to redistribute wealth—through more progressive taxation, say—that the problem here is that the wealthy don't pay their fair share in taxes. One is prompted by the Christian vision of a society of mutual benefit to ask what is creating the prior wealth disparities to begin with, before taxes come into the picture. In other words, mightn't there be some fundamental problem with the original system of distribution, some problem with the system of wealth creation (and not simply a problem with the processes for redistributing wealth from the already wealthy to the less well off)?

And here I think the finger can be pointed at finance-dominated capitalism, that third prong of the Occupy protest—for reasons I'll get to in a moment. Moreover, it's because the underlying system of profit generation is thereby so skewed, to benefit only a very small portion of the population, that it requires undemocratic trends in politics if it's to be put in place and held in place. So you now begin to see how everything hangs together!

In order for all this to make sense, one must be clear about the sort of wealth inequalities at issue here.[1] One isn't primarily talking about income gaps across the whole spectrum, say between the poor and the middle class, or between the educated and not so well educated—but specifically about the gap between the very wealthiest 1%—or even between the richest one tenth of a percent, even the richest one-hundredth of a percent—and everyone else—between the very top and *everyone* else (including the poor and the middle class, the educated and the uneducated). That's where the huge gap is—between the very top and everyone else. And it isn't the income or wealth disparity per se that is the primary issue but income and wealth *concentration* at the top. The worry isn't so much—or just—the fact that a CEO makes 400 times, say, what the employees of the company typically make, but that a disproportionate amount of the wealth to go around in that company is concentrated at the top, with everyone else making relatively little or no gains from profits generated. On the question of wealth concentration for the country as a whole, current figures are as high as the richest 1% holding 39-40% of the national wealth and 25% of the national income.[2] Quite an increase from the figures from 2007, *before* the financial crisis, which showed the top 1% holding 18% of the share of national income in any one year and 25% if counting capital gains from investments and dividends; the richest one in a thousand percent (.1%) holding over 12% of the national income; and the richest one in ten thousand percent (.01%) holding 6% of national income. The cumulative result of all this wealth concentration over the years is that the 1% of the population at the top of the economic pyramid now holds as much wealth as the rest of the population put together (or at least they hold as much as what 90% of the rest holds). Whatever the exact figures, the bottom line is that over the last 30 years the income and wealth of everyone else has been holding fairly steady, sometimes even declining, especially after the latest financial crisis, while the income and wealth of the top tier has been ballooning, multiplying several times over. The 99% are being left out, left behind.

A Christian vision of an alternative economy of mutual benefit makes one ask what sort of system for wealth generation this is in which 1% *can* make enormous wealth while everyone else stays standing in place. Clearly this is a system

1 See Jacob S. Hacker and Paul Pierson, *Winner-Take-All Politics: How Washington Made the Rich Richer—And Turner Its Back on the Middle Class* (New York: Simon and Schuster, 2010), chapter one, for more on the figures and analysis in this paragraph.

2 See Gary Dorrien, "The Case Against Wall Street," *Christian Century*, November 15, 2011, p.22.

for wealth generation that brings with it no impetus to spread the wealth to begin with, through, say, full employment at good wages, across the board.

And *what* system *are* we talking about here? I'd say—with the Occupy Movement and its third prong of protest—that it has everything to do with a finance-dominated form of capitalism.

In a finance-dominated form of capitalism, finance is not simply an instrument of production, providing needed loans for investment in equipment or to cover store inventories, for example. This sort of capitalism in which finance does not dominate is dependent for profit generation on increasing demand for goods and services produced. If there is no one with the money to buy those goods and services the whole economy is in trouble—finance included because the money to pay back loans to businesses is generated in the same way—ultimately through the profits generated from selling the goods and services produced by those companies. Just *because* it is dependent in this way on demand, capitalism, in which finance does not dominate, has an interest in widespread employment at wage levels permitting increased consumption, for all its tendencies to exploit labor wherever possible.

Finance can, however, separate itself from the production process and become a preferred means of profit generation in its own right—what I mean by finance-dominated capitalism. This happens when, for example, speculation on the ups and down of a currency becomes much more profitable than building and selling anything. Separated in such a fashion, finance's mechanisms for profit generation are no longer dependent on demand in the same way as before, and the link with widespread, well-paid employment is severed. Especially in financial trading that simply involves bets on the rise or fall in value of some asset or bets on the spread between assets, or financial trading that takes the form of arbitrage—in which money is made off of the inconsistent valuations of the same asset or financial product across different markets (e.g., the difference between what it will cost one to buy dollars in Britain and in Hong Kong)—there is an enormous amount of money to be made in finance even when, overall, economies are in very bad shape, with massive unemployment and high levels of even dire poverty. It doesn't matter what is going on in the "real" economy; there is as much money to be made in finance as ever.

Moreover, it is not simply that enormous amounts of money *can* be made by the few while everyone else is left behind and left out. It is quite possible to make money *off* their dire straits. In short, the exclusion of large numbers of people from economic wellbeing becomes *a source of profit* in finance-dominated capitalism. The subprime mortgage mess, for example, was aided and abetted by the fact of low-income folks that one could get higher than average mortgage interest rates from. The highest possible interest rate was important—even though it signaled that the risk of default on these loans was higher than average—because one intended to use financial derivatives to repackage the loans for sale to others. What attracted

those buyers was the higher than average interest rate and by bundling and selling the mortgages one fobbed the higher risk of default onto them in any case.

A similar effect occurs when the values and practices of finance became dominant in corporate culture, as they have over the past thirty years: profit and the hardship of others become directly linked. All that starts to matter is the quarterly increase in the share price of the stock of one's company and that number must be jacked up by every means possible—by cutting wages, firing employees, slashing benefits—even when none of that is particularly good for the long-term health of the enterprise. CEOs and other shareholders can cash out from rising stock values that are in this way often directly correlated with the worsening situation of the workforce. The financial finagling of private equity firms can produce similar results: companies are often targeted for hostile takeover when their assets individually are worth more than their stock valuation; money for investors can be made quickly in such a case simply by selling off those companies' assets, with obviously dire consequences for the health of otherwise profitable businesses and their workforces. Takeovers like this are often financed by borrowing and these debts then appear on the balance sheets of the acquired companies, increasing the companies' expenses and forcing even further wage, benefit, and workforce cuts, if these companies are to stay in business.

National priorities that favor finance are another case in point—where financial profit seems to be based on, even to require the worsening condition of the real economy. The economic circumstances that help maintain the value of loans—say, low inflation and high interest rates—are often the very things that depress economic growth. Similarly, economic measures that make it more likely that a country will be able to pay back its creditors are not conducive to economic growth. If countries in debt to foreign creditors are going to be able to pay back those loans, these countries need to amass foreign reserves—say, by buying up US treasuries that pay low interest even when that money might be better used on investment in their own countries. Or these countries must increase their ratio of exports to imports to raise foreign reserves even when that means depressing their domestic economies and decreasing thereby the spending power of their own populations in order to do so. The international financial community has often tried to keep countries from deflating their currencies to make their exports more attractive even though export-driven growth might be the only way for these countries to stimulate their economies—because deflating their currencies raises the chance of default on foreign loans. Even when countries aren't in debt to foreign creditors, governments more worried about having the money to pay back their creditors than being able to spur growth will slash budgets and raise taxes; such austerity measures are simply a recipe for worsening recession. A scenario like this has been playing out in Europe for some time now.

Finally, financial derivatives are typically ways of making money off of volatility in asset prices—they are often just forms of betting on these ups and downs of the stock market. And volatility of all these sorts can be directly correlated with economic distress on the part of companies and working people. It's very hard to do business, for example, when commodity prices and currency values across all the markets one's company does business in are swinging wildly from day to day—any of those swings can spell ruin. No one with a private retirement plan needs to be reminded about the hardships that stock market swings can portend. And the difficulties that fluctuations in oil and food prices represent for whole populations are equally obvious. But without volatility of these sorts there is simply no money to be made in financial derivatives—indeed, the bigger the swings the better—since derivatives often just involve betting on those swings.

One might argue, to the contrary, that derivatives are designed to help people cope with these swings. Derivatives provide companies, for example, with ways of hedging against the hardships that volatility can bring. If an airline is afraid that the price of jet fuel will go up, that airline can contract for the option of buying jet fuel at a certain price in future; if that target price proves wrong and the price of jet fuel when the time rolls around is lower, one can simply not exercise the option and one will have lost only what one paid for the contract. Or one might argue that derivatives help bring volatility down, for example by signaling to market participants what those investing in derivatives think an asset it likely to be worth in future. But there is plenty of evidence to suggest that derivatives, rather than deflating the costs of volatility or bringing volatility down, serve instead to foment the very volatility they promise to protect market participants from, and eventually in so doing, produce some of the wildest swings—from boom to complete bust. The derivatives that repackaged mortgages worked in that way, with that result. The market for those derivatives helped propel the mortgage market for risky loans; and that easy credit to even high-risk borrowers helped inflate housing prices—anybody could get a house, demand surged—which prompted more people to build houses and more people to refinance and take out bigger second mortgages and get further into debt. And then the whole thing collapsed when the rising price of housing became more than people could afford and the glut of new houses on the market eventually surpassed demand. Kaboom! More simply, betting on the decline (or upswing in value) of some asset—when a lot of people follow your lead and do the very same thing, as typically happens in financial markets—produces the very decline (or upswing) predicted and much more of one than would otherwise be justified by the underlying problem with the asset (or favorable news about it) that got anyone to bet that way to begin with.

Now if this is the sort of economy we have, one that works to the disadvantage of the majority of the people, one has got to be worried about democracy. Wealthy interests benefiting from such an economic system would have every reason to use their money to take control of the reins of democratic government; and, once they gain that control, to use the powers of government to squelch dissent and the potential social unrest that an economic system like this could very well help to instigate. In short, wealthy interests would have every reason, if given the chance, to push democracy in highly undemocratic directions.

One might indeed be led to ask an even more fundamental question: if an economic system dominated by finance is not good for so many people how could it have been set up and how could it continue to be sustained *in* a democracy? And the easy answer is that this is all happening because we don't *live* in a very genuine

or vibrant democracy. An economic system like this that disadvantages so many people could not be helped into place by government action and inaction—for example, by Congress' repeal of Glass-Steagall (which separated commercial from investment banking) or by Congress' passing of the Commodity Futures Modernization Act in 2000 which for all intents and purposes prohibited regulation of derivatives—and such a system couldn't be *kept* in place, if our political system really were in the business of serving the will of the people. Calls of distress by the vast majority of the people are not being heeded in Washington, while the demands of those with money are being heard loud and clear—their money is obviously not just concentrating wealth but concentrating political power. The public and the media are distracted by elections and can't seem to focus on policy debates once the elections are over; there is so much obfuscation out there about what's at the root of our economic problems—too much regulation, not enough—and very little lively, and informed public discussion of the issues, which anyone pays any attention to, when policy is being made in Washington. And that's the beauty of the Occupy Movement. It has helped open people's eyes, gotten them to wake up,. It has changed the national conversation in ways that might enliven our public discourse and help move our democracy in more genuinely and broadly participatory directions.

So there you have it: my perspective on the concerns of the Occupy Movement, and what they have to do with one another, from a Christian standpoint. This is how I make sense of the movement as a theologian; this is the sort of contribution I'd like to make to the discussion from a Christian theological vantage point. And I hope this has all made some sense to you!