Principled Capitalism

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How do we create a capitalism that is principled, patient, and socially responsible? In other words, how do we get humans to behave well? In western civilization, so-called, only a few broad approaches have been tried, for the most part based on two different views of human nature, none of which has worked very well.

Plato took a dim view of human nature. As described in his *Republic*, while there were a few philosophers who could be counted on to behave well, most people could not. To keep them in line, he proposed two basic approaches. First, the design of his republic would help by controlling the education of youth, undermining the family, maintaining rigid class boundaries, rule by philosopher kings, and so on. Not satisfied that any design would be sufficient to the task, the capstone of the educational program for the lower classes (not the philosophers) was the threat of everlasting punishment. At least since the establishment of Christianity by Constantine, the threat of everlasting punishment dominated the western approach to getting humans to behave.

As Hannah Arendt pointed out, the founding fathers of the United States were among those who pulled the rug out from under this, if unintentionally. Not recognizing that the effectiveness of the threat depended on the mutual relationship among it, an established institutional religion, and the legitimation of authority based on tradition, they sought to retain the threat of everlasting punishment while prohibiting establishment of institutional religion, rejecting the traditional authority of king and church, and seeking instead the legitimation of authority in the collective action of a sovereign people. That this threat is no longer a tenable approach to good behavior in the world today can be seen in everything from the prevalence of genocide to the criminal behavior prevalent in all classes.

The second view of human nature is captured by Rousseau’s famous statement that “Everything is good as it comes from the hands of the Maker of the world, but degenerates once it gets into the hands of man.” The assumption that man is good but society bad has spawned a variety of strategies for withdrawing from society, such as setting up utopian communities and “starting fresh” in the New World. Unfortunately for these experiments, humans can’t withdraw from themselves. The track record of these experiments does not inspire confidence in the ability of this approach to succeed, and in any case, even a successful experiment, walled off from the world, would not address the challenge before us of getting humans in general to behave.

Plato’s approach of attempting to control behavior through the design or redesign of the rules, structure, and incentives of society is a well-worn path, which can be based on either view of human nature. Coming from the Platonic view of human nature, for example, the Constitution writers of 1787 built in various checks and balances because, as expressed by Madison in Federalist #51, “If angels were to govern men, neither external nor internal controls on government would be necessary.” The number of elected officials who have gone to jail in recent years provides strong evidence for the insufficiency of this approach (perhaps only exceeded in weight by the number who should have gone to jail but haven’t). The design approach can also be based on the view of human nature as good, but corrupted by society, so that we need to reform social institutions to get good behavior. Prohibition of Demon Rum as an important solution to a host of ills illustrates this approach well, just as Prohibition’s failure calls the effectiveness of the approach into question. Where the challenge calls for measurements and dashboards, forum and process, incentives and reward systems, it is squarely within this failed design paradigm.

The challenge calls for more than design, however, for what does it mean to call for a “principled” capitalism unless people are capable of behaving from principles? Theoretically, a societal design could call forth behaviors consistent with long-term perspectives and social responsibility regardless of the facts about human nature, but “principled,” by definition, is a characteristic of the actors, not the context in which the actors operate. Does this necessarily mean the authors of the challenge come down on the side of Rousseau? No, as we shall soon see.

To break out of the failed approaches of the past 2500 years, we must do at least one of three things:

1. Identify a new means that embodies and expresses one of the two views of human nature, other than threatening everlasting punishment, withdrawing from society, or redesigning the societal context
2. Identify a new view of human nature, other than evil or good
3. Reverse the path of transforming society in order to transform human behavior; instead transform humans and they will transform society

My proposal is to suggest that the most promising path is to do both numbers two and three.

Aleksandr Solzhenitsyn’s observation that “the line dividing good and evil cuts through the heart of every human being” captures a view of human nature that is not either/or, but both/and. That provides the opportunity, not for the good to triumph over the evil once and for all, perhaps, but for people, with assistance of various kinds, to choose the good, for where there is no choice, there are no ethics, no good and evil, and no principled behavior.

If such people remain individuals, they will have no impact on capitalism or the larger society. It is only as they gather into an organized and unified corpus that they can influence the course of capitalism and the larger society.

An illustration (and perhaps cautionary tale) is offered by the Quaker movement of the second half of the 17th century. George Fox preached a Christianity that transformed the lives of a great number of people and had some influence on the larger society. Consider the message first.

Fox preached that Christian leaders since the time of the Apostles had got Christianity fundamentally wrong in four important ways that concern us here. First, they preached a savior who could save you from punishment for your sins, but was powerless to keep you from sinning in the first place. Second, their savior played favorites, saving some from everlasting punishment while condemning others to it.[[1]](#endnote-1) Third, they saw crucifixion and resurrection as a unique event that happened once to one individual a long time ago. Finally, their faith emphasized outward forms and practices such as buildings, liturgies, tithing, and clergy.

Fox preached a return to the life and spirit of the church of the time of the Apostles he called “the everlasting Gospel” in which each of these was fundamentally revised. Christ was indeed the savior, and the power of that savior was available to all, here and now, both to see the path of righteousness and to be able to walk it. This ability to know and power to act were not conferred by believing in something, but by attending to the Light of Christ within and enacting it. This was not a once-for-all event, but a life work that resulted in the figurative death of the old sinner and a rebirth as a new righteous person in a continuing crucifixion/resurrection available to all.

These Christ-empowered people, dying to their old lives and ways, would be gathered together in “Gospel Order,” under the headship of Christ. As a gathered people of Christ, their collective lives would bear witness to the truth they were living—what Fox called “letting their lives preach.”

The church was not a building, but this gathered people. Worship was not liturgy one hour a week, but lives lived in accordance with Christ’s inner Light. Tithes supported a “hireling” clergy who were “professors not possessors” of the Spirit the Apostles were in, who therefore at best could lead people astray, and who were unnecessary because “Christ has come to teach his people himself.”

Quakers were arrested for breaking the law requiring them to attend and pay to support the state-established church. They were arrested for failing to pay the fines for not attending. They openly assembled for their own preaching and worship, and were arrested for vagrancy. For preaching that humans with Christ’s help could live without sin, Quakers were arrested for blasphemy.[[2]](#endnote-2) Hauled into court, they refused to take off their hats to pay honor to the judge and addressed judge and everyone else in the familiar thee and thou as witness all were equal in the sight of God. When called to testify, they refused to swear oaths to enact the principle that “their yea should be yea and their nay, nay.” Thousands of Quakers went to jail and hundreds died there.[[3]](#endnote-3)

Quaker merchants established a principled capitalism within their own businesses, incorporating policies of honesty and fair dealing, such as charging a fixed price to everyone, unadulterated ingredients, and honest weights and measures. Many Quaker enterprises prospered, such as Barclays, Lloyds, Friends Provident, Clarks, Cadbury, Rowntree and Fry's.[[4]](#endnote-4)

Quakers refused to fight in war and in later years worked to end slavery, capital punishment, and conscription, and for better living conditions in penitentiaries and treatments in mental institutions.[[5]](#endnote-5)

Today, we think nothing of the fact that we use the same pronoun when speaking to our best friend as to the Queen of England, that the US Constitution prohibits both established religion and legal limits on free exercise, that we may affirm instead of swear, that for most things we buy, the price is the price and our child will get the same deal we will. These changes in what society considers to be normal and right occurred because a group of people began to learn how to listen to the spirit within. The changes occurred because those people began to see how they were contributing to the evil of the world and changed their own behavior first. They occurred because a group collectively engaging in principled behavior as they saw it took the risks of taking their own path and of coming into direct conflict with society. Finally, they occurred because the number of people who changed was sufficient to cause problems for society.

Before leaving the 17th Century Quakers, we should ask why the promising beginning has not sustained itself to the present. There may be lessons for us.

There is no definitive answer to the question. In its rapid growth period from 1652-1680, Quakerism was a movement with virtually no manifestation of human institution—perhaps too reliant on its founder—and almost completely outwardly focused on preaching in word and deed. Also, the willingness of Quakers to endure severe persecution suggested they had found something valuable and powerful, adding to their attraction. By 1691, Fox was dead, religious toleration was the law of the land, and Quakers were more focused internally on their own monthly, quarterly and yearly men’s and women’s meetings than preaching to the world at large. The Society of Friends, in the words of Lewis Benson, gave up the movement’s self-image of having the answer for all people in all times and all places, and took its place as a small sect in a big world.

Of these four changes, there are only two Quakers could have done something about. First, they could have retained the primacy of the outward focus on preaching in word and deed. Second, they could have recognized the human institution they built was not Gospel Order, but one effort to live in Gospel Order.

The fundamental lesson about human institutions is that, sooner or later, form triumphs over substance. This is the reason behind the commandment to make no idols or images of God. It is also why the design approach is doomed to fail.

So how do we create a principled capitalism that takes the long view and operates with social responsibility? By creating a movement based on the both/and view of human nature composed of people who want to choose the good and are willing to change their lives to enact it.

You can begin today. Accept your both/and human nature. As you live your life, listen inwardly. Listen deeper than thoughts and judgments. Listen deeper than emotions. Listen to the spirit within you. Listen to what it says about how you are living your life and engaging with others and the world. Then make changes in how you live your life in accord with what you are learning about your principles and how to live them. Then share what you are learning and changing with others. Then keep listening, changing, and sharing. Let the social connections that flow from this create a spontaneous, emergent organization, keep it ever fluid, and be ever vigilant against attempts to freeze or bottle it in method or institution.

We can continue within the lines of the failed approaches of the past 2500 years, or we can adopt this practical, realistic approach, which can be implemented by anyone right now.

1. Langford, Michael, “Did George Fox Get it Right?” New Foundation Fellowship News, Spring 2012 eventually to be available at nffquaker.org [↑](#endnote-ref-1)
2. Shannon, Kate. "English Laws of the 17th Century Which Led to Persecution of Quakers."*Cornell Home*. Web. 04 May 2012. <http://www.cornellcollege.edu/english/Blaugdone/essays/englishlaw.htm>. [↑](#endnote-ref-2)
3. "Society of Friends (Quakers)." *CATHOLIC ENCYCLOPEDIA:*. Web. 04 May 2012. <http://www.newadvent.org/cathen/06304b.htm>. [↑](#endnote-ref-3)
4. "Quakers." *Wikipedia*. Wikimedia Foundation, 05 Jan. 2012. Web. 04 May 2012. <http://en.wikipedia.org/wiki/Quakers>. [↑](#endnote-ref-4)
5. "RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)." *RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)*. Web. 04 May 2012. <http://www.paulv.net/theology/quaker.htm>. [↑](#endnote-ref-5)