MODERN SOVEREIGNTY IN QUESTION: THEOLOGY, DEMOCRACY AND CAPITALISM

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Introduction

If one is to believe much of recent international relations theory, the modern model of national state sovereignty is under threat from the “post-modern” forces of transnational globalisation. But if “post-modernity” is an intensification of certain modern ideas rather than a new phase of history, perhaps it is then also the case that the sovereign state and the global market are not fundamentally opposed. In turn, this raises wider questions about the nature of sovereignty in relation to the logic of modernity.

This article will examine modern sovereignty from a double perspective. At the level of theory, it will focus on the fusion of the late medieval, nominalist dialectic between “the one” and “the many” (the sovereign and the people) and the early modern, “biopolitical” conception of power (applying political power to all aspects of human life). Taken together, they constitute the conceptual foundation of modern sovereignty (sections 1–2). At the practical level, the article will focus on the joint emergence of the modern state and the modern market and the religion-democracy-capitalism nexus. The modern state and the “free market” redefine the sacred and this helps explain why secular liberal democracy and modern free-market capitalism operate as “quasi-religions” that undermine and supplant the real religions binding together communities of faith (sections 3–4).

As such, my thesis is that post-medieval political and economic thought tends to subordinate the sanctity of life and land to the secular sacrality of the
state and the market on which secular liberal democracy and modern free-market capitalism are based. If this is true, then the task for Christian theology is not to embrace a particular mode of democratic governance or capitalist economy but rather to advance models that uphold the sacred character of life against what Pope John Paul II called the “culture of death”. The theologically most significant recent example of “economic democracy” is Pope Benedict XVI’s call for a civil economy in his recent encyclical Caritas in veritate (section 5).

In part, my argument draws on recent interventions in the ongoing debate about the modern and the “post-modern”. For instance, in his book We Have Never Been Modern the French philosopher of science Bruno Latour rejects the notion that there was an absolute, irreversible break in history that gave rise to a coherent system of ideas and institutions which we commonly call “modernity”. Instead, Latour identifies an irreducible aporia between human artifice and unalterable nature at the heart of modern thought and practice. I will argue that this is in part a legacy of the late Middle Ages which underpins early and later modern conceptions as well as practices of state sovereignty and market relations, notably the imposition of an artificial and sovereign order on the violent and anarchic “state of nature”.

Beyond Latour (and also Foucault’s work on modern “biopolitics”), my argument is that a properly figured Christian theology provides an alternative vision that views the state and market as embedded in the network of organic human, social and natural relations which constitute the divinely created cosmos. By promoting forms of political organisation and economic activity that uphold the sanctity of life and provide integral development for all, Christianity outflanks the modern nominalist poles of “the one” linked with the right and “the many” linked with the left on which the quasi-sacrality of the modern “market-state” is predicated.

This article does not provide an overview of all models of sovereignty in the modern era. Rather, it attempts to show how certain theological and philosophical ideas shaped the conception and institution of modern sovereign power, just as changes in political and economic conditions led to changes in theology and philosophy. The thematic focus on democracy and capitalism serves to illustrate, first of all, the importance of theological structures of thought and practice for modern politics and economics (e.g. Adam Smith and Karl Marx), and, secondly, the mutual, inextricable interaction of ideational and material factors in explaining historical and contemporary transformations of politics and economics. On this basis, I hope to make a contribution to the emerging area of economic theology.

1. Dialectic of Modernity

We are in the midst of another “revolution in sovereignty”. The modern revolutions that replaced medieval monarchical absolutism and feudalism
with parliamentary democracy and capitalism were a reaction against the transnational sovereignty of the papacy and the Christian empires in both the Latin West and the Byzantine East. As such, modernity seems coterminous with sovereign national states that claim exclusive authority over populations and territories. Over the last thirty years or so, this model of national state sovereignty has been under attack from the forces of international law, multinational corporations, supranational organisations and the global economy. Therefore, the late modern revolution of globalisation appears to have changed profoundly and perhaps even irreversibly the exercise of modern sovereign power.

Leaving aside the anachronistic depiction of the Middle Ages in terms of feudalism and the divine right of kings, a different reading of international relations and political economy suggests that the tension between the national and the transnational is internal to modernity itself. For the capitalist system, which like the national state is modern and not medieval, has favoured international open markets and the free movement of capital across borders. At the same time, the modern state could only assert itself against rival forms of political organisation by promoting financial expansion and new models of economic accumulation. From its early modern inception in the city-states of Northern Italy in the fourteenth century, transnational finance capitalism has been essential to the destruction of old medieval regimes and the creation of increasingly modern models of governance. So rather than being diametrically opposed, the transnational reinforces the national subordination of the local under the universal. Just as territorial states and de-territorial finance absorbed autonomous local economies in the modern era, so now national governments and multinational corporations promote a global economy that increasingly abstracts from locality by uprooting markets from the cooperative fabric of human relations and associations.

This is not to say that modern state sovereignty has remained unchanged in the face of the current phase of globalisation. On the contrary, the fusion of economics and politics—which is apparent throughout the modern age—now extends beyond geographical boundaries more than ever before, as national states are increasingly integrated into a transnational system of power (of which multinational corporations and supranational institutions such as the World Trade Organization are key parts). Yet for precisely that reason, the state—the executive branch of government—remains central to the exercise of sovereignty. Analogous to Max Weber’s concept of a monopoly on the legitimate use of physical force that is characteristic of modern statehood, at present states retain the prerogative to enforce international agreements, laws and regulations within their mutually exclusive jurisdictions. As such, globalisation does not so much undermine state sovereignty as it extends the national subsumption of the local to the global.

But one can even go further than this. The fundamental difference in relation to rival models of sovereignty is surely between the modern and the
pre-modern, and not between the modern and the “post-modern”. In late antiquity and much of the Middle Ages, political power tended to be seen as a divine gift of grace, mediated to human beings via both natural and scriptural revelation and properly received through man’s creative perfection of nature in which God’s goodness is intimated (Augustine). The telos of politics was to re-actualise the just and harmonious ordering of God’s original creation within the polity (Aquinas). As a result of overlapping jurisdictions and a complex web of intermediary associations such as guilds and fraternities, political sovereignty tended to be dispersed and diffused.

Modernity, by contrast, emphasises God’s absolute omnipotence and the absence of any trace of divine goodness in the natural world (Ockham). The function of politics is to impose an artificial order on the irreducible violence of nature, based either upon a social contract (Hobbes and Locke) or upon pre-contractual, mutually balancing passions and moral sentiments (Hume and Smith). By establishing the pre-eminence of the state over the church and the mediating institutions of civil society, political sovereignty becomes increasingly centralised and concentrated.

Conceptually, modernity fuses the juridical-constitutional model of supreme state authority (vis-à-vis the Christian empires, the papacy and the national churches) with a new, “biopolitical” account of power whereby natural life itself and the living body of the individual are now the object of politics and are subject to state authority and control. Because it views life as fundamentally violent (Hobbes’s state of nature) and void of any transcendent finality (from Newton’s physics to Darwin’s biology), modern “biopolitics” restricts the church to care for peoples’ souls. Their physical bodies are handed over to the state and, increasingly, the market. In practice, modern sovereign power takes the form of coercion for the purposes of what Michel Foucault calls the subjective individualisation of “each” (singulatim) and the objective totalisation of “all” (omnes). By this, he refers to the state’s dual control of human beings as bare individuals (rather than integral members of communities) and of society as a uniform collective—rather than a social and political body that blends communality with individuation. On this basis, Foucault exposes the falsity of the myth that modernity is wholly progressive and that it replaced medieval monism with a new pluralism secured by the authority of the national state and the freedom of the transnational market.

Foucault’s distinction of “all” and “every single one” (omnes et singulatim) is significant for the question of sovereignty on another account. The mutually reinforcing tendency of the state to reduce human beings to bare individuals and subject them to uniformising practices by creating and expanding centralised medical, educational and penal institutions indicates that the duality between the individual and the collective is also internal to the logic of modernity. Here one can suggest that modern sovereign power is even more problematic than Foucault suspected. For the modern state and the market weakened the mediation of “the few” at the local level in favour
of “the one” at the sovereign centre and “the many” linked by a social contract or collective unity. In the long and uneven process of modernisation, intermediary institutions were progressively stripped of their autonomy and their cooperative fraternity with other intermediary institutions within and across imperial and national borders. Henceforth, localities and their constituent bodies became increasingly dependent on a single sovereign and entered into rivalry with other associations—beginning with the competition between merchants and bankers that led to frequent war between the Italian city-states of Genoa, Florence, Venice and Milan in the fourteenth and the fifteenth century.14

Since modern states and markets asserted their unitary sovereign power over and against both universal religious bodies and local self-organisation, the double duality of the modern (individual-collective and national-transnational) can therefore be said to be inscribed into a wider dialectic between “the one” and “the many”. Both these poles are “nominalist” in the sense that they deny primary relations between the ruler and the ruled based on the ontological reality of a universal common good in which all can share by participating in mediating institutions (rather than relations based either on a social contract or on pre-rational moral sentiments).15 Since these nominalist poles and the spectrum of possibilities which they contain tend to privilege abstract individuality over embodied communality, it is now possible to suggest that other foundational categories of modern politics and international relations are also linked from the outset to this dialectic of “the one” and the “many”. The “left” and the “right”, “liberals” and “conservatives”, “the private” and “public” or “authoritarianism” and “democracy” have all been defined in terms of either unity or diversity, but without any reference to the primary relations that characterize the natural and the human realm.16 In other words, modernity defines itself in term of a closed and purely immanent formalism that denies symbolic intimations of abiding truths and hierarchical values and thereby diminishes reality in all its mysterious depth.

As a result of this formalism, the distinction affirmed in each of these categories risks collapsing into a purely nominal difference. In practice, all the modern conceptual dualities tend at some point to dissolve and enter a zone of “in-distinction” where nominal differences remain in place but where real distinctions disappear. “Left” and “right”, “democracy” and “authoritarianism”, or “state” and “market” can converge and collude at the expense of genuine alternatives. For example, the formal continuation and even expansion of democratic rule is entirely compatible with an accelerating decline in popular participation and a growing concentration of power in the hands of old elites and new classes which serve the interests of corporate business at the expense of the wider public good.17 In the words of Sheldon Wolin, this marks “the political coming of age of corporate power and the political demobilization of the citizenry”,18 whereby democracy becomes increasingly managed and flips over into something like “inverted totalitarianism”.

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What is in question, then, is the nominalist and formalist underpinning of modern politics and the sovereign power of the modern state and market. As I argue in the following section, the conceptual origins of nominalism and formalism can be traced to the late medieval theology and philosophy of William of Ockham and the work of influential modern thinkers such as Francisco Suárez and Thomas Hobbes.

2. The Theological Foundations of Modern Sovereignty: Ockham, Suárez and Hobbes

It has been suggested by a growing number of scholars that the transition from the Middle Ages to the modern era was the product of a series of shifts within Christian theology in the late thirteenth and the early fourteenth century, notably the move from metaphysical realism and intellectualism to nominalism and voluntarism. In this section, I will chart a brief genealogical account of sovereignty from Ockham via Suárez to Hobbes. The aim is not to provide a comprehensive discussion of their works but rather to highlight the link between their writings and explore the impact of changes in theological ideas and political conditions on conceptions and practices of sovereign power.

2.1. Ockham

With John Duns Scotus (c. 1265–1308) and William of Ockham (c. 1288–1348), the dominant patristic and medieval theory that the universe is created by divine ideas in God’s mind (intellectualism) and that transcendent universals are present in particular things (realism) was gradually replaced with the belief that God’s will is the ultimate principle of being (voluntarism) and that universals are merely mental concepts or names (nominalism). Taken together, nominalism and voluntarism transform the status of being and the meaning of power which are essential for the concept of sovereignty.

By rejecting Aquinas’s account of analogical being in favour of univocal being, Scotus elevates a neutral category over the distinction between Creator and creation and effectively erases the ontological and analogically mediated difference between the infinite God and finite beings. Since all beings share the same substance of which the Creator has more and creation has less, univocal being is now the ground of all existence and created objects can be known without reference to God. Likewise, by denying the reality of transcendent universals in immanent things, Ockham restricts human knowledge of divine self-revelation in the world to uncertain intuition and experience. And by subordinating divine intellect to divine will, he also separates God’s volition from the incarnate logos and natural law. The combined result of univocal being and the unreality of universals is to introduce a split between Creator and creation and to privilege divine intervention in the world through God’s omnipotent will at the expense of nature infused by
divine grace and wisdom (as for much of patristic and medieval theology). Ockham’s nominalist and voluntarist theology is of special significance for the genesis of the dominant modern model of sovereign power because it establishes the primacy of the individual over the universal and posits a radical separation between the infinite eternal and the finite temporal “realm”, which provides the foundation for state supremacy vis-à-vis the church and all other institutions within the temporal-spatial realm of the saeculum.

First, Ockham views God’s absolute, unmediated power (*potentia Dei absoluta*) as that which keeps all beings in separate existence, without any unifying bond of being. Based on this ontological priority of the individual, Ockham denies the reality of universals in things and limits universality to concepts in the mind alone. Universals are mental names (*nomina mentalia*) of concepts and not real “things” in actually existing beings. Individuality is an essential property that belongs to a thing immediately and intrinsically — not in virtue of any relation with anything else. He holds that existence and essence are merely nominal distinctions, for otherwise *potentia Dei absoluta* could maintain both separately in being. As the noun and the verb of the same thing, *res* and *esse* have identical signification. The whole of reality is radically singular and as such cannot communicate anything at all: “[. . .] there is nothing in [any two individuals] that is one and the same: whatever is in one simply and absolutely of itself is not something that exists in another”. Both the Creator and his creation have being, but for Ockham this warrants neither Augustine’s definition of God as the highest being in which all other beings share nor Aquinas’s divine act of being that brings all things into existence and makes them what they are. Instead, Ockham’s nominalist ontology posits a strict duality between the one sovereign omnipotent God and the individual many.

The reason for this “ontological individualism” is of course theological. Ockham contends that after the Fall there is no metaphysical link between God and the world. This absence of primary relations extends to all beings within creation. Different beings can be called animals, not because they participate in a really existing universal called “animality” or “animal-ness”, but because their individual essences exhibit a certain similarity that can be described by the mind as a universal. This similarity is generic (for all animals) or specific (for all humans), but in either case no primary, ontological relation pertains between individual beings. Besides the individuality of each and everything, there is only the overriding absolute power of God’s seemingly arbitrary will. In the post-lapsarian world, God grants humans two powers: to designate those who rule and to appropriate only individual (rather than also communal) property. In this way, he lays the theological and philosophical foundations for the primacy of the individual over the universal in which all can participate. Any form of commonality is now based on individual power and not on a shared divine gift of being.
Second, Ockham’s political thought largely mirrors his ontology. Secular authority comes from God via the people. As such, he fuses elements of hieronic sovereignty (power descending from above) with elements of popular sovereignty (power ascending from below). Nevertheless Ockham, like his fellow secularists and their papist opponents, argues for the unity of governmental rule. A single monarchy is the most appropriate regime because it combines the unity of “the sovereign one” with the freedom of “the many” who are born as individuals and who are invested with the power of designating their ruler. In principle, secular sovereignty is not absolute, as the monarch can be legitimately corrected or deposed. Likewise, the empire is not a unitary state but instead accommodates kingdoms, dukedoms and autonomous groups.

However, in practice, the emperor rules over the entire temporal sphere, and the common good which he has the obligation to defend tends to serve the interests of the state against the transnational papacy and the national church. The reason is that for Ockham, church authority comes from Christ and his apostles who all refused to have any civil jurisdiction or political power. As such, the church has no legitimate temporal power in her own right. Ockham, like Marsilius of Padua (c. 1270–1342), argues that whenever the pope or the clergy exercise temporal jurisdiction, they can only do so by the will of the people. In effect, it is the monarch’s God-given duty to defend the independence of temporal realm vis-à-vis the papacy and the church. By contrast, Aquinas develops a more mediated account of papal plenitudo potestatis in the political sphere. Ockham equates the temporal sphere with coercive jurisdiction which is a monopoly of the state. In consequence, ecclesiastical sentences based on papal and clerical authority have no legal force without the sanction of the secular authorities.

In the name of individual freedom and monarchical sovereign power, ecclesiastical power is subordinated to the state and the authority of the papacy is curtailed. (On Ockham’s advice, King Louis of Bavaria used this argument to limit the imperial jurisdiction of the papacy in his dispute with Pope John XXII.) As a result, state sovereignty is no longer framed by the church, and religious limits on secular power are progressively loosened. As Janet Coleman concludes, the consequence is that

secular politics not only has its own process of self-correction, but that it is independent of ecclesial power [...]. Because the temporal sphere is imperfect, he [Ockham] argued that secular sovereignty, once established, could be legitimate even when “absolute”, in that there need not be regular participation of the people in government, nor need there be institutions to restrain the power of kings.

Ockham’s political philosophy is therefore governed by the unilateral link between “the sovereign one” and “the many”, as reflected in the primacy of the individual over the universal and the supremacy of the state over the
church. These ideas tend to remove religious limits on secular politics and to legitimate the *de facto* absolute power of monarchs. Since the temporal realm is monopolised by the state at the expense of the church and other intermediary institutions that mediate the vision of a substantive common good as partaking of the highest good in God, Ockham’s account of popular sovereignty cannot prevent monarchical absolutism.

2.2. Suárez
Like Ockham, the influential sixteenth-century theologian Francisco Suárez (1548–1616) rejects the doctrine of the divine right of kings but his alternative is no less secular in nature. Key to his account of power is the argument that political authority and legitimacy must be grounded in reason, revelation and popular sovereignty. In this sense, Suárez does not embrace Ockham’s ontological nominalism. However, his formalist conception of the political community also eliminates primary relations between the people and the sovereign and ultimately shifts power irreversibly from “the many” to “the one”. According to Suárez, imperial decrees are only binding insofar as they correspond to the exigencies of reason and the truth of revelation. Likewise, sovereignty emanates from the people:

*...* [this legislative power, viewed solely according to the nature of things, resides not in any individual man but rather in the whole body of humankind [. . .]. In the nature of things all men are born free, so that, consequently, no person has political jurisdiction over another person, even as no person has dominion over another. Nor is there any reason why such power should [simply] in the nature of things be attributed to certain persons over certain other persons, rather than vice-versa.*

In other words, sovereignty is grounded in the social and political body composed of free individuals. The unity of the “body politic” is neither the result of arbitrary divine intervention nor the product of a social contract but rather the outcome of an original investment of the people with the power that is from God (*potestas a deo*). Suárez, not unlike Ockham, argues that the authority and legitimacy of the monarch derives exclusively from this divine gift of power to the people and not directly from God’s unilateral sanction. So by locating the source of monarchical power in popular sovereignty, Suárez rejects the secular doctrine of the divine right of kings.

Even though Suárez avoids Ockham’s ontological nominalism, his own metaphysics is equally problematic because it eschews the shared patristic and medieval Neo-Platonic idea of a hierarchical ordering of the universe and the polity in favour of a modern formalistic account of popular unity. Without any degrees of being or goodness, the created order tends to dissolve into a flattened whole. Lacking in differentiation and in individuation, the people constitute a “single mystical body” (*unum corpus mysticum*)—a purely human unity that is prior to the *ecclesia*, the universal Church founded upon...
the Body of Christ. For this reason, Suárez effectively secularises the joint patristic and medieval vision of the *corpus mysticum* as the highest community on earth—the profound and permanent spiritual union within the Church in the reciprocal love of the Holy Spirit, as Saint Paul put it (Eph. 4:16, 5:27; Rom. 5:5).

Whereas Aquinas draws a real distinction between the theological community of the *corpus mysticum* and the secular realm of political governance, Suárez posits a formal distinction within a real identity. In other words, the theological body is conflated with the secular body and the mystical body now denotes principally the population and not the ecclesial community. In consequence, the natural organic unity of the social body takes precedence over the supernatural spiritual unity of the theological body (which for Aquinas is mediated to the created world through divinely infused grace). As a result, the operation of the *corpus mysticum* is severed from God’s act of being and the purely natural realm is sundered from God. Sovereignty is therefore defined as a one-off, unilateral transfer of power from God to the world and not as a continuous, reciprocal—though asymmetrical—primary relation between the Creator and his creation.

The work of Suárez has two consequences for the conception of modern sovereignty. First of all, the mystical community as a political body is cut off from the divine act of being and from God’s infused grace. This is because the operation of the human secular sphere is independent of divine activity and instead dependent upon the sovereign “will of all who were assembled therein [in the community]”. Secondly, the political community is not unified and sustained by any collective “drive” to the supernatural, as it is in Aquinas’s account of *corpus mysticum*. Likewise, the priority of the organic body over the political body implies that the “state of nature” is somehow apolitical because politics is no longer an integral part of human activity but rather the exclusive realm of sovereign state power (as for Ockham).

The constitution of a common polity is in some fundamental sense counter-natural and as such involves alienation (*alienatio*). The reason is that the formation of political communities and the transfer of sovereignty from the people to the ruler are irreversible and entail the abandonment (*largitio*) of power (Aquinas, by contrast, insists that proper political rule involves some measure of popular assent and involvement and that tyrants can legitimately be overthrown). And since that transfer is irreversible, the constitution of a political community embodies the permanent alienation of its constituents: “Even though the king has received his authority from the people by donation or contract, the people is no longer entitled to strip the king of it nor to reclaim its freedom”, for this would be an illegitimate usurpation. In short, permanent alienation and the irretrievable abandonment of popular power constitute the ultimate basis for monarchical sovereignty.

There is thus a paradox at the heart of Suárez’s conception of sovereign power. On the one hand, he opposes the divine right of kings in the name of
popular sovereignty. But on the other hand, he reinforces Ockham’s case for a unilateral transfer of power from the people to the monarch by arguing that this transfer is necessarily irrevocable. The account of sovereignty in terms of popular power uniquely bestowed by God and uniquely transferred to the sovereign amounts to a theological defence of secular authority over the entire citizenry that is characteristic of the modern state. In contrast to Aquinas’s distinction between the church as corpus mysticum and the state as “body politic”, Suárez’s conception of the population as a “single mystical body” replaces the patristic and medieval primacy of the ecclesial community over the state with the early modern supremacy of the state over the people. Though Suárez rejects the divine right of kings, he emphasizes absolute state sovereignty and the primacy of the governing king over the church. This provides the conceptual basis for the sacralisation of the state.39

2.3. Hobbes
By claiming that individuality precedes and grounds communality, both Ockham and Suárez strengthen the role of “the one” and “the many” at the expense of “the few”. As such, late medieval and early modern theology conceptualises the dialectic of the individual and the collective that frames the dominant modern model of sovereignty.40 Ockham’s nominalist and voluntarist theology is central to the emergence of “biopolitics” for at least two reasons. First, the erasure of God from the perceptible universe negates the patristic and medieval idea that even after the Fall the biblical primacy of divinely created peace over human violence is dimly reflected in the structures of the natural and the social realm.41 Second, it establishes the primacy of God’s absolute power (which is fideistically believed) over the divine ordering of the universe (which is mediated through natural law). That the thought of Thomas Hobbes (1588–1679) is deeply indebted to late medieval nominalism and voluntarism is clear from his emphasis in the Leviathan on will and artifice rather than reason and nature as the foundational categories of political philosophy. Moreover, Hobbes’ epistemological scepticism leads him to argue that human reasoning cannot provide natural knowledge of supernatural ends in God. Instead, the nominalist denial of real universals in particulars and the voluntarist account of both divine and human nature—taken together—suggest that individuality is more fundamental than communality. These two philosophical commitments also underpin his claim that modern, centralised authority of the “sovereign one” is more clearly compatible with the individual freedom of “the many” than the medieval idea of the rule by “the few” who know.42

Even more clearly than Ockham and Suárez, Hobbes links potentia Dei absoluta to sovereignty. First of all, the denial of real universals means that both God and the created structures of the world remain hidden from human cognition. We cannot know the world as it really is. All that we experience are the effects of the world upon our passions and our intellect. In line with
certain strands of Calvinist theology, Hobbes believes that the post-lapsarian condition is one of permanent violence. In the “state of nature,” life is “solitary, poor, nasty, brutish, and short” because “man is a wolf to man” (homo homini lupus) and there is a “war of all against all” (bellum omnium contra omnes). Even if this original threat of violent death does not describe an epoch in history but instead constitutes a principle that is internal to the state (evident only at the hypothetical moment of its dissolution), it remains the case that Hobbes’s acceptance of a nominalist ontology leads him to posit violence as more fundamental to life than peace.

Second, since he assumes a natural state of disorder that cannot be overcome (because no other knowledge of the world is available to us), Hobbes can only imagine the imposition of an artificial order—the commonwealth—that merely regulates the violence of life (rather than resolving violence through peace by way of the creative perfection of a more fundamental natural, created order—as for Augustine or Aquinas). Even though Hobbes distinguishes the commonwealth by free, contractual institution from the commonwealth by forceful, violent acquisition, in either case the sovereign has supreme power to “give life” or to withdraw it from his subjects. Similarly, obedience to the sovereign is always for fear of a violent death.

Third, since man is driven by fear of violent death and self-interested self-preservation, peace (or rather the absence of open conflict) can only be enforced through the absolute authority of the Leviathan. Beyond Ockham and Suárez, Hobbes’s commonwealth does not just elevate the state over the church but also subjects the multiplicity of the people to a uniform social contract that purports to be their single will:

A multitude of men, are made one person, when they are by one man, or one person, represented; so that it be done with the consent of every one of that multitude in particular. For it is the unity of representer, not the unity of the represented, that maketh the person one.

As such, the “sovereign one” embodies the unity of “the many”, without however offering a genuine body politic that upholds its members qua members of a transcendent whole.

Fourth, because we cannot know any alternative natural order either through reason or faith, human beings are compelled to submit obediently to the supreme sovereignty of the Leviathan. Once more, it is divine omnipotence that legitimates this arrangement and sanctifies the extension of central power to all realms of life and to the preservation or extinction of individual existences. Here we can clearly see the modern “biopolitical” imperative. Finally, the absence of a proper body politic also explains how Hobbes’s nominalist ontology (and anthropology) leads him to view man as nothing but an owner of himself, an individual who does not stand in relations of mutuality or reciprocity with fellow human beings. As a result, Hobbes tends to define social relations in proprietary terms, largely independent of com-
municipal bonds governed by substantive values of peace and justice. Such values are unavailable to Hobbes because his nominalist denial of real universals in the world commits him to rely on fear and domination in order to impose an artificial order on mutually distrustful citizens.

In summary, without an account of a transcendent Good that orders all immanent things, Hobbes can only appeal to the unitary power of the Leviathan who exercises absolute control through fear and submission. Justice no longer denotes the harmonious ordering of real relations amongst members of the body politic (as it does for Augustine and Aquinas), but is reduced to contractual obligation. As such, the omnipotent Leviathan and “sovereign market relations” enforce the coexistence of individual, rival “self-proprietors”. In Hobbes, the modern model of state and market sovereignty begins to converge and to form the nominalist horizon that encompasses the modern dialectic between “the one” and “the many”. It is within this nominalist horizon that politics becomes “biopolitics” and that sovereign power is redefined as dominion over life.

3. State and Market Sovereignty in the Modern Epoch: A Brief Genealogical Account

In this and the following section, I relate the theoretical analysis of modern sovereignty in terms of nominalist “biopolitics” to the practical analysis of the state and the market and also the link between secular liberal democracy and late modern capitalism. I provide a brief theological genealogy of the modern model of political and economic sovereignty. My argument is that this model was never limited to state authority or national self-determination. Instead, by encompassing the system of inter-state relations and cross-border economic exchange, modern sovereignty was always political and legal as well as economic. Moreover, this model subsumed the individual and the communal under a system of power distribution divided between national state authority and transnational market activity. The conception and institution of this modern model of sovereignty was the product of three revolutions that were to some considerable extent shaped by theological concepts and changes in religious institutions and practices, just as those ideas and customs were influenced by political, social and economic factors.

First, the long and uneven transition from the Middle Ages to early modernity gradually replaced the late medieval pluriverse of horizontal and overlapping relationships with a new “power vertical” of absolutist monarchs who commanded unprecedented fiscal control and military might. In the words of Charles Tilly, “[w]ar made the state, and the state made war”. The reason for the centrality of warfare was both theological and political: the states that emerged after the demise of medieval Christendom sought to establish their sovereign authority against the transnational papacy (as in the previously mentioned case of King Louis of Bavaria who was advised by

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Ockham). By appealing to the secular doctrine of the divine right of kings, other early modern monarchs like James VI of Scotland (James I of England) sought to accrue what they saw as their god-given power and legitimacy.50 The state sovereignty of monarchical absolutism was grounded in a curtailing of national ecclesial and transnational papal power.

Early modern relations of centralized authority and territorial jurisdiction produced a variety of distinct yet related models of the sovereign national state and the sovereign market. In spite of significant differences, absolutist sovereignty in France and proto-capitalist sovereignty in England were both part of a shift from a more diffuse to a more unitary form of sovereign power—abstract standards such as formal rights and proprietary relations based on the monarch and the market. As a number of Marxist historians like Fernand Braudel, Perry Anderson, Robert Brenner, Charles Tilly and Giovanni Arrighi have argued, national state creation and the emergence of capitalist economies were linked from the outset. Indeed, the early modern revolution in sovereignty gave rise to what has been described as “the two interdependent master processes of the [modern] era: the creation of a system of national states and the formation of a worldwide capitalist system”.51 But since Marxism tends to endorse some variant of historical materialism, it ignores both the nature of pre-modern modes and the interaction between theological ideas or religious practices and other ideational and material factors in the formation of modern arrangements. The modern revolution in sovereignty was not a passage from ossified feudalism to oppressive absolutism, as Susan Reynolds and other historians have documented.52 Much rather, the high and late Middle Ages are more accurately described in terms of a “complex space” and a dynamic order in which sovereign relations of authority were multilateral and reciprocal among a vast array of institutions and groups—including the church, the local city-state, professional guilds, trans-national monastic orders, cross-border trading networks and agrarian communities.53 The mark of (early) modern models of sovereignty is that political power tended to be more centralised and economic power more concentrated than in the late medieval period.

The second revolution in sovereignty was properly modern and no less theological than the first. Long before the Peace of Westphalia in 1648, it was the fall of the “Byzantine Commonwealth” in 1453 and the rise of the Protestant Reformation in the early sixteenth century which destroyed the remnants of late medieval Christendom in East and West and heralded the advent of modern international relations.54 The Peace of Augsburg in 1555 granted monarchs and their vassals a formal power monopoly at the expense of the supranational papacy and a transnational network of monastic orders and local churches. Henceforth, sovereignty was largely secularised and came to denote the supreme authority over territory, population, social relations and property. By codifying the principle “cuius regio, eius religio” (in the Prince’s land, the Prince’s religion), it was national princes who politicised
faith and rejected the universalism of the Roman Catholic and the Orthodox Church.

Reinforced by the Peace of Westphalia, the separation of religion from politics and the concomitant idea of national self-determination subordinated the church to the state. In so doing, it elevated popular sovereignty over above divine sovereignty as mediated in and through the ecclesiastical body (a fundamental shift first conceptualised by Francisco Suárez, as I have suggested). This modern revolution in sovereignty culminated in the Peace of Utrecht in 1713, when Britain abandoned military-mercantilist interventionism in favour of an imperial power balance. Unlike the protectionist policies of mercantilism, the new approach extended the reach of capital across the world through non-reciprocal commodities trade because it was based on agrarian capitalism that financed naval supremacy through surplus extraction and tax-collection.

Coupled with the end of monarchical absolutism and the passage to sovereign parliamentarianism, this shift in British foreign policy inaugurated the modern system of international relations. The new system combined national, territorial sovereignty with capitalist, de-territorial sovereignty (a point which I expand upon in the following section).

The third revolution in sovereignty occurred after the advent of Enlightenment modernity and was also shaped by theological structures of thought and practice. The Enlightenment, itself the product of religious struggles, promised emancipation from the constricting shackles of absolute monarchical and clerical rule. But after the French Revolution, the secular republic not only dispossessed the church and dissolved the monasteries. It also legislated on all intermediary bodies such as guilds and other corporations, thereby removing any independent mediation between the sovereign state and the autonomous individual citizen. As a result, both religion and civil society in France and elsewhere in Europe were progressively stripped of their autonomy. Together with the Napoleonic Wars and the Wars of Liberation, this paved the way for the expansion of capitalism to the rest of Western Europe and the opening of domestic markets to international “free trade”—another indication of how closely the modern national state and the transnational market have been intertwined.

Moreover, after 1848 classical liberalism married laissez-faire economics with liberal democracy. This alliance helped produce the first form of globalisation and economic inter-dependence towards the end of the nineteenth century. Founded upon a new notion of national self-determination and transnational capital expansion, state sovereignty and market relations assumed pre-eminence over local autonomy and the national capital controls under mercantilism. With hegemony passing from Britain to the USA after 1914, the promotion of “liberal market democracy” was no longer exclusively in the hegemon’s national, strategic interest but instead came to be portrayed as America’s universal mission in the world—a fusion of moral and messianic idealism with pragmatic realism and the realpolitik of power projection.
Crucially, this happened with the approval and connivance of actual religion. Rather than appealing to alternative modes of authority and legitimacy, some strands of Puritanism and Calvinism sanctified the pursuit of government-sponsored market interest. By preaching a gospel of prosperity and conflating the elect with the wealthy, they distorted traditional Christianity and aligned these Protestant traditions with a political and economic liberalism that would take an increasingly secular direction in the sense of subordinating theological and civil virtues as well as religious and civic practices to the spirit of acquisitiveness and the commercial society.60

However, the secularisation of the concept of sovereignty that ultimately underpins the three modern revolutions does not signify the decline or even the absence of religion. Instead, the secular turn of modernity is more accurately understood as a change in theology and philosophy and not a progressive liberation from religious structures of thought and practice.61 More specifically, both democracy and capitalism operate like quasi-religions, in this sense that they redefine the sacred, as I argue in the following section.

4. The Religion-Democracy-Capitalism Nexus

The previous section highlighted some of the theological concepts and religious reasons that underpinned the rise of the modern state and “international market relations”. I also briefly traced the convergence of democracy and capitalism to the third modern revolution in sovereignty, when Britain and then the USA used international “free trade” and capital expansion in order to buttress their hegemonic position in the inter-state system. In this section, I examine the link between democracy and capitalism from a philosophical and theological perspective. My argument is that both Adam Smith (1723–1790) and Karl Marx (1818–1883)—arguably the two most influential political economists—fail to account for the conceptual foundation of democratic rule and capitalist economies, above all the subordination of the sacred to formal rights and standards of abstract value, as Karl Polanyi was first to argue. The commodification of life and land which he associates with capitalism also extends to modern liberal secular democracy.

4.1. Marx and Smith

According to Marx, the nexus between capitalism and the state is the bourgeoisie. Its self-interest and insatiable greed requires the constant expansion of markets and the removal of local resistance, if necessary by the violent means of central state power. There is thus a direct link between capitalism and the national subsumption of the local under the universal. Moreover, Marx and Engels argue in the Communist Manifesto that the need for permanent market extension drives the bourgeoisie to establish connections “over the whole surface of the globe”. In this process, “the old local and national seclusion and self-sufficiency” give way to “intercourse in every direction,
universal interdependence of nations”. In a famous paragraph of the Manifesto, Marx and Engels warn that the bourgeoisie “compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image”.62 The transnational nature of capitalism therefore reinforces the national subordination of the local to the global. In this way, Marx posits a link between capitalism and state based on relations of production whereby (according to the conceptual terms of the present essay) “the bourgeois few” exploit “the proletarian many” with the complicit collusion of “the sovereign one”.

However, it was Adam Smith who first conceptualised the connection between the extension of state power and the global spread of capitalism. Long before Marx, he saw that the accumulation of capital would cause a falling rate of profit both nationally and internationally due to increased competition. This gives legislators and governments an indispensable role in protecting and promoting private business. The aim of central intervention is neither to maximize corporate profit nor to fill the state’s coffers but rather to generate what Smith called “plentiful revenue or subsistence for the people”.63 The link between democracy and capitalism is the unintended positive consequence of expanding the international division of labour through trade (promoted by “the sovereign one” and “the bourgeois few”) for the welfare and prosperity of “the many”. In the words of Smith,

By uniting, in some measure, the most distant parts of the world, by enabling them to relieve one another’s wants, to increase one another’s enjoyments, and to encourage one another’s industry, [the] general tendency [i.e. of the great discoveries of America and the passage to the East Indies] would seem to be beneficial. To the natives, however, both of the east and West Indies, all the commercial benefits which have resulted from those events have been sunk and lost in the dreadful misfortunes which they have occasioned. These misfortunes, however, seem to have arisen rather from accidents than from anything in the nature of those events themselves. At the particular time when these discoveries were made, the superiority of force happened to be so great on the side of the Europeans that they were enabled to commit with impunity every sort of injustice in those remote countries. Hereafter, perhaps, the natives of those countries may grow stronger, or those of Europe may grow weaker, and the inhabitants of all the different quarters of the world may arrive at that equality of courage of force which, by inspiring mutual fear, can alone overawe the injustice of independent nations into some sort of respect for the rights of one another. But nothing seems more likely to establish this equality of force than the mutual communication of knowledge and of all sorts of improvements which an extensive commerce from all countries to all countries naturally, or rather necessarily, carries along with it.64
Smith’s faith in the positive effects of global trade on the welfare of the many poor (not just the wealthy few) has led to a new interpretation of his political economy. According to a number of philosophers, economists and historians such as Amartya Sen, Knud Haakonssen, David Raphael, Emma Rothschild, Andrew Skinner and Donald Winch, Smith was neither a theorist of self-regulating markets, nor an advocate of “free-market” capitalism as an engine of boundless economic prosperity, nor a defender of the kind of division of labour that occurs in the pin factory described in the opening chapter of *The Wealth of Nations*. Instead, he viewed the market as an instrument of government (rather than vice-versa). As a result, Smith seems to have been primarily concerned with the moral foundations of social existence and believed that the “invisible hand of the market” is at the service of intellectual emancipation and social progress, blending individual autonomy and collectively exercised sovereignty.

Coupled with his critique of windfall profits and hereditary privilege, Smith’s defence of economic liberty has to be seen, so the argument goes, as an advocacy of political enlightenment and a promotion of compassion and benevolence in order to bolster civil society. (This project was further developed by his fellow Scotsman Adam Ferguson and later carried forward by Hegel.) This new interpretation of Smith’s political economy has recently been taken further by Giovanni Arrighi who argues that Smith makes a double distinction: first, between a properly functioning market economy and the exploitation of the capitalist system; second, between a benign state that pursues social goals and the “will-to-power” of Europe’s successive imperial powers that plundered colonies and enriched the ruling classes. As Smith put it in the above-quoted passage, the Europeans “were enabled to commit with impunity every sort of injustice in those remote countries”. In this way, he appears to defend a state-regulated market economy against both medieval “robber-baron” feudalism and modern mercantilist capitalism. In short, Marx’s historical materialism was to some extent anticipated and even surpassed by Smith’s moral philosophy and political economy. This sort of re-interpretation has the twin effect of relativising the importance of Marxism and also distancing Smith and his legacy from the worst excesses of contemporary neo-liberalism in the vein of Friedrich von Hayek and Milton Friedman. Accordingly, Smith’s defence of “fellow-feeling”, sympathy and benevolence contrasts sharply with the celebration of individual emancipation by both old Marxists and neo-liberals who appear to embrace the kind of Lockean ontological atomism that had been resoundingly rejected by Smith in his *Theory of Moral Sentiments*.

However, neither Smith’s nor Marx’s critique of “free-market” economics can account for the conceptual nature and historical origins of capitalism and its implications for sovereignty. Just as Marx failed to take into account Smith’s argument that world market formation is driven primarily by legislators and governments (not the owners of capital alone), Smith failed to
anticipate Marx’s point that “primitive accumulation” is the pre-condition for the initial creation of a capitalist economy. In other words, the key argument made by Marx is that capitalism can only arise in conditions where there is mass-scale expropriation of the people, as exemplified by the “enclosure” of commonly owned land in England beginning at the end of the fifteenth century when “free peasant proprietors” were driven off their property by “feudal” lords.67 Based on his theory of capitalist commodity exchange for the sake of a higher monetary value of assets (rather than a higher commodity purchasing power, as Smith had assumed), Marx contended that the perpetual accumulation of money is the supreme instrument for ever-growing bourgeois class power. But by focusing on social class, Marx was unable to explain why some states such as the British Empire and later the USA promoted the formation of a worldwide capitalist market economy, whereas other economic powers like pre-nineteenth-century China did not. More fundamentally, by restricting “primitive accumulation” to “feudal” expropriation, Marx failed to understand that this mechanism is not just the pre-condition for the emergence of capitalism but its very condition of possibility because the monetary value of assets becomes increasingly disconnected from the underlying value of commodities.

In other words, “primitive accumulation” as expropriation is not simply an initial event. Rather, it constitutes a permanent mechanism in order to secure the connection between capitalist abstraction from the real material world and its necessary reconnection with it, a dialectic that is entirely internal to the logic of capitalism. Why might this be the case? According to Marx, capitalism treats money as if it had a life of its own. In a capitalist economy, money is a reality in its own right, with power and agency. And in order to enhance the power of money, capitalism turns human labour into a commodity whose value is determined exclusively by its monetary market price.

4.2. Polanyi on the origins of capitalism

However, at this point one can notice that Marx’s critique of money does not go far enough—philosophically, theologically or even economically. The capitalist economy, if left to itself, also treats land and social relations as commodities that can be priced by the interaction of demand and supply. As such, the “free market” violates a universal ethical principle that governed virtually all cultures in the pre-modern past (and many still during the modern age): nature and human life were recognised as having a sacred dimension that can neither be absolutely known nor comprehensively measured. In subordinating society and the environment to the abstract value of money, capitalism does not just risk disrupting traditional cultures, as Marx pointed out. It can also cause widespread social disintegration and ecological devastation, as Karl Polanyi was first to argue.68

Polanyi’s seminal book The Great Transformation combines some Marxist insights with elements of Christian socialism (via the influence of his friend
the Anglo-Catholic historian R.H. Tawney) and an attention to the ontological and ethical status of life and land. In this setting, Polanyi developed the simple yet brilliant thesis that capitalism is secular because it ascribes universal value to commodity exchange and money alone, at the expense of the social, political, symbolic, cosmic and even religious significance of each person and all things. Historically and conceptually, the emergence of capitalism was not confined to a change in the social relations of ownership and production, as Marx claimed. Rather, the capitalist economy was born when perennial values like the sanctity of life and land were progressively abandoned, and so was the idea that everything has more than just material meaning and economic utility. Stripped of their specific positions within social relations and their cultural significance, people and property were increasingly viewed as commodities whose value is determined by their market price. Step by step, the market became “disembedded” from society and money was enthroned as the measure of all things, producing not just alienation, reification and commodified labour but also the commercialisation of human relations.

Once value and meaning have been displaced through the repeated expropriation of people and the concomitant commodification of life, Marx’s argument about the abstract nature of “capitalist money” is now no longer limited to social property relations but thanks to Polanyi’s work takes on an ontological significance. Here the point surely is that modern political economy and notably capitalist practices reflect and defend the ontological and possessive individualism of Ockham and Hobbes, as I have suggested. Investment within a capitalist economy is not aimed at securing a return on long-term productive capital but instead serves the purpose of maximizing liquid capital held by “the few” who own assets. Financial speculation is the highest reflection of this dynamic.69 Broadly speaking, liquid capital in search of speculative possibilities tends to encounter two sets of obstacles, political and social-cultural. In alliance with governments (and later transnational institutions), capitalist agencies have attempted to abolish national and international limits on the free flow of capital such as trade barriers, subsidies and other political measures. Capitalism also tries to remove cultural restrictions on the power of money because, like secular liberal democracy, capitalism opposes those hierarchies of values and those social relations that limit formalisation, commodification and financialisation.

As Gilles Deleuze and Felix Guattari put it, the capitalist mode is to drain everything of its specific code, thus releasing desire and unleashing different dynamics, including dispossession and migratory exodus. For this reason, capitalism is coextensive with de-territorialisation. But since capitalism also creates new possibilities and explores new territories, it is also always already coextensive with re-territorialisation.70 In other words, capital is constantly abstracted from the material world only to reconnect with it again. Contrary to both orthodox Marxism and neo-liberalism, this dialectic is
wholly internal to the logic of capitalism itself. For money must ultimately be reinvested in physical processes, no matter how rarefied. And when there is over-accumulation of capital and an under-use of physical resources and “human” capital, capitalism suffers the sort of periodic crises that have defined its history. But thus far it has always reinvented itself through financial innovation and the creation of new markets. Yet precisely for this reason, financial turmoil is an essential feature of the capitalist process that links expropriation of assets to the over-accumulation of capital, as the eminent economic historian Charles Kindleberger has shown. The result of most major financial crises has been a further concentration of wealth and centralisation of power. With the exception perhaps of the 1920s and the period from 1945 to the mid-1970s, this trend has characterised the successive waves of democratisation. In these ways one might say that democratic rule has not been able to replace the capitalist tendency towards monopoly and oligarchy with a system of sovereign relations that benefit “the many”, not “the sovereign one” and “the few”.

4.3. The shared ontological premises of capitalism and democracy

There is another striking parallel between financial capitalism and liberal secular democracy. Like the expansion of monetary value to virtually all areas of life, democratic processes tend to extend the formality of the law and procedural mechanisms to the entire range of social and communal activity. But far from representing a thorough democratisation of power in favour of “the many”, democratic rule in much of the nineteenth and the twentieth century has been characterised by an increased usurping of sovereignty by the executive branch of government. The problem is that this corrupting tendency can flip over into a process of self-corruption, as a democratically elected executive will claim the legitimate authority to exceed its own mandate in the face of circumstances which could not be anticipated by that mandate and which the electorate cannot vote on. The most recent example that illustrates this point is the response to international Islamic terrorism. By launching a “global war on terror”, many different democratic systems in the West and elsewhere have declared a “state of exception” and suspended core constitutional provisions like habeas corpus precisely in order to protect the constitution from what they believe to be an existential threat. For this reason, the controversial theorist Carl Schmitt was right to define the sovereign as “he who decides on the state of exception”. But when the executive decrees the “state of exception”, the conceptual difference between democracy and authoritarianism enters a zone of “in-distinction” where formal democratic structures remain in place but where the value of human life is neither universally equal nor absolutely sacrosanct. As mentioned in section 1 of this article, modern sovereign power blends the juridical-constitutional model of state sovereignty with the “biopolitical” conception of power in terms of domination over life itself.
Thus, both financial capitalism and secular liberal democracy appear to be governed by a basic dialectical tension. Just as capitalism oscillates between accumulation-expansion and over-accumulation-contraction, so democracy oscillates between constitutionally guaranteed popular sovereignty and constitutionally sanctioned absolute sovereign power exercised by the executive alone. But here one can go further. There is something that is more fundamental than the dialectical processes just described. Both democracy and capitalism claim that unity emerges naturally out of multiplicity. The argument is that a natural multitude of rival individual egos will somehow produce a single artificial order, either based on a social contract (Hobbes and Locke) or via pre-contractual innate passions of sympathy and benevolence (Hume and Smith). In either case, the violence of competing self-interest is regulated by appeals to long-term interest and self-preservation, but this original violence also needs policing via the law (Schmitt) and the central state monopoly on the legitimate use of physical force (Weber). From Hobbes via Weber and Schmitt, modern “biopolitics” has not just extended political power to all areas of natural and human life but also subordinated the sacredness of life to state and market power.

The reason why the democratic-capitalist sovereign order is unstable yet coherent is because it is largely abstract and virtual, though with very real effects. By claiming that nature is somehow anarchic and ordered at the same time and that human life is equally egoistic and altruistic, it situates violence and peace at the same metaphysical level and makes them ontologically equivalent. From a theological perspective, the equivalence of violence and peace flattens the metaphysical hierarchy that structures the universe in terms of degrees of being and perfection. Since modern democracy is almost exclusively formal and procedural and does not include any collective commitment to substantive values, all material and (increasingly) all immaterial realities are subjected to the same standard of abstract value. As a result, nature is drained of any stable meaning and humans are not associated with any guiding finality or telos other than self-preservation. Reality is now assumed to disclose nothing but the existing order, collapsing potency into actuality and conceiving the actual as an instantiation of abstract logical possibility.

But given that the nominal value of capital must be reinvested in real material processes, the living universe is almost supplanted by a virtual reality that operates on the basis of a vacuous generality. This is reflected by the capitalist fetishisation of idealised commodities, the belief that the value of material objects lies in their status as commodities instead of being somehow both intrinsic to things and added to them by human labour. In conjunction with the formalism of the rule of law that displaces organic cultures, capitalism weakens real relations among actually existing things because it privileges discrete, individual objects at the expense of the social, cultural and religious structures and arrangements that bind them together.

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By subjecting everything to standards of abstract value, capitalism and democracy do not simply subsume the sacredness of life to state and market sovereignty. They also supplant the sacred with a secular simulacrum: first of all, the belief in abstract fetishes and in the primacy of formal law and, secondly, the worship of the spectacle of idealised commodities and the tendency of secular liberal democracies to mutate into post-democratic spectacular societies. Insofar as they replace real relations among actually existing things with standards of nominal value to which they nonetheless ascribe quasi-sacred status, both financial capitalism and liberal secular democracy are “quasi-religions”. For these reasons, the modern “biopolitical” model of state and market sovereignty requires for its very operation (and not just as mere ideological obfuscation) a redefinition of sanctity.

This is exemplified by the modern tradition of ontological atomism and ethical positivism that has its roots not just in J.S. Mill’s utilitarian ethics and Auguste Comte’s post-theistic religion of humanity but more fundamentally in Ockham, Hobbes and notably Hume’s attempted destruction of all forms of theism. Once the metaphysical link between Creator and creation ceases to be rationally intelligible and becomes a matter of blind belief, ethics and political economy lack a conception of universal and objective common good in which all can share. The consequences of abandoning any form of transcendence and teleology are encapsulated in Peter Singer’s call to “unsanctify” human life and to extend euthanasia to “severely and irreparably retarded infants” and those forms of human and nonhuman life whose medical condition causes “suffering to all concerned and benefit nobody”.

Taken to its logical conclusion, the secular denial that all life is sacrosanct sustains modern “biopolitics”—fetishising the power to redefine life as “bare” and take it away from those who have received it as a divine gift of love and grace.

5. The Shape of a Post-Secular Politics and Economics

None of this is to suggest that state and market sovereignty is inevitably wedded to the modern “biopolitical” imperative or that democracy and capitalism have not had some positive effect on the liberty and prosperity of “the many”. But neither the state and the market in themselves nor democratic principles and capitalist economies will be able to achieve the utilitarian aim of securing the greatest happiness of the greatest number—not to mention a theological vision of the universal common good open to all. It is now clear that the modern divorce of religion from politics reinforces the absolutism of secular reason and the “dictatorship of relativism which does not recognize anything as definitive and whose ultimate goal consists solely of one’s own ego and desires”, as Joseph Ratzinger put it shortly before his election as Pope.
market” capitalism have so clearly failed to deliver universal freedom and prosperity, it is perhaps no longer surprising—though no less significant—that theology is having a major public impact on the impasse of modern secularism and the Enlightenment. In a landmark debate in 2004, Jürgen Habermas agreed with the then Cardinal Ratzinger that we are now in a “post-secular” phase where religious and other ideological bodies should be able to express themselves directly in their own terms within the public square. However, for Habermas the norms to regulate this debate must remain secular and liberal (procedural and majoritarian). For Ratzinger, by contrast, there must be a plural search for a shared common good, which he does not say is merely pre-given in natural law and abstract reason, for that is part of the logic of neo-scholasticism which is inextricably intertwined with modern rationalism and fideism. In the Pope’s case a re-invention of constitutional corporatism in a more pluralist guise against modern liberalism is linked both to an insistence on the fundamental metaphysical relationality of all beings and on the indelible role of basic social units above the level of the individual.

Equally such a post-secular politics and economics is linked to a stress—encouraged by other Catholic thinkers who have influenced Ratzinger like Robert Spaemann, Luigi Giussani and Alasdair MacIntyre—that education as the transmission and exploration of the truth is as fundamental a dimension of politics as the will of a democratic majority. In this light, those who brand the Pope as hopelessly conservative and reactionary have not grasped his critique of both left and right. Since the modern political right has always focused on the absolute power of “the one” and the arbitrary right to decide on the state of exception (Schmitt), while the modern left has insisted on an equally absolute right of “the many” to found and withdraw legitimacy (Foucault), both can be taken to ignore the primacy of natural and cultural relation, and of the mediating role of “the few” concerned with truth and virtue. A political economy focused on the latter would be a more theological option which would define the secular realm as concerned with things in time and with necessary coercion, only through its ultimate outlook towards transcendent norms which alone supply ultimate standards beyond the will either of “the one” or of “the many.” As such, Benedict’s political critique of value-free democracy and capitalism and his social and cultural critique of the “dictatorship of relativism” are of a piece with his defence of the Hellenic metaphysics of relationality and the Biblical doctrine of creation ex nihilo in his controversial Regensburg address.

By making these complex links in the Regensburg lecture which were clearly lost on most commentators, the Pope was asking nothing less than whether our politics of “right and left” remains caught within shared secular, liberal axioms. These axioms are also those of theocratic fundamentalisms since they equally deal in a politics of the indifferent will, inher-
ited—as is also the case in the end for liberalism—from the theological nominalism and voluntarism of the late Middle Ages, as I indicated in section 2. This is not at all to search for a new middle “third way” that is as conceptually empty as it is practically non-transformative. On the contrary, Benedict’s post-secular politics and economics is a quest for a way that cannot be charted on our current conceptual map. He seeks to retrieve notions of fundamental relationality, of the common good, and of principles which can determine appropriate “mixtures” of government as between “the one”, “the few” and “the many”; the centre and localities; political government and pre-political society; international community and nations; education in time and government in space; absolute right and free decision; economic freedom and just distribution as well as—finally—between secular and religious authorities.

In his most recent encyclical “Caritas in veritate” (Charity in Truth), Pope Benedict XVI develops his vision of economic democracy with mixed political and civil arrangements. Like the Regensburg address, the social encyclical deploys a pre-secular metaphysics and anthropology in order to develop a post-secular politics and economics. At the heart of the theological vision underpinning this remarkable document lies the uniquely Christian Catholic idea that human, social and natural reality is irreducibly relational and that all is ordered by the divine “economy of charity” to the highest Good in God. By calling for an economic system that is re-embedded in civil society and sustains both human and natural life, the Pope has outlined a new ethical compact and a political economy that transcend the old secular dichotomies of state vs. market and left vs. right without however endorsing a quasi-Suárezian unitary world government.

The commonly held belief that the left protects the state against the market while the right privileges the market over the state is economically false and politically dubious, as Pope Benedict intimates. Just as the left now views the market as the most efficient delivery mechanism for private wealth and public welfare, so the right has always relied on the state to secure the property rights of the affluent and to turn small proprietors into cheap wage labourers by stripping them of their land and traditional networks of support. This ambivalence of left and right masks a more fundamental collusion of state and market. The state enforces and polices the centralized and standardized legal framework that enables the market to extend contractual and monetary relations into virtually all areas of life. In so doing, both state and market reduce nature, human labour and social ties to commodities whose value is priced exclusively by the iron law of demand and supply. However, the commodification of each person and all things transgresses universal ethical and social taboos that have characterized most cultures in the past—nature and human life have almost always been recognised as having a sacred dimension, as I indicated in section 3. By contrast, Christian theology defends the sanctity of life and land against the subordination by
the “market-state” of everything and everyone to mere material meaning and quantifiable economic utility.

The Pope repudiates equally the left-wing adulation of the state and the right-wing fetishization of the market because ultimately both collude at the expense of alternative, more diffuse and plural forms of economic and political organisation, legitimacy and authority. This is why the Pope writes that “the exclusively binary model of market-plus-State is corrosive of society, while economic forms based on solidarity, which find their natural home in civil society without being restricted to it, build up society” (39). Notably, Benedict does not simply endorse civil society in its present configuration precisely because the actors and institutions of civil society are currently subject to the administrative and symbolic order of the secular “market-state”. Nor can his call for “a true world political authority” (67) be taken as an argument in favour of a unitary global government. Instead, the Pope calls for a new kind of settlement whereby both the centralized bureaucratic state and the unfettered global free-market are transformed in order to serve the genuine needs and interests of persons, communities and the environment. Benedict argues that more global coordination and cooperation is required in order to address worldwide issues such as capital flows and climate change. Far from generating greater centralisation and concentration of power and wealth in the hands of the most powerful nations, the Pope invokes the twin principles of subsidiarity and solidarity that are among the core tenets of Catholic social teaching. Since subsidiarity calls for action at the appropriate level to uphold human dignity and reciprocal relations, Benedict’s insistence on greater political authority at the international level blends universal principles and particular traditions. That’s why he writes that this new order

would have to have the authority to ensure compliance with its decisions from all parties, and also with the coordinated measures adopted in various international forums. Without this, despite the great progress accomplished in various sectors, international law would risk being conditioned by the balance of power among the strongest nations. The integral development of peoples and international cooperation require the establishment of a greater degree of international ordering, marked by subsidiarity, for the management of globalization (67).

To achieve a civil economy at the global and local levels, the Pope argues that state and market must be re-embedded within a wider network of social relations and governed by virtues and universal principles such as justice, solidarity, fraternity and responsibility. Concretely, Benedict encourages the creation of enterprises that operate on the basis of mutualist principles like cooperatives or employee-owned businesses. These businesses pursue not just private profit but also social ends by reinvesting their profit in the company and in the community instead of simply enriching the top manage-
ment or institutional shareholders. The Pope also supports professional associations and other intermediary institutions wherein workers and owners can jointly determine just wages and fair prices. Against the free-market concentration of wealth and state-controlled redistribution of income, Benedict proposes a more radical programme: labour receives assets (in the form of stake-holdings) and hires capital (not vice-versa), while capital itself comes in part from worker- and community-supported credit unions rather than exclusively from shareholder-driven retail banks (38). Concrete examples include the Basque cooperative Mondragón which employs over 100,000 workers who produce manufactured goods, with an annual turnover of around US $3 billion.

Moreover, the Pope urges us to view profit and technological innovation no longer as ends in themselves but as means to secure the stability of businesses, their employees and the communities hosting them. Like the “market-state”, money and science must be re-embedded within social relations and support rather than destroy mankind’s organic ties with nature. For example, the world economy needs to switch from short-term financial speculation to long-term investment in the real economy, social development and environmental sustainability.

Taken together, these and others ideas developed in the encyclical go beyond piecemeal reform and amount to a wholesale transformation of the secular logic underpinning the “market-state”. Alongside private contracts and public provisions, the Pope seeks to introduce the logic of gift-giving and gift-exchange into the economic process. Benedict’s key argument is that market exchange of goods and services cannot properly work without the free, gratuitous gift of mutual trust and reciprocity so badly undermined by the global credit crunch. That’s why he writes that “the principle of gratuitousness and the logic of gift as an expression of fraternity can and must find their place within normal economic activity” (36).

This vision is neither reactionary nor nostalgic. To the contrary, Benedict retrieves and extends the notion of “integral human development” first proposed by Pope Paul VI forty years ago. Socio-economic development can only be humane if it promotes relationships of reciprocal self-giving in love, which is “the principle not only of micro-relationships (with friends, with family members or within small groups) but also of macro-relationships (social, economic and political ones)” (2). The concrete experience of love alerts us to the truth that life itself is God’s loving gift. Benedict, referring to his first encyclical Deus est Caritas (God is Love), writes that “everything has its origin in God’s love, everything is shaped by it, everything is directed towards it. Love is God’s greatest gift to humanity, it is his promise and our hope” (2). If we are indeed made in the image and likeness of God, then divine Trinitarian relationality is dimly reflected in the structures of the cosmos and within social, economic and political relations among human beings.
Conclusion

The real alternative to modern “biopolitics” and sovereign power is to envision a new sort of post-secular political economy beyond modern secular liberal norms. Such a vision abandons the formalism of abstract representation and subjective rights in favour of a substantive account of the relational Good which orders relations within the cosmopolis in line with transcendent standards of justice and a fair share for all. In this way, we can imagine a radically communitarian and associative virtue politics and virtue economy.

NOTES

1 I am indebted to the Leverhulme Trust for awarding me an Early Career Fellowship which supported this research. Comments and suggestions from John Milbank and several anonymous readers for Modern Theology are gratefully acknowledged and have significantly improved this essay.
6 The terms “féodalité” and “système féodal” were coined at the beginning of the sixteenth century, and the English words “feudality” and “feudalism” were in use by the end of the following century. Susan Reynolds has documented that Marc Bloch’s idea of an all-encompassing, oppressive feudal regime across medieval Europe distorts the socio-economic, political and cultural reality of the High Middle Ages. See her Fiefs and Vassals. The Medieval Evidence Reinterpreted (Oxford: Oxford University Press, 1994). Likewise, the doctrine of the divine right of kings was an early modern innovation that departed from the patristic and medieval opposition to the sacralisation of secular power. See John Neville Figgis, The Theory of the Divine Right of Kings (Cambridge: Cambridge University Press, 1896).
10 Ockham’s and Hobbes’s account of sovereign power will be discussed in section 2.


“[…] nihil est unum et idem in utroque, sed quidquid est in uno simpliciter et absolute de se non est aliquid quod est in alio”, in Ockham, *Ordinatio*, I d. 2 q. 6, in *Opera Theologica*, Vol. VII, p. 350.


Divine grace is now construed as being so extrinsic that the communal dimension of the mystical community is completed naturalised. The state of nature is independent of human “creatureliness” and it defines the space within which the extrinsically given desire for the supernatural operates. According to Suárez, nature is not infused with this desire by God’s supernatural grace, as it is for Aquinas. See Henri de Lubac, *Corpus mysticum. L’Eucharistie et l’Église au moyen âge* (Paris: Aubier-Montaigne, 1949), pp. 123–152.


On the medieval idea of “complex space”, see John Milbank, *The Word Made Strange*.


Since the inception of central state formation and capital accumulation in the early modern era, the system has undergone periodic crises that tended to be linked to the convergence between political rule and finance capital. See Fernand Braudel’s trilogy Civilisation matérielle, économie et capitalisme, XVe-XVIIIe siècle (Paris: Ed. Armand Colin, 1979), vol. 1, pp. 499–545 and vol. 2, pp. 618–667.


As Fernand Braudel argues, the international movement of capital is characterized by increasing degrees abstraction from the layers of the everyday economy. At the top of this economic pyramid sits global finance, seeking returns anywhere, uncommitted to any particular place or industry, and subjecting anything and everything to market valuation and commodification. At the same time, even the latest, obscure financial instruments such as credit default swaps and derivative trading do not only make money from money but are ultimately tied to physical assets such as residential and commercial real estate or primary commodities. As such, finance capitalism expands by generating ever-greater nominal profit and by commodifying ever-greater areas of life (education, health, social relations, the family, sex, etc.).


The hallmark of “third-way” centrism—in the 1930s and the 1990s—was to marry the unbridled free market with a centralised bureaucracy, replacing the modern warfare state and the national state with the late modern welfare state and the globalised market state. This implicit collusion of state and market, which first emerged in the Anglo-Saxon world, enforced the “Washington consensus” by promoting a concentration of power and wealth at the expense of individual dignity, communal flourishing and a commonweal of associations mediating between the person and the collectivity.

Benedict XVI, “Caritas in Veritate”, available online at http://www.vatican.va/holy_father/benedict_xvi/encyclicals/documents/hf_ben-xvi_enc_20090629_caritas-in-verbatim.html. References to the section of the encyclical will be in brackets in the main text.