



Dr. Hans Köchler
University Professor of Philosophy, University of Innsbruck, Austria
Life Fellow, International Academy of Philosophy

**Solidarity and Economic Interdependence:
Religious Analysis of the Financial Crisis**

Speech delivered at the

Seventh Doha Interfaith Dialogue Conference
on the theme “Human Solidarity”

organized by

The Doha International Center for Interfaith Dialogue (DICID)

Doha, Qatar, 20-21 October 2009

© by Hans Köchler, 2009. All rights reserved.

www.hanskoechler.com

V3/19-VIII-2009

(I) The metaphysical and moral dimensions

Looking at the history of international economic exchanges, we observe repeated crises of the financial system in different epochs and under different social and political circumstances – as if man, when acting collectively, was unable to learn from his own errors. The global crisis we are confronted with today is not the first such event and will definitely not have been the last one, as long as the human race focuses all its attention and concentrates most of its energies on the finite realm of material reality and subordinates everything to the goal of wealth accumulation for its own sake. Instead of accepting that process's intrinsic futility in regard to man's being rooted in absolute reality, man stubbornly engages in an effort that is nurtured by the fiction of an endless process in space and time. The dynamic of what can be described as historical "cycles of greed" (in terms of individual and collective action), culminating in periodic economic collapses (perceived as "crashes" of a supposedly stable order), will condemn mankind to a perpetual struggle of Sisyphus, having to start anew after every collapse only to fail again.

The problems that are apparent in those cyclic systemic crashes cannot be solved within the parameters of a given system of economic and financial transactions. The respective order of the economy has to be viewed – and evaluated – from an *outside* perspective, which means that its norms and given assumptions have to be transcended towards a realm that is independent of the system of finite transactions that are erroneously interpreted as having no limits and that are often conducted without due consideration of *moral* constraints. It should not surprise us that most economic experts and political leaders were unable to predict the present crisis – since they lacked the intellectual distance, or a point of reference outside the system, that is needed to adequately view and evaluate man's economic activity.

Furthermore, in the strict sense, there can be *no morality* in the contingent world, or – in other words – as long as the contingent reality alone is seen as the basis of all human action. Without being able to relate the understanding of the world ("life-world") to a transcendent reality, man will always end up with the postulation of mere utilitarian principles as parameters for his action and will not be able to conceive of a system of genuine moral values as guideline for human self-realization, including the economic domain. The ongoing global financial crisis – which is also a *systemic crisis* of the materialistic and areligious worldview of a dogmatically understood "globalization" (or of the dogma of "globality") – is clear and dramatic proof of the lack of moral credibility as well as sustainability of a system

of economic activity that ignores the transcendent dimension and closes the eyes to man's finiteness and inevitable mortality within the physical world. This has also direct bearing on the status of the human being, i.e. the inalienable dignity of the human subject, which, in our analysis, can only be ensured in a metaphysically "open" context that locates man in the framework of the transcendent reality.

Against this background of the *incompleteness* of an exclusively secular worldview and that approach's failure to detect the systemic (internal) contradictions of economic activity based on it, one can distinguish two fundamental aspects (or dimensions) of the *relevance of religion* for the analysis and evaluation of the contemporary economic and financial crisis:

- (a) The metaphysical aspect: The internal "logic of greed" is based on the (fictitious) assumption that the accumulation of wealth can and eventually will go on indefinitely, excluding any limits in space and time (as if life on earth was eternal), often also rejecting any constraints in terms of basic moral principles. This approach is related to a *linear* understanding of progress, which has all along characterized the industrialized world's ideology of "globalization." Only religion, not any empirical science or social tradition, can "break" the irrational dynamic of greed since it brings into human life a *transcendent* dimension, an awareness of the absolute that all too often has been excluded from everyday-life under the pressure to conform to an as yet undefined "modernity," and to function as an "efficient" participant in the ever more competitive global economic environment. The religious interpretation of the world goes indeed beyond the "inner-worldly" (i.e. exclusively secular) self-realization of the human being and exposes the intrinsic futility of every effort, whether individual or collective, at amassing wealth for the sake of gaining personal security and fulfillment. Religion evaluates human activity, including all matters economical, *sub specie aeternitatis* (under the aspect of eternity) and provides an interpretation of this activity that makes us aware of its limits vis-à-vis the absolute reality, and of the essential vanity of all material endeavors. Regrettably, establishment religions in the industrialized world at times appear having forgotten the essentially metaphysical message of religion, refusing to question the selfish exclusion of the transcendent by the advocates of economic "liberalism" and resigning themselves to a

rather opportunistic approach, which often makes institutionalized religion a mere corollary of a society that is forgetful of its material limitations and, at the same time, of the ultimate destiny of man.

- (b) The moral aspect: Unlike any worldly ideology, political program or economic doctrine, whether capitalism or communism or a so-called “third way,” religion makes the human race aware of its *common destiny* vis-à-vis the transcendent being – and beyond the lifespan of the individual as well as of any given society or civilization. This awareness of the *absolute* dimension of life implies, or is the foundation of, *solidarity* among individuals and groups (societies) at the global level, comprising all civilizations and socio-cultural traditions. The moral aspect is intrinsically linked to the metaphysical aspect, it in fact results from the latter. The sense of common destiny that is generated by religion – in view of its relating humanity to the transcendent being – enables the members of the human race to commit themselves to a common purpose (one to which all human action is subordinated), which in turn paves the ground for solidarity among people of all creeds and cultures and helps modern man to escape from the trap of selfish isolation into which he got entangled due to his uncritical acceptance of the *supremacy of the economy* – or what may be called the ideology of “globalization” as a kind of surrogate religion.

Any analysis of the global economic crisis that ignores these two aspects of religion – that are essentially related to the human race’s *transcending* its contingent existence – will actually only be able to propose a “cure of symptoms,” but will not be capable to grasp the root causes of the crisis, and will thus be unable to offer any lasting remedies that could prevent the recurrence of systemic instability in the future.

(II) Transcending the economic approach

A sustainable solution to the crisis can never be found within the parameters of the present economic system, namely with the concepts of the *immanent* worldview that has caused the very crisis. This would create a *circulus vitiosus* in the literal sense, a vicious circle of self-betrayal, within which no genuine normative critique of economic activity is possible.

The anarchic “network of greed” that the “globalized,” and thus interdependent, economy has become in our era (and mainly due to the uncoordinated interaction of individual and group interests, in total neglect of the *bonum commune* of mankind) must be viewed and evaluated from outside of that system. This perspective can eventually only be provided by a worldview that goes beyond the parameters of the “life-world” (which is described in the empirical sciences), namely by a position that includes the *absolute* as point of reference for the definition of humanity and that understands the human being in the context of transcendence (i.e. of the absolute being, God).

This “metaphysical dimension” – which is largely wanting in today’s industrialized societies that proclaim the ideals of secularism and unending economic progress – is to be understood in an *inter-denominational* sense. Awareness of their metaphysical origin unites people of all creeds and religions in the context of the universe and defines their identity by relating them to the absolute being, thus instilling in them a sense of belonging to the *same human race*.

Only religion, not any worldly science or philosophy, however “enlightened” it may be, can provide this kind of *comprehensive* worldview, a position from which people can draw inspiration and motivation for joint action not only domestically, but at the global level too – on the basis of a *common* understanding of humanity that is rooted in the absolute as the common origin and destiny of mankind. (Herein lies, in our view, the true meaning of “globality.”) This approach alone may eventually enable mankind to overcome the entrenched attitudes of *egotism* and *metaphysical nihilism*, which have been at the origin of modern materialistic doctrines, and which can now be identified as the root causes of the systemic crisis of the global economy. As we know by now, this is indeed a crisis of what – particularly since the end of the Cold War’s ideological rivalry – has been advertised as “globalization,” with Francis Fukuyama’s vision of the “end of history” as ideological consequence. In the meantime, he, like so many other apologists of dogmatic secular ideologies, has been proven a false prophet (one who has created expectations that can never be fulfilled).

The belief in all things material and the subordination of human life to the supremacy of the economy has, to a large extent, become the surrogate religion of the globalized society of the 21st century. It is up to the religions of the world to join their efforts so as to remind humanity, including political and economic leaders, of their common destiny in relation to the absolute. Under the prevailing circumstances, this will be a timely – and desperately needed – contribution to economic justice and peace among nations.

Hans Köchler was born on October 18, 1948 in the town of Schwaz, Tyrol, Austria. He graduated at the University of Innsbruck (Austria) with a doctor degree in philosophy (Dr. phil.) with highest honours (*sub auspiciis praesidentis rei publicae*). In 1982 he was appointed as University Professor of Philosophy (with special emphasis on Political Philosophy and Philosophical Anthropology). He holds an honorary doctor degree (Doctor of Humanities honoris causa) from the Mindanao State University (Philippines) and an Honorary Professorship in Philosophy from Pamukkale University (Turkey). From 1990 until 2008 he has served as Chairman of the Department of Philosophy at the University of Innsbruck. At his University, Professor Köchler also has acted as Chairman of the *Arbeitsgemeinschaft für Wissenschaft und Politik* (Working Group for Sciences and Politics) since 1971. In 2004, he was appointed as Visiting Professorial Lecturer at the Polytechnic University of the Philippines, Manila. In 2006, he was elected as Life Fellow of the *International Academy for Philosophy*.