



3-27-2015

"The Markets Have Decided": Markets as (Perceived) Deity and Ethical Implications of Delegated Responsibility

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Recommended Citation

Seele, Peter and Zapf, Lucas (2015) ""The Markets Have Decided": Markets as (Perceived) Deity and Ethical Implications of Delegated Responsibility," *Journal of Religion and Business Ethics*: Vol. 3 , Article 17.

Available at: <https://via.library.depaul.edu/jrbe/vol3/iss1/17>

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"The Markets Have Decided": Markets as (Perceived) Deity and Ethical Implications of Delegated Responsibility

Cover Page Footnote

An German draft version has been presented at the XXII. World Congress of Metaphysics in Rom in 2012.

INITIAL OBSERVATION

An employee of the rating agency Standard & Poor's (S&P) can serve as an example of how the perception of markets as divine entities works. The employee was cited in the *New York Times* "We believe that the market – not government mandates – should decide the value of our work."¹ Economic rating agencies like S&P claim that they only provide recommendations and cannot be blamed for possible consequences. They are just the messengers carrying the voice of a higher power – "the market."

Economic actors like S&P construct "the market" as a high-ranking, decision-taking and mighty power. In the following paper we deconstruct this rhetoric. We analyze the form "the market" takes in these constructions and draw parallels to the construction of metaphysical authorities. Is the market a deity without the religious narratives or myths? We ask about the consequences on individual thinking and acting when confronted with an abstract like "the markets." What effects does the rhetorical deification have on responsibility? After all: the deified market fixes the course of action. Nobody is personally responsible for value destruction, redundancy or bonuses. "The market" predetermines them. Market participants, politicians and employees must defer.

To verify our initial observation, we follow the 'more' of markets theoretically in the history of economic thought, starting from Adam Smith. There, the 'more' of the market is described as a self-legitimization based on the increase of prosperity, guided by an 'invisible hand.' This mechanism ascribed to the market gains "metaphysical dignity."² We then turn to modern definitions of the term and a more secular interpretation. The market as an inner worldly, anthropogenic transaction mechanism legitimized by the increase in prosperity. We then take a theoretical look at the potential of the market for ascriptions beyond the technical aspects of exchange. After this historical and theoretical outline, we turn to the current discourse of the market. We analyze media citations after the financial crisis 2008–10 regarding their use of the "market"-term. Like a trial based on circumstantial evidence, we reconstruct the idiom of the markets as an authoritarian and merciless power of fate. The transference of responsibility from individuals to 'the' market as an independent force becomes visible.

¹ C. Mathis. "S. & P., on Credit Risk." *The New York Times*, December 26, 2011.

² Alexander Rüstow, "General Sociological Causes of the Economic Desintegration and Possibilities of Reconstruction." In *International Economic Desintegration*, eds. Wilhelm Röpke, Wilhelm (London: William Hodge, 1942), 267-283.

In this paper we try to shed light on an underexposed aspect of the economic system. The construction of the market as a metaphysical entity surpasses the technical structuring of exchange. Its description clarifies the impact of this economic form of organization in its participants. With our historical and discursive reconstruction, we don't herald the one and only truth about the market. We merely propose one of many various interpretations of the market and its charges. We analyze what the metaphor is aiming at. We do not exclude that the use of the "market"-term is solely a metaphor to make the newspaper more vivid. But our evidence points to the conclusion that the perception of the market indeed exceeds the level of the metaphor.

INTRODUCTIONS AND DEFINITIONS

Rhetorical deification of the market

First, we should clarify what this rhetorical deification of the market means. We have identified linguistic features which ascribe an ontic autonomy and characteristics that go far beyond the functional definition of the market as an economic coordination mechanism. They shift the market to a seemingly divine sphere. While in theory it does not represent more than a price-determined transaction mechanism between the supplier and the demander. Adam Smith's term "invisible hand" for example points to a self-organizing, metaphysics-based control mechanism to which – according to the founder of modern economics – nations owe their welfare through division of labor and the pursuit of self-interest bound within a moral and judicial system.³ The term "invisible hand" points to the attribution of trans empiric and transcendent qualities to the economy whose coordinating medium is the market.⁴ Hence, the 'market' appears like an independent religious authority, but unlike other traditional religious authorities, the market is claimed to exist without ontological foundation in metaphysics, similar to what can be said about 'money' as earthly god, or "anthropogenic religion."⁵

British artist Tom Yorke, to quote another example, has cited criticism of capitalism according to which an individual can pass on responsibility to institutions which reign unquestioned like gods: "It's like some deranged sacrificial altar, the high priests of the global economy holding up these millions

³ Isabelle Szmigin and Robert Rutherford, "Shared Value and the Impartial Spectator Test." *Journal of Business Ethics* 114, no. 1 (2012): 171-182.

⁴ Craig Smith, *Adam Smith's Political Philosophy: The Invisible Hand and Spontaneous Order*. (London and New York: Routledge, 2006), 93.

⁵ Peter Seele, "Geld als anthropogene Religion." In *Geld: Philosophische, literaturwissenschaftliche und ökonomische Perspektiven*, eds. J. Baer and W. Rother, (Basel: Schwabe, 2013), 15-29.

of children each year, like (Arms aloft) 'We wish to please you! Oh Gods of free trade!'"⁶ If one subtracts the theatrics of the Radiohead-singer, there remains the statement of the passing on of responsibility by claiming that 'we are just obeying orders.'

These features can be summed up as the linguistic expression of the market as a metaphysically reasoned entity. The expression is comparable to the expression of extramundane authorities, of religious entities (e.g. gods). This contribution is consistent with the reconstruction of the market as a metaphysical entity reasoned by the use of the rhetorical means *metonymy* and *personification*. Through this reconstruction, the characteristics of this entity, which is constituted by rhetorical idealization, is revealed in terms of communicative indications.⁷

The 'More' Of The Markets

The deification of the market exceeds the metaphorical ascription of metaphysical features. It is rather connected to the very nature of the market – as research connecting the market to religion shows.

The market is everywhere and nowhere at the same time; it is invisible and still it leads crucial parts of the economy. It not only controls the exchange processes, it also foresees the future and creates it at the same time by acting today on what will occur tomorrow.⁸ The market influences thoroughly and powerfully the actions of people who are in it or close to it. The market appears to be omnipresent. In attempting to understand the market in its materialized forms – as a city or farmers market, stock market or national economic zone – only a small part of the actual total market can be depicted. Market forces that are difficult to locate influence each form of the market. From this point of view, the omnipresence completes a transcendence that is expressed in the intricacy and intangibility of the market as a whole.

The simultaneous omnipresence and intangibility of the market has received more and more focus in the academic research of the last 20 years.⁹ The metaphysics of the market is quoted to clarify that a heresy is going on, advising a

⁶ Thom Yorke, "NME Interview with Thom Yorke." 2001. <http://taminogruber.com/icyeyes/nme.htm> (accessed March 22, 2012).

⁷ The question of whether the market is a last instance entity of metaphysical quality or whether we are dealing with the consequence of rhetorical idealization by certain market participants for the delegation of responsibility to a higher sphere, for example, is not the subject of the present examination.

⁸ Elena Esposito, *The Future of Futures* (Cheltenham: Edward Elgar, 2011).

⁹ Richard Foltz, "The Religion of the Market: Reflections on a Decade of Discussion." *Worldviews: Global Religions, Culture, and Ecology* 11 no. 2 (2007): 135.

return to the Christian belief.¹⁰ On behalf of ecology, too, there is the attempt to put the “religion of the market” in its place.¹¹ The assumption that consumerism in its extreme form is ideologically based on a market that can only be called religious is not far off¹². In a different perspective, the market and the ‘invisible hand’ explains the competition and establishment of religious institutions, and the good it does for society.¹³ Adam Smith describes the hindering of competition by state-churches.¹⁴ This idea of free religious markets persists in the newer literature, where a globally valid market-model is applied.¹⁵ The third perspective in this area of research is the description of market-like structures within religions, notably with regard to gifts and exchange with gods.¹⁶

It is not the aim of this essay to argue against a ‘religion of the market,’ discuss markets of religions or market structures of religion. This is done in the emerging field of the ‘economics of religion.’¹⁷

Instead, the authors intend to focus on the metaphysics of the market itself. This contributes to the question of elements of the market that go beyond economic exchange processes. It also contributes to answering whether the market economy consists of more than the mere technical structuring of exchange relationships and what this ‘more’ is made of.

¹⁰ Józef Niewiadomski, “Encounter of Religions in the Context of World Civilization.” *Dialogue and Universalism* 2002, no. 6-7 (2002): 49-56.

¹¹ See title of essay: David R. Loy, “The Religion of the Market.” *Journal of the American Academy of Religion* 65, no. 2 (1997): 275-290.

¹² Dell deChant, *The Sacred Santa. Religious Dimensions of Consumer Culture*. (Eugene: Wipf and Stock, 2008).

¹³ Arthur McCalla, “The Free Market in Religion and the Metaphysical Invisible Hand: Benjamin Constant and the Construction of Religion as Private.” *Religion* 42, no. 1 (2012): 87-103.

¹⁴ Adam Smith, and Jonathan Wight, *An Inquiry into the Nature and Causes of the Wealth of nations*. (Petersfield: Harriman House, 2007/1776), 512.

¹⁵ Western society examples: Laurence R. Iannaccone, “The Consequences of Religious Market Structure.” *Rationality and Society* 3, no. 2 (1991): 156-177. Larry Witham, *Marketplace of the Gods: How Economics Explains Religion*. (Oxford: Oxford University Press, 2010). Eastern society critique: Thoralf Klein and Christian Meyer, “Beyond the Market: Exploring the Religious Field in Modern China.” *Religion* 41, no. 4 (2011): 529-534.

¹⁶ David A. Palmer, “Gift and Market in the Chinese Religious Economy.” *Religion* 41, no. 4 (2011): 569-594. Francesca Tarocco, “On the Market: Consumption and Material Culture in Modern Chinese Buddhism.” *Religion* 41, no. 4 (2011): 627-644.

¹⁷ For an overview: Peter Seele, Lucia Gatti, and Aline Lohse, “Whose Economics of Religion? An Explorative Map Based on a Quantitative Review of a Multi-Disciplinary Bibliography.” *Journal of Religion in Europe* 7 (2014): 51-79.

The Market Term

In order to examine the nature of the metaphysical market, we need to understand the implications of the market-term. Is a standard economic-definition adequate for our research-topic?

In the context of its metaphysical qualities, the market in literary sources is often put on a level with consumption or with capitalism itself.¹⁸ In numerous feuilleton-style articles, the term market is used synonymously with the stock market.¹⁹ This inconsistent usage points to a difficulty – studies thoroughly deal with the development of market price and effects, but approach the nature and preconditions of the market itself only for a comparatively short period.²⁰

The market definitions in the economics literature focus on communication, pricing and the exchange function of the market, which is described as a meeting point of the actors who are interested in exchange and whose mainspring is the competition among suppliers and demanders, whereby the exchange is always recurring.²¹ A general definition of the market is: A market is defined as an institution through which multiple buyers or multiple sellers recurrently exchange a substantial number of similar commodities of a particular type. Exchanges themselves take place in a framework of law and contract enforceability. Markets involve legal and other rules that help to structure, organize and legitimize exchange transactions. They involve pricing and trading routines that help to establish a consensus over prices, and often help by communicating information regarding products, prices, quantities, potential buyers or possible sellers. Markets, in short, are organized and institutionalized recurrent exchange.²²

By this kind of economic definition, the market is an impersonal, egalitarian and amoral factor whose functions economic sciences must address.²³ Regarding the metaphysical ascriptions, the definitions illustrate an area of tension between the market as a 'nomological' institution²⁴ and the market as an

¹⁸ Harvey Cox, "The Market as God." *The Atlantic Monthly*, March, 1999. Foltz, "The Religion of the Market: Reflections on a Decade of Discussion." 135-154.

¹⁹ Ben Barber, "Markets Became False Gods." *The Kansas City Star*, November 2, 2011. Stephan Faris, "Fear of Markets: How Monti May Get His Way With the Politicians." *TIME*, November 15, 2011.

²⁰ Geoffrey Hodgson, "Markets." *The New Palgrave Dictionary of Economics Online*, 2008. http://www.dictionarofeconomics.com/article?id=pde2008_M000402 (Accessed October 28, 2011).

²¹ Wolfgang Kasper and Manfred Streit, *Institutional Economics*. (Cheltenham: Edward Elgar, 1990), 223.

²² Hodgson, "Markets," 4.

²³ Whitham, "NME Interview with Thom Yorke," 195.

institution with a moral claim and with further effects and functions for humankind.²⁵ This area of tension is described in Robert H. Nelson's market paradox, which explains the entelechy of the market with its transcendent prerequisites:

The maintenance of a market economy involves a basic paradox. For centuries writers such as Adam Smith have argued that the workings of the market should be based on the individual pursuit of self-interest. Yet, if the pursuit of self-interest goes too far in society, the very existence of the market may itself be endangered.²⁶

The economic market definition mentioned above does not depict the market paradox. A possible link between the economic operational market definition and the description of the market as a metaphysical entity is Hayek's description of the market as an emergence structure, or spontaneous order.²⁷ Hayek draws the development of the market as an expanding, voluntarily chosen order that is constituted by individuals, but transcends them to develop an impersonal order.

For our present research we have to expand the standard-economic understanding of the market as a technical process of exchange towards an extended understanding. That includes the socio-cultural and moral prerequisites of the market.

THE MARKET AS A METAPHYSICAL ENTITY: THEORETICAL BACKGROUND

The following passage connects the metaphysical charge of the market to a theoretical context.

To describe the metaphysical charge of the market, the term deification is used. An economic item is described as religious. This has been done with regard to economic science as a whole. Nelson²⁸ pointed to the theological function of

²⁴ Philip Goodchild, "The Market, God, and the Ascetic Life." In *Religion, Economy, and Cooperation*, ed. Ilkka Pyysiäinen, (Berlin: Walter de Gruyter, 2010), 219-235.

²⁵ Loy, "The Religion of the Market."

²⁶ Robert H. Nelson, *Economics as Religion: from Samuelson to Chicago and beyond*. (Pennsylvania: Pennsylvania State University Press, 2001), 1.

²⁷ Friedrich August Hayek, "The Fatal Conceit: The Errors of Socialism." In *The Collected Works of Friedrich August Hayek, Vol. 1* ed. William Warren Bartley. (London: Routledge, 1988), 18, 37.

²⁸ Robert H. Nelson, *The New Holy Wars: Economic Religion vs. Environmental Religion in Contemporary America*. (University Park, PA: Pennsylvania State University Press, 2010.) and Nelson, *Economics as Religion: from Samuelson to Chicago and Beyond*.

economics, describing it as a science that serves as priestly messengers to voice the redeeming powers of the (market-based) economy.²⁹ Nelson claimed that economists actively pursue a "religious mission," which is "the economic gospel of efficiency."³⁰ This efficiency serves as social legitimization for the economy. Efficiency in this mission stands above considerations of 'good' or 'bad.' In this view, the economy as well as economic science enters into a competition with established religions.³¹ Questions of the commensurability between those two constructs arise.³² As the original thinkers of the modern economy, notably Adam Smith, originate from a Christian context and – as will be shown later – explicitly refer to the concept of God as a structuring entity, especially Christianity struggles with this "heretic"³³ economic competition. Accordingly, theologians – like members of the "Radical Orthodoxy movement" – fight these religious presuppositions of economics as a misleading religion.³⁴

With the argument of a deified market, we do not contribute to this discourse. The metaphysical quality of the market is not established to juxtapose Christian religiosity. This would require an insider's perspective of what Christianity (and the market) is at its core. We cannot and do not want to create this definition, as this would imply a stance on what 'the true religion' looks

²⁹ The ontological power of economics, manifest by "invading" other disciplines with its theory and paradigms, may be another hint for this understanding (for a careful review of this process see George J. Stigler, "Economics: The Imperial Science?" *The Scandinavian Journal of Economics*, (1984), 301-313.)

³⁰ Robert H. Nelson, "What Is 'Economic Theology'?" *Princeton Seminary Bulletin* 25, no. 1 (2004): 79.

³¹ For an overview on the relationship between religion and market economy: Chr. Lucas Zapf, *Die religiöse Arbeit der Marktwirtschaft. Ein religionsökonomischer Vergleich*. Baden-Baden: Nomos, 2014.

³² Substantiating e.g. in questions such as: "Can Homo Oeconomicus be Christian?," see Paul T. Heyne, Geoffrey Brennan and Anthony Michael C. Waterman, *Are Economists Basically Immoral? and Other Essays on Economics, Ethics, and Religion*. (Indianapolis: Liberty Fund, 2008).

³³ Rejection of the notion of the (political) economy being a Christian heresy and compelling evidence as to why not: Anthony M.C. Waterman, "Is "Political Economy" Really a Christian Heresy?" *Faith & Economics* 51(2008): 31-55.

³⁴ For a comprehensive review of this discourse see Steven McMullen, "Radical Orthodox Economics [Pre-Publication Draft]." *Steven McMullen*, November 19, A, 2013. <https://stevenmcmullen.files.wordpress.com/2014/10/mcmullen-2013-prepublication-radical-orthodox-economics.pdf> (Accessed February 20, 2014).

like.³⁵ Thus, the question of whether the market is to be considered a pseudo- or a quasi-religion is not touched upon here.³⁶

We examine reasons why the market seems to be open to metaphysical ascriptions even though from an economics point of view it is just a functional mechanism. For this purpose, the basic preconditions of a metaphysical charge of the market will be outlined to show the characteristics of this metaphysical capacity of the market and its transition to the present day in an outline of the history of thought.

On The Potential Of The Metaphysical Charge Of The Market

To obtain a deeper understanding of the market as a metaphysical entity, we now examine the circumstances that enable this metaphysical charging.

If one conceives metaphysics in reference to the attempts to define the market, the introductory descriptions of the market as omnipresent, indefeasible and influential on life meet the criteria of a metaphysical entity. The invisible mechanisms, which only reveal their effects – pricing, distribution and competition development – can be rated among the ultimate realities with which metaphysics deals.

For the market to fulfill its function according to the definitions above, it needs an ethical foundation that results from the market itself. This foundation should exclude any market-harming behavior. Certain social norms (e.g. property rights, freedom of contract, a sanctioning constitutionality) are necessary requirements for the functioning of an efficient market.³⁷ These requirements are the result of a societal regulation process. Since this regulation does not take place in isolation, but is embedded in moral concepts prevalent in the society,³⁸ this regulation process forms an interface of religious ideas and formations of the market. Adam Smith explicitly places god in this interface – only with him the functioning of the moral economic and societal theory is guaranteed.³⁹ In this

³⁵ This could be done from a theological perspective, which in this essay is not taken.

³⁶ For an in-depth analysis of this external perspective on religion see Armin W. Geertz, “Analytical Theorizing in the Secular Study of Religion.” In *Secular Theories on Religion: Current Perspectives*, eds. Time Jensen and Mikael Rothstein, 21-31. (Copenhagen: Museum Tusulanum Press, 2000).

³⁷ Kasper and Streit, *Institutional Economics*, 173.

³⁸ Fundamental contribution by Mark Granovetter, “Economic Action and Social Structure: The Problem of Embeddedness.” In *The Sociology of Economic Life*, eds. Mark Granovetter, Mark and Richard Swedberg, 53-81. (Boulder: Westview Press, 1992).

³⁹ Smith, Adam. *The Theory of Moral Sentiments*. Ed. Knud Haakonssen. (Cambridge: Cambridge University Press, 2004), 124, 149. Hill, Lisa. “The Hidden Theology of Adam Smith.” *European Journal of the History of Economic Thought* 8, no. 1 (2001): 1-29.

respect, there is a certain Christian religious melody to be heard after Smith with regard to the description of the market.

A particular difficulty of the ethical requirements is the overcoming of the market paradox, according to which the aim of self-interest in the market needs to be limited when this self-interest endangers the existence of the market. The ethical requirements necessary for the functioning of the market must not only ensure the respective parameters, but also foster cannibalization from the inside. The market demands that its participants enforce their self-interest radically. However, this enforcement of self-interest must be limited if it endangers the existence of the market.

In short, the market needs an infrastructure outside the market itself to function properly.

On The Implementation Of Divine Order For The Secular Justification By A 'Metaphysical Dignity'

We saw in the past paragraph, the market lives off requirements it cannot generate itself.⁴⁰ But the market itself provides no incentive to create those parameters. Introducing the divine in the market solves this problem.

Hence, the market was not only described as a construction for structuring exchange relations in the early days of its examination. It was also proclaimed the guarantor of prosperity to the society as a whole. Market-harming behavior was repressed and the necessary framework for the functioning of the market was ensured. On the other hand, self-interested actions in the market were given a socially beneficial dignity. An early and fundamental interpretation of the idea that within a market the individual search for self-interest leads to the welfare of society as a whole was provided by Bernard Mandeville in his *Fable of the Bees*, which is meaningfully subtitled "Private Vices, Public Benefits."⁴¹ In Adam Smith's term "invisible hand,"⁴² this idea finds its idiomatic expression. Smith shifts the function of the free market in the direction of a divinely ordained *ordre naturel* in whose realization lies the overcoming of poverty and scarcity. In this perspective, Adam Smith can be conceived as the pioneer in the metaphysics of

⁴⁰ The Böckenförde dictum according to which the liberal, secular state lives on conditions that it cannot guarantee itself (see Ernst Wolfgang Böckenförde, *State, Society, and Liberty: Studies in Political Theory and Constitutional Law*. (New York: Berg, 1991) or with regard to market and virtue see Andrew Yuengert, "Free Markets and Character." *Catholic Social Science Review* 27 (1996): 99-110.). This also seems to be coming true as applied to the market (see Marc Chesney, et al. "Basler Manifest zur Ökonomischen Aufklärung." 2011. http://www.zrwp.ch/uploads/basler_manifest.pdf (Accessed January 22, 2015).)

⁴¹ Bernard Mandeville, *The Fable of the Bees or, Private Vices, Public Benefits*. 6. Aufl. (London: J. Tonson, 1729/1724).

⁴² Smith and Wight, *Wealth of Nations*, 293.

the market. In 1942, Alexander Rüstow had already written about this interpretation of Smith's economics:

The laws of market economy which Adam Smith rationally demonstrated – in order not to say revealed – were at the same time divine and natural laws in the sense of Spinoza's formula, which is also valid for deism: deus sive natura. It is the task of man to comprehend – with insight, gratitude, and reverence – these divine laws which govern economics; to remove the obstacles which stupid traditionalism or unenlightened selfishness has put in their way and which prevent them from having their beneficial effects; and to realize thereby, to the advantage of all, the highest possible benefit which a benevolent providence has provided...⁴³

The market and its mechanisms are a “special providential divine action in the economic system to guarantee its stability.”⁴⁴ The entire economic theory gains a “metaphysical dignity.”⁴⁵ When governments fail and individuals egoistically follow their self-interest, the market provides for the common welfare: productivity, cooperation, ideal distribution and material prosperity.⁴⁶ From this point of view, an intervention in this market through regulations or limitations is blasphemy. That is the way Rüstow described the attitude towards the mysterious advantages of a free market economy during Adam Smith's period of mercantilism:

[Mercantilism] was now confronted by the call, ‘Laissez-faire! Laissez-passer!’ which at the same time was a summons to honour God and an adjuration not to allow short-sighted human anxieties to interfere with the eternal wisdom of the natural laws. But if the market mechanism of the free competitive economy partook of divine dignity and benevolence and of the severity and universal validity of a natural law, then it would manifestly be presumptuous as well as fruitless to act as if the validity and benevolence of the market mechanism might depend upon sociological conditions belonging to the humble human sphere. Such an attitude would have been totally incompatible with those views and doctrines.⁴⁷

⁴³ Rüstow, “General Sociological Causes of the Economic Desintegration and Possibilities of Reconstruction,” 270.

⁴⁴ Paul Oslington, “God and the Market: Adam Smith's Invisible Hand.” *Journal of Business Ethics* 108, no. 4 (2012): 433.

⁴⁵ Rüstow, “General Sociological Causes of the Economic Desintegration and Possibilities of Reconstruction,” 270 (footnote).

⁴⁶ Goodchild, . “The Market, God, and the Ascetic Life,” 219.

⁴⁷ Rüstow, “General Sociological Causes of the Economic Desintegration and Possibilities of Reconstruction,” 270.

Along with the weakening of traditional religions after the Enlightenment came the necessity of legitimizing the authority of the market protection and the legitimization of self-interest other than religiously. The following thesis suggests that the market is sustained by a belief system inside the market whose focal points represent the metaphysical ascriptions examined in the third part of this essay.

The academic legitimization of the market launched by Smith was still clearly referring to god as a regulative power in the background. This element has escaped various descriptions of the market even though the genesis of the modern market from Christian belief is often mentioned.⁴⁸ However, what is left in the modern age is the economic confirmation of the positive effects of the market. Without being exposed to the suspicion of self-interest, science is confirming the market as a regulating system that leads to prosperity in society as a whole. Self-interest as a determining force of the market is compensated in the promise of this welfare and of equality:

[The commercial society] provides humanity with good things – two good things in particular: Commercial society makes us rich. Commercial society makes us equal.⁴⁹

Neoclassical economics tend to pursue the narrative of the self-interested, utility-maximizing *Homo Oeconomicus*. They justify this behavior with Smith's invisible hand. It is important to note that this reading of Smith is challenged nowadays.⁵⁰ Smith's idea of man and the overall guideline of behavior rely on one central idea: sympathy. Only under this paradigm and with a judicial system that prevents defection from this ideal, Smith's invisible hand comes to action.⁵¹ Nevertheless, the neoclassical reading of Smith accomplished that the market as a form of extensive self-interest is viewed as positive. Self-interest is canalized and reclaimed for societal interests through the market, without a divine reference being necessary.

⁴⁸ Examples: Nicholas Capaldi, "The Ethical Foundations of Free Market Societies." *Journal of Private Enterprise* 20, no. 1 (2004): 30-54. Peter A. Redpath, "The Metaphysical Foundation of the Ethics of Commerce." In *Business and Religion: A Clash of Civilizations?* ed. Nicholas Capaldi, 102-110. (M&M Scrivener Press, 2005).

⁴⁹ Art Carden, "The Market's Benevolent Tendencies." In *Business and Religion: A Clash of Civilizations?* ed. Nicholas Capaldi, 55-64. (Salem: M&M Scrivener Press, 2005).

⁵⁰ For the current discourse: Matthias Hühn and Claus Dierksmeier, "Will the Real A. Smith Please Stand Up!" *Journal of Business Ethics* 12(2014): 1-14.

⁵¹ Jill A. Brown and William R. Forster, "CSR and Stakeholder Theory: A Tale of Adam Smith." *Journal of Business Ethics* 112, no. 2 (2012): 301-312.

The market becomes the fulcrum of ideal distribution. It is a metaphor for a societal concept that provides maximum prosperity. Mostly with reference to Hayek, market-induced competition becomes an ideal means through which to achieve this aim.⁵² The market is the origin of the utopia to overcome poverty and scarcity once and for all.⁵³ The market is the place where collective abilities meet and where the distillate of this human power is opened to all participants.⁵⁴

This magical distribution is not humanly devised. It happens as a natural result of the market itself. This automatism keeps the market immune from moral judgment. A natural mechanism stands above this sort of consideration. “The market is not morally responsible for the allocation of benefits and burdens any more than weather is ethically responsible for a dry season.”⁵⁵

The noble social goal and the lack of a human face make the market appear as an unquestionable institution. Consensus on the positive power of the market forms the starting point for the idealization to be described. In spite of financial and monetary crises and the manifold criticisms of growth, the question regarding the “limits of growth” from the Club of Rome⁵⁶ can serve as one example. The ‘system question’ is not an influential aspect within the discourse on economic problems. The Lisbon strategy by the European Union⁵⁷, which has already been revised, with its urgent intent to invigorate the market and with its aim of a “complete and fully operational internal market” shows how strongly established the idea of the market as the great white hope for a better future is.

The deification of the market occurs before its result, that is, at the point when Adam Smith attributes an affinity of the divine to the market in its way of

⁵² Example: Joachim Paul. *Einführung in die Allgemeine Betriebswirtschaftslehre*. (Wiesbaden: Gabler Verlag, 2007), 42 et seq.

⁵³ Of course, there are the critics of this economic school of thought. They argue that the promises of the market have not come true, that poverty and scarcity are still ever-present in wide parts of the world (cf. Foltz, “The Religion of the Market: Reflections on a Decade of Discussion,” 153). The Marxist model with a centrally planned economy is the most prominent example of that. It shows that certain axioms of the market-based economics – with some empirical credibility, of course – provide the basis for this direction of thought. If one does not believe in it, the construction unravels.

⁵⁴ Horst Kurnitzky, *Der heilige Markt*. (Frankfurt am Main: Suhrkamp, 1994), 111-114.

⁵⁵ Ryan Langrill, and Virgil Henry Storr, “The Moral Meanings of Markets.” *Journal of Markets and Morality* 15, no. 2 (2012): 350.

⁵⁶ Donella H. Meadows, Dennis L. Meadows, Jorgen Randers and William, W. Behrens III, *The Limits to Growth: a Report for the Club of Rome's Project on the Predicament of Mankind*. (New York: Universe Books, 1972).

⁵⁷ European Council. “Presidency Conclusions of the Lisbon European Council” March 23-24, 2000. http://www.europarl.europa.eu/summits/lis1_en.htm (Accessed November 11, 2012).

functioning. Thus, we have come full circle to the characteristics and intangibility of the market described at the beginning of this passage. The positive effects of the market are describable. However, how these effects come about goes beyond rational description. It is impossible to fully comprehend this magic mechanism. It seems a divine order is at work. The ascriptions that deify the market are based on this reasoning.

The following research will illustrate this idealization of the market by reference to selected examples from the economics press. The idealized linguistic use of the market term allows for reconstructions that identify characteristics reflecting its metaphysical aspects as outlined above.

THE MARKET AS A (PERCEIVED) ENTITY

Examples

To exemplify the concept of the market as a perceived entity, we compiled citations from the economic and national daily press. Therefore, the online platforms of the international economic press were observed from April 15, 2012, to July 25, 2012. The media outlets from the United States and Great Britain included the *Financial Times*, *New York Times*, *The Guardian*, and *The Times*. The keyword search for the media analysis within the media outlets used "market," "markets" and combinations with "said," "decided" or "decision" in the respective language. The two authors did the coding.

The list of text passages was examined regarding the question of whether the use of language can confirm the thesis of a metaphysical entity. Finally, passages were selected in which the market appears in the form of an idealization that can identify it as an autonomous, metaphysical entity. The list of passages was categorized to prove their fundamental characteristics on the basis of citations: the market as a metaphysical entity, a metaphysical authority and the characteristics and description that can be used to characterize the market as a personality.

The categories will be introduced below to construct the market as a non-material-based authority and to find out more about this authority through the ascribed characteristics.

Market As Metaphysical Entity: Profile And Characteristics

This section presents the market as an autonomous entity to distinguish it from an egalitarian transaction mechanism through reference to citations from the public media. In addition to this presentation of dignity by itself, the text dissects those metaphysical qualities that describe the market not only as a neutral entity but also as a divine entity, just as in the introductory citation of the "Gods of free trade" by the artist Thomas Yorke.

A citation from the *Guardian* illustrates this idealization:

It used to be that only less developed countries had to live under the power of capricious "international markets." ...But now, the unpredictable might of the markets is felt in the world's richest areas, too.⁵⁸

Here the reader learns that the "markets" have an "unpredictable might." It is remarkable, too, that there is talk of the "international markets" as the origin. The complexity of the internationalization may be the reason for the impenetrability of the spheres of influence in the market. The complexity is expressed in the actors no longer being single individuals of economic subjects, but a terminological generalization in the sense of an independent entity. Nobelist Paul Krugman calls another interesting aspect into play in his economy blog for the *New York Times*. Similar to the stranglehold example, it is about reacting behavior not in the shape of action but linguistically and with a voice:

The point is that when S&P or Moody's speaks, that's not the voice of "the market." It's just some guys with an agenda, and a very poor track record. And we have no idea how much effect their actions will have.⁵⁹

The initial situation is the quotation of a rating agency that, according to Krugman, actually does not represent the voice of the market, but that of a few employees who nevertheless can influence the economy. So, the markets are not represented by the rating agencies and it remains open whether Krugman assumes a voice of the markets at all. However, it seems that with his hint that the rating agencies are not the voice of the market he assumes that "the market," too, has a voice. No doubt that the strong voice power of the market is found in an essay published in the *Times*. Also in the context of rating agencies, the article said:

Blaming the credit rating agencies is pointless. Making hedge funds disclose their down bets on Italian banks won't help much, either. The markets have spoken. Italy's bonds slumped yesterday to a point where the country will have to pay twice as much interest as Germany on identical borrowings. The cost of insurance against it defaulting has rocketed.⁶⁰

It is not material entities like rating agencies and fund managers, but the markets themselves that make binding and valid statements. The effects of these statements on individual actors are responsible in these examples for the

⁵⁸ V. Bevins, "Greece's Crisis Illustrates The Might Of The Markets." *The Guardian*, May 9, 2011.

⁵⁹ P. Krugman, "Moody's Blues, Poor Standards, and the Debt." *New York Times*, July 24, 2011.

⁶⁰ P. Hosking, "The markets speak - Italian; Business Commentary." *The Times UK*, July 12, 2011.

refinancing costs for government bonds. Another example uses the specific market trend as an opportunity to take the actions of the markets as a trigger for falling stock prices despite comparatively better profits:

Fund managers were under pressure. Schroders' results for last year were a touch better than expected, but the market decided to worry that investment in the business would squeeze margins, rather than lead to the return of new business this year. Thus, the shares fell 11p to £15.50.⁶¹

This example also involves fund managers and one can ask who or what has applied the pressure to which they claim to be subjected. The answer is given in the statement that the markets have "decided." As the managers of the transaction are not the mentioned power of decision, it is "the markets," without a further definition of who or what is meant by that, that have ominous power to pressure the acting fund managers, stranglehold states and render the judgments of rating agencies less important.

However, if the market is seen as a sanctioning or setting instance, there remains the question of who gives orders to the market or markets and whether the markets are independent of instruction. In an opinionated piece (outside the sample period) a Swiss journalist takes the view that the markets cannot be told what to do by dictators or a so-called elite, "even if it believes to know better and sometimes prides itself on being able to 'educate' the markets."⁶² Thus, the markets are independent and decide on a basis of their own. Market decisions of the past are irrevocable and cannot be reversed, as the following quotation from the *Guardian* illustrates:

The market decided long, long ago, for example, that work as a shop assistant is not deserving of a very high salary. A low salary tends to indicate low-status work (unfortunately).⁶³

The particularity of this statement beyond the previous ones is that the market decision was made a long time ago and has consequences that are judged as regrettable by the journalist. At the same time, it is no longer negotiable whether salespeople should or could earn a higher salary because the market decided a long time ago that the salaries of shop assistants must be lower and go

⁶¹ G. Parkinson, "Labour of Love Comes to an End as Cupid Founder Sparks Sell Off." *The Times UK*, March 9, 2012.

⁶² M. Somm, „Der Geist ist schwach.“ *Basler Zeitung*, April 25, 2012.

⁶³ D. Orr, "The Slanging Match Over Workfare is Getting Us Nowhere." *The Guardian*, February 24, 2012.

along with a lower status. One of the most important fund managers argues along these lines of irrevocability in an interview with the *Times*:

Andrew Bosomworth, a fund manager with Pimco, the leading bond investment house, warned that time was running out for the eurozone. He said: "Without a bold policy response, Italy could soon lose market access, whenever the market decides, making default inevitable, plunging Europe into depression and ending the euro area as it is today."⁶⁴

This quotation concerns no less than the end of the euro-based Europe and the decision is not one of individuals, states or organization, but one of the markets. The markets are attributed to have the ability to decide any time that insolvency is coming up. However, according to the fund manager, this market decision could only be detained by a brave political decision. It involves governmental rescue operations similar to that in the United States. From the *New York Times* we learn in one of the few citations that the markets also are searching actively and rigidly for information that sounds like state support:

When the Federal Reserve chairman speaks at an annual gathering in Jackson Hole, Wyo., this Friday, markets will be searching for something, anything, that indicates whether more stimulus is on the way.⁶⁵

According to that statement, the markets are searching for information for additional liquidity to prevent a threatening development. The alternative to state support is a recession and the following quotation proves that the attention and concern of the markets regarding a recession have an immediate influence on stock development:

"We're sticking with the call, but when it won't work is when we get a strong snapback," Mr. Stone said. "When the market decides it's not so concerned about the double-dip recession, it will drive the other stocks higher more quickly."⁶⁶

Just this attention, concern and interest in a recession can send stock prices up or down. The mediating exercise of power through the focus of thoughts is

⁶⁴ P. Hosking, "Fears of deep downturn as Italy signals recession." *The Times UK*, December 22, 2011.

⁶⁵ C. Rampell, "Markets Will Look for Hints in Bernanke's Words." *The New York Times*, August 23, 2011.

⁶⁶ P. Sullivan, "So Far, it's Been a Half-Empty Year for Financial Forecasters." *The New York Times*, October 7, 2011.

particularly interesting in this wording. Furthermore, it means that the market actually does not intervene itself, but via the mere concern about a recession; this concern would make itself felt by a so-called double-dip in the economic trend that corresponds with the development of stock prices. If we assume – referring to the theoretical wording of the market as a transaction mechanism – that it is the traders who conduct the transaction according to supply and demand, the sphere of market rapture that is perceived as a metaphysical entity is more distant and its influence larger if the mere focus of thought determines the ups and downs of stock prices.

Compared to this kind of influence, which borders upon telepathy in the case of the market as an assumed or supposed being that determines rates by mere doubts or attention, the view of the International Monetary Fund (IMF) is nearly amusing. The IMF – as cited in the *Guardian* – wants to scare the market to convince it that the turmoil will intensify and that the ‘firepower’ of the bailout fund will be sufficient to fend off a new recession:

The International Monetary Fund has warned that the immense firepower of the European Central Bank (ECB) would be needed to "scare" the financial markets and prevent an intensification of the turmoil threatening to send the global economy back into recession. (...) Almost from the moment the €440m EFSF was created it was deemed too small. Hence all the talk now about how to enlarge the bailout fund to convince the markets that Europe has the firepower to contain the crisis."⁶⁷

In addition to the quasi-telepathic abilities of this market entity, it is the anticipation – here the European politicians’ – that causes reactions if and when the power of the market affects the economy just by assuming that the actions of politicians are not sufficiently extensive.

In conclusion, the market is perceived as an independent entity with a metaphysical legitimization and ability in the presented citations. Its characteristics can be described as strict, adamant, merciless, consistent, authoritative and vigilant.

"We Believe That The Market Should Decide": Markets And Delegated Responsibility

After getting to know the characteristics of the alleged entity of the market, the next step is to ask about the responsibility of the market. The decisions taken by the markets in the quotations above have consequences for humans and the environment. The question of the extent to which the markets as

⁶⁷ E. Larry, "Only ECB has Power to 'Scare' Global Stock Markets, Warns IMF." *The Guardian*, September 25, 2011.

metaphysical entities also take over responsibility is a central question in business ethics. In the following, we therefore introduce further statements focused on the topic of the responsibility of the markets. Who takes over responsibility if politicians plead their inability to act? This question of responsibility comes to a head when dealing with oil prices, for example, like an article from the *Financial Times* points out. Here, too, the position is an ascription by a market participant:

One official told the FT about his concern for future expectations about the oil price. If the market decides that prices are set to climb still further, this acts as a “brochure” for more panic-buying and becomes a self-fulfilling prophecy.⁶⁸

This example shows that the market not only leads the charge for the respective present price but also causes a psychological mechanism like panic or a self-fulfilling prophecy by its decisions. Consequently, the responsibility cannot be taken over by the traders of natural resources, but is delegated to the markets, including irrational developments like panic.

So, if the decisive entities are the markets, the individual manager cannot be blamed either from an economic or an ethical point of view because the market reacts to the decision with regret and the decision was taken a long time ago. Even if somebody was responsible and the decision could still be taken, there is no possibility of influencing. The market – or better, its assertion – is used as reference to an authority that absolves the manager of responsibility for an operative decision just like a higher authority.

The perceived might of the market allows certain agents within the market to relativize the personal responsibility and scope of decision or neglect it altogether. This is illustrated impressively in the example of wage dumping. A general acceptance of a metaphysical market enables actors to reject responsibility for their economic action. This externalization equals an implicit moral judgment about the superiority of the economy over politics. By letting the market and its rules of exchange decide, this system of order is accepted as the primary system. Politics, legal frameworks, and even moral deliberations stand back behind this force.

The market relieves the individual by establishing the individual as a dependent, and the market as an independent variable within the field of economic action. Whoever refers to the market in this way thus cannot be blamed; he is obeying orders and implementing necessities. The market acts as an independent, moral-prescribing entity that certain economic actors prescribe to. A moral that is fostered through centuries of academic ascriptions and repetitions: the market does good. It promises wealth, both individually and socially.

⁶⁸ D. Blair, “Oil Spike: A Word From Saudi Arabia.” *Financial Times*, February 25, 2011.

CONCLUSIONS: MARKET AND RELIGION

We analyzed the potential of the market for metaphysical charges, aligned these charges with the history of economic thought, offered examples for a deification of the market, and described the delegation of responsibility resulting from this.

By using the deified market to delegate responsibility, the deification and the metaphysical charge of the market shift from a legitimization-narrative to ethically critical behavior. As we showed, the interpretation of the market has undergone several changes within the last centuries as the various readings of Smith and the different deities involved show. It seems now that – against the backdrop of the specific space-time-coordinates of the sample – the market as a metaphysical entity plays a socio-economic de-legitimation function. The naturalistic mechanics of the market that manage without human assistance make it impossible to apply human morality to them.

The observed ascription of the market as a metaphysical entity in the sense of a perceived deity can be attributed to a certain personality. This could result in the (human) market participants, and particularly investors and fund managers, appearing as demanders and suppliers on the market – partly in a personal union – and quoting the entity of the market as the instance of relief. This works because the players see the market as independently constituted – as a metaphysical entity – and therefore do not (have to) ask questions regarding responsibility for their own actions. In other words, actors in the financial world can acquit themselves from possible societal consequences of their actions rhetorically by making themselves out to be subordinate to the will of the market and subject to features of this entity that are not negotiable and that are simply passed on by the actors, not invented or justified. This finding aligns with the claim of a “moral bubble”⁶⁹ to characterize the financial crisis and its ethical consequences. A comparison to the dictum “I have just obeyed orders” may explain why the market as a metaphysical entity presets standards on the level of individual ethics to which the individual market-constituting actors conform. Following this apologetic statement, the entelechy of the market taking full effect is shown. Just as Rüstow⁷⁰ described the “metaphysical dignity” of the market mechanism, the participants addict themselves to the absolute terms of the market. The market itself generates the necessary trust for that because the positive effects that lead to prosperity are widely praised. Supported by (economics) academic findings and

⁶⁹ Kim Hawtrey and Rutherford Johnson, "On the Atrophy of Moral Reasoning in the Global Financial Crisis," *Journal of Religion and Business Ethics* 1, no. 4 (2010).

⁷⁰ Rüstow, "General Sociological Causes of the Economic Desintegration and Possibilities of Reconstruction."

political confessions, the secularly funded metaphysical functioning develops and is a feature of the markets within financial capitalism.

From that point of view, Voltaire's quotation regarding the stock exchange in England and the religious connotation of it becomes more comprehensible:

Go into the London Stock Exchange – a more respectable place than many a court – and you will see representatives from all nations gathered together for the utility of men. Here Jew, Mohammedan and Christian deal with each other as though they were all of the same faith, and only apply the word infidel to people who go bankrupt. Here the Presbyterian trusts the Anabaptist and the Anglican accepts a promise from the Quaker. On leaving these peaceful and free assemblies some go to the Synagogue and others for a drink, this one goes to be baptized in a great bath in the name of Father, Son and Holy Ghost, that one has his son's foreskin cut and has some Hebrew words he doesn't understand mumbled over the child, others go to their church and await the inspiration of God with their hats on, and everybody is happy.⁷¹

This market might possibly be put in the place of that asserted god, which levers out religious differences. Let's look at Voltaire's statement and the introductory observation of the 'Gods of the free market' together and consider the market as we know it from the media analysis. We can conclude that the market as a (perceived) metaphysical entity has a normative function in society. This market allows for individual benefits when business is fine – and a socialization of the costs of these ventures. *The market giveth, the market taketh away*. All this is happening independent of human influence.

As shown in the theory part of this essay, it is not a new idea to ascribe characteristics to the market that go beyond the market itself and its technical-regulatory function. The social context of every market action and the necessity of a market-preserving ethic illustrate the structural openness of the market for metaphysical ascriptions. But the ascriptions changed. Mandeville and Smith pointed at the welfare of society as a whole, which is magically created by the market. Within this veiled mode of action, one recognized divine will that evolved on the free market in favor of humanity. The market is not only idealized, but behavior that is harmful to the market is also moved to the area of blasphemy. Of course it is to note that all free market advocates believe in the extramundane of the market. But even the secularized version of the market praises the positive effects of a free market economy on the prosperity of an economy. With metaphysical or secular reasoning, damaging the market becomes an anti-social act.

In today's ascriptions to the market, a change is apparent. The invisible and god-guided hand that provided for the prosperity of nations becomes a

⁷¹ Voltaire, 'On the Presbyterians.' *Letters on England*. Pennsylvania: Pennsylvania UP, 2002.

relentless fist with severe power and sanctity. The examined newspaper articles were all published after the financial crisis of 2008. The reason for the change in the character of the market might be found here. The wealth of nations is no longer at the center of the ascription. Regard for people and social systems is not possible. The issue of market-harmful behavior seldom arises in the contributions, which are made under the impression of the crisis. Not surprisingly, it is hard to imagine that a man would inflict damage to this entity that defeats the most powerful states in the world. Instead, the punitive-sanctioning authority of an institution, whose behavior is not transparent and whose comprehensive power is not questioned, is outlined.

Future research should focus on this normative component of the perception of the market as a metaphysical entity because the conviction that "the market will take care of it" is still widespread. This much confidence apparently remains in the picture of the prosperity-securing market.

However, a market idealized by metaphysical ascriptions should not dictate the course of action. Rather, it is earthly debates with earthly personalities and institutions that must rise to this challenge in an open, democratic, deliberative process. Which values and standards a society wants to develop is not to be decided by a deified market, no matter how many metaphysical qualities the exponents ascribe to it in the newspapers.

LIMITATIONS AND FUTURE RESEARCH

The quoted passages give an impression of the market as a metaphysical entity that goes beyond the idea of dealing with a mere transaction mechanism. The passages that illustrate its autonomy and characteristics show certain similarities regarding the concept of this metaphysical entity and its sphere of impact. However, the limitations of these results are found in the sample. The mentioned publications of (economic) news are a selection within a specific search raster. Furthermore, there is a time raster. Since the citations are from 2011, they must be seen as part of a very specific situation within the financial and debt crisis that forced enormous economic and political regulatory challenges on Europe in particular. Along these lines, it makes sense to conduct an extensive study with a broader dataset to (1) be able to analyze citations over a longer time period and (2) be able to create sub-categories that allow for conclusions on the market as an autonomous entity. The sub-categories would also allow for more detailed research on the questions of in which context and by whom the idiom of the market as a metaphysical entity is used. In doing so, a thorough classification of the modern metaphysical attributions within their historical genesis could be achieved, and the logic of the newspaper excerpts could be examined in depth.