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Monetary Effervescence: A Sociological Theory of Religion Applied to Money

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Monetary Effervescence: A Sociological Theory of Religion Applied to Money

A Dissertation

Presented to

the Faculty of the University of Denver and the Iliff School of Theology

Joint PhD Program

In Partial Fulfillment

of the Requirements for the Degree

Doctor of Philosophy

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Advisor: Dr. Theodore Vial
Abstract

This project attempts to answer the question “What holds the construction of money together?” by asserting that it is money’s religious nature which provides the moral compulsion for people to use, and continue to uphold, money as a socially constructed concept. This project is primarily descriptive and focuses on the religious nature of money by employing a sociological theory of religion in viewing money as a technical concept. This is an interdisciplinary work between religious studies, economics, and sociology and draws heavily from Emile Durkheim’s *The Elementary Forms of Religious Life* as well as work related to heterodox theories of money developed by Geoffrey Ingham, A. Mitchell Innes, and David Graeber.

Two new concepts are developed: the idea of monetary sacrality and monetary effervescence, both of which serve to recharge the religious saliency of money. By developing the concept of monetary sacrality, this project shows how money acts to interpret our economic relations while also obfuscating complex power dynamics in society, making them seem naturally occurring and unchangeable. The project also shows how our contemporary fractional reserve banking system contributes to money’s collective effervescence and serves to animate economic acting within a monetary network. The project concludes by outlining multiple implications for religious studies, economics, sociology, and central banking.
Acknowledgments

There are numerous people who deserve acknowledgment. My doctoral advisor, Ted Vial, has been generous with his time and insight and has provided honest and graceful feedback throughout this project and the larger program. My master’s advisor, LeRon Shults, while not being involved with this project, provided me with alternative ways to think about religion which have been instrumental in my development. My dissertation committee of Ted Vial, Debbie Creamer, and Tracy Mott deserve credit for allowing me to pursue this interdisciplinary project. Debbie has been a responsive, helpful, and patient listener/reader who has shaped this project in significant ways. Tracy has generously adopted me as a graduate student and has been helpful in directing a significant portion of my economics research.

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Chapter One: Introduction

Money and Religion

Money is simultaneously one of the most important and ignored entities on the planet. On the one hand, billions of people devote much of their waking activity to earning money in order to spend it on goods and services they need and want, yet, on the other hand, people spend remarkably little energy thinking about what money is and how it functions. Money is therefore one of the most ironic entities of our time, being both critical for daily functioning and yet largely ignored at a conceptual level. This project attempts to contribute new insight into our understanding of the category of money. The use of the term category is important here because I am most concerned with exploring the fundamental nature of money rather than the more visible ways that money manifests itself in the world (consumerism, economic systems like capitalism, markets, currencies, etc.). In this project, I am focusing decisively on the religious nature of money, using theoretical lenses derived from the field of religious studies to look at this classically economics-oriented topic.

More specifically, the lenses used in this project were primarily developed within Emile Durkheim’s seminal work, The Elementary Forms of Religious Life.¹

This book asserted a “theory of religion,” meaning that Durkheim sought to provide an explanation for how religious traditions developed and continued to function. Within this project, I will modify this Durkheimian theory and will deploy it to view money as a technical economics concept. From the perspective of economics, I am asking what holds money together and why it is that money, as a concept, never seems to fail. These are questions that are often ignored by academics and the public alike.

To be clear, I am not pursuing questions about why currencies fail, but rather why it is that failures of one type of currency (or failures in a particular economic system) do not cause us to call into question the entire category of money. My answer within this project is that particular aspects of money’s nature sustain it as a salient religious force. Money, by virtue of being a social technology that commands much respect in society, possesses a moral authority that compels us to uphold it in our daily transactions and in our storing of economic value. This moral authority is fundamentally built upon two religious phenomena: money’s **sacrality** and the banking system’s generation of **collective effervescence.** Combined, these qualities allow money to maintain its religious saliency within its specific currency network.

This is not a project that seeks to talk about the use of money in religious traditions. It is also not a “theology” of money whereby I use classical theological grids to pursue some type of religious statement about the ethical use of money. Instead, this project is written as an entirely descriptive project seeking to illuminate dimensions of money that have been previously overlooked. The project is
fundamentally interdisciplinary, drawing heavily from monetary economics and sociology to inform my work in religious studies. In the end, I hope to provide a compelling explanation of money’s religious nature while also articulating how this nature is maintained through the beliefs and actions of all of us who use it.

**Project Layout**

The project is built upon five core chapters. In chapter two, I provide a summary of relevant work done on the broader topic of religion and economics, while simultaneously showing the particular methodological mistakes that have consistently occurred when approaching this interdisciplinary terrain. Scholars of religion are typically guilty of attempting interdisciplinary work by combining expansive and oversimplified disciplinary topics. An example of this might be “religion” and “capitalism,” which tend to be too diffuse to work coherently within. In order to remedy this, my project combines two focused sets of theories, one being a modified version of Durkheim’s theory from *Elementary Forms* and the other a set of “heterodox” theories of money outlined by a number of economists and sociologists. By focusing on the specific topic of money, rather than a broader topic like capitalism, I am better able to produce interdisciplinary work that is sufficiently descriptive.

In chapter three, I explain Durkheim’s sociological theory of religion, modified in light of the century that has passed between this project and the publication of *Elementary Forms*. As a result of this work, I define religion as a system of collective beliefs and practices, relating to things deemed sacred, which
enable the imagination and maintenance of a community. Following this definition, I provide a rearticulation of the sociological theory of religion used in this project. I think religion is a collective enterprise that generates social forces that compel us to act. Religion relies on both beliefs and practices, and these create and maintain a sense of sacredness and effervescence within the religious community. Ultimately, the salience of a given religion provides its adherents with a way to interpret their existence, while also obscuring more complicated relations of social power and privilege.

In chapter four, I introduce the reader to a coherent set of economic theories related to money. Assuming that the majority of my audience holds more expertise in religious studies than economics, I provide a substantial introduction to money as a technical concept. Following this monetary introduction, I recount several advanced theories of money which could be broadly organized into “orthodox” and “heterodox” groupings. Orthodox theories tend to dominate the type of economics taught in business schools and are the ideas that most commonly appear in the popular press and are used by most monetary practitioners (bankers, financial traders, etc.). I argue that these orthodox theories are unable to account fully for society’s incredibly complex use of money. For decades, heterodox theorists have been arguing that money might be different than classical economics has portrayed it. These thinkers have asserted a wide variety of theories regarding what money is and how it functions. This project is rooted in these heterodox views and, in particular, wishes to contribute additional religious insight to books like Geoffrey
Ingham’s *The Nature of Money*.\(^2\) Toward the end of chapter four, I provide an introductory description of how I think money operates religiously.

Along with the final portion of chapter four, chapter five represents the primary scholarly contribution of this project. In chapter five, I specifically explore the sacrality of money by stripping the concept down to its most elementary levels and showing how each subsequent conceptual order invests money with greater social significance. Viewing fourth-order (sacred) money through the lens of money’s religious nature enables understanding of how money works as an interpretive function for society, which enables it to obfuscate complex social power relations. In understanding these social dimensions, we also more clearly see money’s religious functioning.

In chapter six, I explore fractional reserve banking by showing how collective effervescence works to animate society toward money’s collective ends. This chapter contributes to the overarching argument asserted in the larger project, but also seeks to test my theory on a more concrete and well-established banking practice. This chapter is unique in that it is not required to make the larger argument but serves as a sort of written laboratory for showing the specific application of the broad thesis developed in the project. I hope readers see both the potential and limits that a well-directed theory of religion can accomplish on an (traditionally) irreligious topic.

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\(^2\) This book is one of the best articulations of money I have found in my research for this project. I highly recommend it. Geoffrey K. Ingham, *The Nature of Money* (Malden, MA: Polity Press, 2004).
The conclusion serves as more than a summary of the larger project. In addition to briefly recounting my argument, I seek to outline three implications that relate to the study and functioning of religion in our postmodern world. But because this is a fundamentally interdisciplinary topic, I also provide two speculations for economics and banking, as well as one for the study and practice of religion. While the three implications are solid scholarly conclusions that are clearly defensible, the three speculations form an important set of further questions that I think this project evokes. Both the implications and speculations should serve to prompt us to think differently about money as a concept and encourage us to pursue further interdisciplinary work related to this topic.

Money and religion are powerful forces in our contemporary world, but they are also incredibly multifaceted and complex; this project expands the scholarly understanding of both money and religion. It is my hope that you thoroughly enjoy reading this project. Over the thirty-six months that I spent researching, I found that the topic became more compelling and provoked further questions the more I learned. Money is critical for the functioning of our complex societies, and yet we understand so little about it.
Chapter Two: Relevant Literature Review

Before I turn to my description of a sociological theory of religion and its role in helping us understand the religious nature of money, we should first explore the relevant literature published on the broader topic of religion and economics and the so-called religion of the market. This chapter will serve multiple functions: (1) it will help the reader recognize the gaps in our current scholarly discourse; (2) it will identify significant methodological successes and mistakes made in the interdisciplinary space between religion and economics; and (3) it will argue in favor of the specific methodology used in this project.

Concerns Regarding Theory and Method

The broad topic of economics and religion enjoyed a flurry of activity in the late 1990s, with the peak publishing arc occurring between 1997 and 2007. Surprisingly little substantive work has occurred on this topic over the past five to six years, as the conversation has stalled in this most recent period. For people interested in an introduction to the discussion, Richard Foltz’s summary of the key works published on the topic of the religion of the market is the best available article. Foltz’s contribution to the topic was in assessing whether this discussion was a legitimate one for scholars of religion. Through his investigation of the major works, Foltz concluded that this topic was appropriate and necessary to more fully
“understand the role of religious belief and behavior in contemporary society” because global capitalism has become the dominant force in contemporary life.¹ Foltz thinks that by adopting and refining the religion of the market paradigm, religion scholars will improve future analysis of the faith dimensions of global economics.

While I think Foltz does a nice job of clearly articulating the significant contours of this broad discussion, in terms of his methodological approach I disagree with his view that the religion of the market is a coherent paradigm for scholars of religion. This view contributes to a common problem in this discourse by encouraging far too broad of an interplay between concepts. In my review of the literature, I have uniformly found that scholars in both religion and economics suffer from a lack of precision because they attempt an interdisciplinary perspective that does not allow for a sufficiently narrow use of their key concepts. While most of the authors presented in this chapter do provide some delineation of what they mean by religion, few articulate a nuanced sense for the multivalent aspects of economics. Stated a little differently, scholars in any field tend to be aware of the way in which their particular field is difficult to characterize into one major term. In the case of religion, one often finds that people outside the field will use the term in a fairly unnuanced sense with little apparent awareness of the broad multiplicity that exists

¹ Richard Foltz, “The Religion of the Market: Reflections on a Decade of Discussion,” Worldviews: Environment Culture Religion 11, no. 2 (2007): 151-53. Foltz writes: “The diverse sources (cited in his article) should be sufficient to quell any doubts that the Religion of the Market can be understood as a faith system in a very real, and not merely metaphorical sense.”
in its use. \(^2\) So while religion scholars are often aware of the way in which their own broad and complicated field gets minimized by those outside it, the religious studies-oriented authors presented in this literature review have been inclined to methodologically project the same mistake on economics. The discussion of economics or the market is far more complicated and problematized when one examines it closely. While most of the pieces presented here did provide some delineation of what was meant by religion, few provided any sense of what was meant by the market or global economics. \(^3\) Those terms were used in an overly simplified and wooden sense.

When stepping back from the broad array of articles and books published on this general topic, three classifications emerge. The first is work done by scholars for a popular audience. These works have tended to inform the discussion by prompting helpful questions about the nature of the relationship between religion and economics or the use of religious studies in elucidating economic phenomena. The second group is what both Foltz and I would refer to as polemically oriented works.

\(^2\) This point is made quite clearly when people from a scientific perspective present on a scientific topic in relation to “religion” or “spirituality.” In my experience, these presenters often fail to recognize that religion is a broad topic that includes thousands of possible unique traditions and periods. A similar issue exists when these same people attempt the use of a religious tradition such as “brain science and Christianity” and fail to consider clarifying questions such as, which Christianity, and in what period? The point here is that it is common to simplify other fields in which we are not experts even though we methodologically experience that same incorrect simplification by others using the fields in which we have personal expertise.

\(^3\) Lest I have failed to make my point, simply consider the way the term “the market” is used. Using “the” implies a monolithic and obvious nature that simply is not the case. Which market? From which time period? Connecting whom? All of these fairly obvious elements are overlooked, and I find this surprising given that scholars of religion are painfully aware of their own field being simplified by others.
These articles have approached the topic in order to make some sort of ethical point. Interestingly, in these cases we find people who clearly take a position on this discourse; there are those who are clearly anti-capitalist and those who are capitalistic apologists. But, from a methodological perspective, both are making similar errors. The third group is what I would term descriptively oriented works. These pieces have been written primarily to more clearly attempt to describe the interdisciplinary phenomena at work in this larger topic.

Regarding the more polemically oriented works, while I understand the allure in making ethical proclamations, I think scholars of religion are far too quick to cast judgment on topics such as globalization, capitalism, money, and economic power. These terms, like religion, are far too complicated and multifaceted to use without carefully explicated definitions. In other words, it seems to me that many writers are more interested in getting on their academic soapboxes than doing careful and illuminating research.

I am thoroughly and completely aligned with those scholars who do primarily descriptive work because I see this as the first step in delineating the interdisciplinary terrain between any two distinct fields. Furthermore, these descriptive projects tend to provide a contribution to academic discourse that polemical works truncate, namely, access to the discussion for other scholars outside of these original projects. Stated more directly, if everyone had to take several years becoming acquainted with literature on religion and economics, we would have too little dialogue around these topics. Well-crafted and descriptive projects will enable a broader engagement
around these interdisciplinary issues and provide more cross-pollination of ideas over distinct competency areas, while polemically oriented ones tend to reinforce the status quo. From the perspective of my particular religious studies guild, we need more descriptive interdisciplinary work and less immediate proclamation of judgments. Once the terrain of a topic is sufficiently described, we are in a much better position to argue for specific well-informed ethical perspectives.

In summary, I have found that the broad interdisciplinary discussion between economics and religion has been hampered by the methodological mistake of attempting to combine topics that are too broad to be coherently engaged. This problem has been compounded by a deficit in carefully understanding the terms being used outside one’s own field. To correct this, I have attempted a tighter project by using specific concepts such as a sociological theory of religion applied to the technically defined concept of money. Furthermore, this particular interdisciplinary discourse has tended to produce a surplus of polemically oriented works that lack careful descriptions of the phenomena they are engaging. This has led many scholars of religion to dismiss global capitalism as some sort of social plague and the lone economist in this discussion to engage in an apologetic argument in favor of the salvific possibility of capitalism. To correct this, I have attempted a descriptively oriented project relatively free of ethical judgments. I hope to provide helpful insight to scholars of both religion and economics in delineating the terrain between these two fields and, as a corollary, set up the future opportunity for careful ethical reflection on the possibilities and constraints of these key topics.
Popularly Oriented Works

In what is likely the most accessible and widely read piece related to the intersection of economics and religion, Harvey Cox explores the Market through his own theological perspective. Cox does not define a specific location within economics or global business practices toward which his critique will be aimed, but instead recounts his own engagement with the popular literature specifically pertaining to business and economics. Cox possesses excellent instincts for relevancy and significance by efficiently articulating what many people think and feel about market-based economies:

Behind descriptions of market reforms, monetary policy, and the convolutions of the Dow, I gradually made out the pieces of a grand narrative about the inner meaning of human history, why things have gone wrong, and how to put them right.

Cox explains what is apparent to many scholars of religion: the language, narratives, and images collectively held by society and articulated in the popular press are indeed religious in nature. The market becomes invested with religious character through our choice of language about it and through the metaphors we use to think about it. Cox speculates in his piece “whether the real clash of religions may be

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4 Cox capitalizes the “Market” in his piece. While he does not explicitly state this, I think he does so to make a subtle theological point about either the market’s divinity or the market’s supremacy. Either way, it is worth noting here.

going unnoticed” because “the religion of the Market has become the most formidable rival, the more so because it is rarely recognized as a religion.”

While this article was written to a popular audience, Cox voices many of the themes that we find in the more formally written academic pieces. However, Cox does not do the work of correcting common problems in this interdisciplinary perspective. He is unclear regarding what he means by religion, he shows little technical understanding of economic concepts, and he is overly polemical in his assessment. Cox acknowledges this third point near the end of his article:

I am usually a keen supporter of ecumenism. But the contradictions between the world views of the traditional religions on the one hand and the world view of the Market religion on the other are so basic that no compromise seems possible, and I am secretly hoping for a rebirth of polemics.

As I mentioned earlier, here we find a common problem that arises repeatedly in the literature: scholars of religion are too quick to make ethical judgments about the relative merits of the market, money, and global business practices. While one would assume that a theologian would not typically hold expertise on economic matters, it is reasonable to assume that they do on religious matters. On this count, Cox’s piece does not express sufficiently sophisticated religious concepts. A prime example of this originates from a technical point in Cox’s article where he claims that money desacralizes things formerly deemed sacred without explaining what makes something sacred. In speaking specifically to the sacrality of land and the way the

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6 Ibid., 6.
7 Ibid., 7.
market for buying and selling it changes its identity, he writes: “This radical desacralization dramatically alters the human relationship to land; the same happens with water, air, space, and soon (it is predicted) the heavenly bodies.” Because of Cox’s rather a priori notion of sacrality, he misses a key insight that the market is no more or less sacred than classic religious examples. Cox is quick to judge how market economies will negatively affect these resources while failing to consider the ways in which they are potentially helpful.

While Cox has been one of the lone religious voices on this interdisciplinary terrain, there have been other popular works devoted to this broad topic. I think they do not warrant exhaustive treatment here, but they should be mentioned.

8 Ibid., 3. An expanded quote from the Cox article reads as follows: “The willed-but-not-yet-achieved omnipotence of The Market means that there is no conceivable limit to its inexorable ability to convert creation into commodities. But again, this is hardly a new idea, though it has a new twist. In Catholic theology, through what is called ‘transubstantiation,’ ordinary bread and wine become vehicles of the holy. In the mass of The Market a reverse process occurs. Things that have been held sacred transmute into interchangeable items for sale. Land is a good example. For millennia it has held various meanings, many of them numinous. It has been Mother Earth, ancestral resting place, holy mountain, enchanted forest, tribal homeland, aesthetic inspiration, sacred turf, and much more. But when The Market’s Sanctus bell rings and the elements are elevated, all these complex meanings of land melt into one: real estate. At the right price no land is not for sale, and this includes everything from burial grounds to the cove of the local fertility sprite. This radical desacralization dramatically alters the human relationship to land; the same happens with water, air, apace, and soon (it is predicted) the heavenly bodies.”

9 As a quick point of commentary, it is worth noting that richer countries tend to pollute less than poorer ones. So while religion scholars are quick to point out the maleficent nature of economic growth, they fail to account for a significant body of work showing that, as a country gains wealth, it tends to better conserve and protect its natural resources. While religion scholars often relentlessly attack markets and modern capitalism for its denigration of the environment, they often do not account for the way wealth is able to lead a country to better conserve and better protect the environment. I have yet to read a single scholar of religion who has pointed out this undeniable reality of early twenty-first-century environmentalism.

10 I should note that most of the popular works coming from an economic perspective do not engage religion explicitly. They instead generally aim at the social costs of economic problems. As will be seen in this broader project, this is not far from where I come out in terms of my sociological theory of religion. Because of this, I have chosen to include these works in this literature review.
pertains to the social costs of the 2008 economic collapse, three works stand out. It is worth noting that, like their religious counterparts, they have tended toward too broad of a conceptual perspective and have largely ignored the category of money as an important force in the economy.11 While each of these books closely examines intricate features of the landscape of markets and money for the decade leading up to the crisis, none of them spends any time examining the way in which money did or did not assist in causing the crisis. I mention this simply to point out that it is not only religious studies scholars who miss the importance of money; economists and journalists do, too. Outside of focusing on the recent financial crisis, there is one popular book that is repeatedly referenced as being potentially relevant to my project, William Greider’s best seller, Secrets of the Temple: How the Federal Reserve Runs the Country.12 While Greider definitely grasps the important and influential role that money has on the larger economy, he does not seriously engage the question of religion or the concept of money in human thinking. The religiously evocative nature of the title works more as a metaphor than as an actual analytical tool for viewing the Federal Reserve or the banking system.


Polemically Oriented Academic Works

In what is the most well-known religious studies article pertaining to religion and economics, David Loy argues that “our present economic system should be understood as our religion because it has come to fulfill a religious function for us.” Loy goes on to claim that the field of economics is “less science than the theology” of this particular type of religion. In Loy’s assessment, the religion of the market is more powerful than the classic religious traditions and is primarily to blame for extreme social inequity and environmental catastrophe. Loy compellingly argues that our current economic system is far from being the inevitable consequence of natural laws and is instead “one historically-conditioned way of organizing/reorganizing the world.” Loy points to the significant anthropological evidence that our economic system is not universal or rational and is a specific manifestation of particular social relations embedded in our current world.

Loy is clearly disdainful of our current economic system, and his article reads as a polemic which rails against our modern economy without acknowledging the tangible ways in which it has also assisted humanity and the environment. Loy is mistaken with several of his claims relating to how economic systems function and simplifies otherwise complex business and economic relationships. Many of these statements are made as if they are a priori assessments of reality and come across to

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14 Ibid., 278.
the reader as somewhat preachy. For instance, Loy argues that “market values lead to a decline in the quality of our social relationships,” but provides no clear examples of this and ignores the significant ways in which relationships are enhanced by these same values. He claims that there is a “basic contradiction of the market” in that “it requires character traits such as trust in order to work efficiently, but its own workings tend to erode such personal responsibility for others.”15 While there are many examples that might support this claim, there are also many that discredit it. Further, the statement is too simple to account for the real complexity at hand in market relationships. Religious studies scholars would most likely affirm a generic sense that the free market by-products of corporate downsizing, wage inequality, and exploitation of workers contribute to decay in our social fabric. On the other hand, there are contrary examples of how the free market actually upholds and reinforces positive social relations. For instance, in the Free Banking era of the early nineteenth century, private banks in New England worked out systems in which they held each other accountable for prudent lending and self-policed their monetary networks to ensure stability. This, in turn, created more transparent and stable banks for the general public, encouraged growth in economic activity, and was a force moving for greater social cohesion in New England.16 These implications were positive both in terms of economic and social relations and originated from these same free market

15 Ibid., 283-84.

scenarios. In light of an example like this, Loy’s main arguments are revealed to be far too simplistic to account for the actual social phenomena that market economies create.

Given that Loy’s field is not economics, I am somewhat sympathetic to his inability to articulate the true complexity of market-based economies. That said, I have little sympathy for his lack of nuance in talking about religion; on this count, Loy fails to produce adequately coherent religious studies scholarship. For instance, Loy argues that “from a religious perspective the problem with market capitalism and its values is twofold: greed and delusion,” although he does not explain either of these assertions. 17 On a more technical note, Loy argues that market realities leave no place for the sacred or for “wonder and awe before creation,” and he seems to think that his readers hold a uniform view of what is meant by sacred. 18 Loy’s solution for this capitalistic devastation is traditional religions, which he thinks can provide greater insight into “what life can be.” 19 While Loy is long on pronouncing judgments on market capitalism, he is short on defining his own terms. What does he mean by sacred and by religion? He fails to articulate (even briefly) his working theory of these terms and instead focuses his attention on railing against what he understands to be this dominant religion that is destroying sacrality, society, and the environment. Simply put, Loy’s piece is a blunt instrument of ethical judgment that

18 Ibid., 285.
19 Ibid.
falls short of describing the complex realities he is judging. While he published this piece in the *Journal of the American Academy of Religion*, he seemingly is not overly self-reflective about his own religious lens, overlooking even minor clarification about what he means by these critically important technical terms from his own discipline.

Loy is not alone in the methodological desire to pronounce our modern economic period as being a negative development for humanity, animal life, and the environment. In my researching of relevant literature in religious studies, it seems that the majority of works related to economics and religion take a similar polemical orientation at the expense of careful descriptive work. While few are as brazen as Loy, most fail to support their claims regarding the negative nature of modern economies.²⁰

Interestingly, scholars of religion are not alone in their polemics. In what is the premier work on economics and religion from an economist’s perspective,

²⁰ A good example of an essay that I find rather polemical but methodologically reflective is Jay McDaniel, “The Sacred Whole: An Ecumenical Protestant Approach,” in *The Greening of Faith*, ed. John E. Carroll, Paul Brockelman, and Mary Westfall (Hanover, NH: University Press of New England, 1997), 105-24. McDaniel begins his essay with the following statement: “A religion is a way of organizing life. In our time the dominant religion of the planet is ‘economism.’ Its god is endless economic growth, its priests are economists, its missionaries are advertisers, and its church is the mall. In this religion, virtue is called ‘competition’ and sin is called ‘inefficiency.’ Salvation comes through shopping alone.” After making this statement, McDaniel does not substantiate his claims but instead argues that “classic religions” can play a role in offsetting “economism’s” wrongs. McDaniel does a nice job of clarifying his religious terms and is self-conscious of his particular religious viewpoint, but the opening statement is a problem in that it makes a statement that is not an obvious position. Then, instead of clarifying this complex issue (the religious nature of our modern economy), this article tends toward reinforcing common ethical judgments. Similarly, I have found that other works repeat this same methodological mistake of being too quick to judge without sufficient descriptive analysis; see Herman E. Daly, John B. Cobb, and Clifford W. Cobb, *For the Common Good: Redirecting the Economy toward Community, the Environment, and a Sustainable Future*, 2nd ed. (Boston: Beacon Press, 1994).
Robert Nelson has developed his own interdisciplinary theory in two interesting works. In *Reaching for Heaven on Earth* and *Economics as Religion*, Nelson provides the most comprehensive account of religion and economics from the perspective of a legitimate academic economist (he has worked as both an economist for a government agency and as a tenured faculty member at the University of Maryland). He first penned *Reaching for Heaven on Earth* in 1991 and followed with his other work in 2001. In tandem, both works form a comprehensive attempt at engaging the question of how economics is religious and how economists operate theologically. In *Reaching for Heaven on Earth*, Nelson argues that the major economic traditions can more aptly be understood similarly to the great strands of Christian theology in that each attempts to address the most profound issues of human existence. His arguments track along the same lines as a typical systematic theology in that each economic school holds anthropological claims about the nature of humanity, and each provides arguments for the most efficacious form of salvific acting. Nelson shows that belief systems, which seem incredibly similar to theological systems, undergird the majority of macro-economic thought.

In *Economics as Religion*, Nelson continues his inquiry by showing that the basic presuppositions of major economic schools are fundamentally oriented in specific faith commitments which provide for “a source of ultimate understanding of

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Nelson effectively shows that there are values built into economic thought that are distinct from a sort of self-evident empirical basis and are instead religious in nature. The defense of these values is one of the key roles of economists in a modern society as they uphold and defend their ultimate view of reality. Nelson argues that one can account for differences in economic growth by accounting for a particular economic network’s religious tradition. It is worth noting that Nelson does not combine economics and religion in the same way that Max Weber did in *The Protestant Ethic and the Spirit of Capitalism*. When Nelson uses religion, he is not referencing classic traditions like Judaism, Christianity, or Buddhism, but rather particular ways economists approach their work. Stated differently, Nelson thinks the field of economics is similar to theology in that core belief systems are supported by systems of thought.

Contrary to writers like Loy, Nelson deserves credit for articulating (at least in brief) a theory of religion early in his book. He asserts that religion is about “making claims to truth” and changing people’s behavior in light of these claims. Unfortunately, his working theory of religion is not overly robust and fails to be on

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24 Nelson, *Economics as Religion*, xviii. Nelson writes: “However, economists have had almost nothing to say about how religion comes to be believed in the first place. In the end, religion is about making claims to truth—as economists see their own economic research in this light. Religion is about changing people to make them better understand the truth as it is seen by the initiated and thereby also changing their behavior—as in Christian efforts to persuade sinners to see their fallen ways and to give up their sinful behavior. If economists typically assume a preexisting preference structure, much of religion is about changing the preference structure. Religion often teaches us to want different things or to be happier with what we have.”
par with our contemporary study of religion; and his over reliance on beliefs as the
core of religion leads Nelson generally to discount the way religious practice
functions to uphold religion. This blind spot is the primary downside that I see to
Nelson’s collective works on this subject.

Note that I have listed Nelson’s texts under polemically oriented works. I
have done so because Nelson seems to think that certain economic schools of
thought can indeed lead to a more beneficent world. In this way, he is writing from a
perspective that is opposite of Loy in that he thinks contemporary capitalism holds
great promise for improving the human condition. This sort of argument carries some
academic authority, given that Nelson is a bona fide academic economist at a
credible university, but I tend to be skeptical about most ethical claims until it is
clear that the author has adequately described the complexity of the interdisciplinary
terrain. While Nelson is more insightful than most religious scholars writing about
economics, he does not exhibit clear understanding of the complexity of religious
studies today, and I think this leads him simply to conflate value systems with
religious systems. This, in turn, leads to an overly mechanical feel of a sort of quid
pro quo in relating one disciplinary school of thought with a different one in an
entirely different field without an awareness of the unique contexts out of which both
fields grew.25

25 By this I mean that Nelson takes an economic tradition and relates it to a theological tradition in a
way that cannot be done with scholarly integrity. This mechanistic relating of an economics tradition
to a theological tradition overlooks issues regarding comparison, context, and disjunctions between
both fields. In other words, it is too simple to relate one school in a discipline with another school in a
different discipline.
Descriptively Oriented Academic Works

In *Authentic Fakes*, South African scholar David Chidester argues that money operates religiously by virtue of being religiously significant, especially in terms of what we deem sacred. I think Chidester’s work is an improvement over many of his peers due to a sort of methodological clarity with which he approaches the topic. Early in the book, Chidester states his definition of religion, which for his work is a generic term for “ways of being a human person in a human place.”26 The place component of his definition is critical because Chidester understands religion to include “discourses and practices for creating sacred space as a zone of inclusion but also a boundary for excluding others.”27 All of the topics in the book (of which money is a prominent contribution) use religion as “a point of entry into the meaning, power, and values at work in the production and consumption of authentic fakes in American popular culture.”28 I find Chidester to be a positive example of fruitful interdisciplinary study: he clearly delineates his terms and has a theory that is specific enough to be of use to his particular discipline and yet flexible enough to be of use within a wider range of disciplines.

While Chidester approaches this topic with clarity, his execution falls short of providing significant insight into monetary phenomena. Within the first few pages, Chidester links monetary sacrality with blood and then proceeds to provide a series


27 Ibid.

28 Ibid.
of anecdotes supporting his claim.29 While he does articulate the three primary functions of money (medium-of-exchange, store-of-value, and unit-of-account), he does not drill any deeper into this clearly socio-religious category and instead settles for a shallow understanding of money’s sacredness; this early mistake dooms his chapter to be of limited worth in explaining anything overly useful about monetary phenomena. The reader leaves the chapter with nothing more than a surface engagement regarding the religious nature of money. That said, Chidester is writing descriptively, and the reader does not come away with a sense that he is angling for a specific ethic of money or any other polemically loaded argument. In summary, I think Chidester’s work is laudable on the level of theory and method, but fails to do the hard interdisciplinary work of adequately understanding money. Because of this, his contribution to my specific project is limited.

Mark C. Taylor’s book *Confidence Games: Money and Markets in a World without Redemption* is one of the only full-length monographs related to the topic of the religion of the market. Similarly to Chidester, Taylor avoids writing a polemically charged piece decrying modern capitalism. Instead, Taylor, echoing Fredric Jameson, focuses on describing what he understands to be the postmodern world’s interplay between religion, art, and money.30 Taylor makes many interesting

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29 Ibid., 111-30. While pages 111-30 pertain to “monetary religion,” Chidester’s project related to money is doomed within the first few pages.

comments in the book, ranging from his general insistence that postmodern culture creates a contemporary economy where money and markets are complexly intertwined in ways that make joint human acting potentially unstable, to his final assertion that, ultimately, the tendency of people to want certainty is what we need to overcome.\textsuperscript{31}

Taylor is fairly loose in specifically outlining his theory and method, and it is difficult for the reader to know if this is due more to his postmodern writing style or to a foundational lack of methodological clarity. At over three hundred pages, his book has much more opportunity than Chidester’s sole chapter on money to explore the nuances of monetary realities. To Taylor’s credit, he does outline several elementary ideas about money, including its functions, the basic logic of exchange, Marx’s understanding of money as a special commodity, and a general outline of fiat currency. Taylor manages to suggest some philosophical implications for money in society and echoes several of Georg Simmel’s points from a century earlier. But he does not show how those philosophical points tangibly influence our understanding of money and religion. His book would have been more useful as a tightly argued, descriptive, and analytical work that would get at the religious complexity of money and markets.

Taylor provides us with a convenient transition to Georg Simmel, who penned a well-known philosophical work on money in 1900. While I was hopeful that I would find an intellectual treasure here, the book was not a significant contribution to my research. I do not mean to imply that Simmel’s work is not academically valuable, but rather that his specific engagement of money and religion is not overly insightful nor applicable to this grounded and descriptive project. What is positive about Simmel is his tremendous instinct regarding the reality of money, especially given the period in which he was writing. I say *instinct* instead of *analysis* because Simmel is a mixed bag of inquiry. On one hand, Simmel points to the nature of money as credit and understands the importance of unit-of-account long before these concepts became viable alternative theories. Yet, in other places, he struggles to free himself from more orthodox views on money, particularly around the centrality of the medium-of-exchange and the origin of money as metallic.

In whole, Simmel clearly understands that money requires authoritative backing for it to function (even if in metallic form), and he correctly articulates that individuals would not be able to assess the *real* value of metallic coins in commodity-based money. He correctly surmises that people would be reliant on the authority and reputation of the governing body which is distinct from much of the nineteenth-century thought on the subject. Simmel insists that, in any monetary regime, individuals must “trust” others in society. If trust breaks down, monetary “transactions would collapse” and the economic and monetary system would

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disintegrate. Importantly, this monetary trust is unique and is not simply of the
generic type that all humans use (such as the farmer “trusting” that his field will
indeed grow crops); rather, it is something that is “most clearly embodied in
religious faith.” Simmel is ambiguous regarding how monetary trust relates to faith,
but does explicitly claim that the trust pertinent to money is distinct from other more
generic forms of trust because it contains a “further element of social-psychological
quasi-religious faith.”33 Simmel seems to be claiming that belief in money is like
religious belief. Stated differently, someone places trust in someone else, or in an
entity, to uphold its end of the social contract that is money in the same way one
places trust in God. Trust is distinct from knowledge and expresses what Simmel
thinks is an adherence to a given religious concept. Unfortunately, Simmel does not
proceed much further to explain how this specific “quasi-religious faith” functions
and only uses religion as an example of this distinct form of trust. Simmel’s instinct
was somewhat insightful in seeing the religious nature of money, but he does not

33 Ibid., 191-92. The full quote from which this above paragraph was delineated is as follows: “In the
case of credit, of trust in someone, there is an additional element which is hard to describe: it is most
clearly embodied in religious faith. When someone says that he believes in God, this does not merely
express an imperfect stage of knowledge about God, but a state of mind which has nothing to do with
knowledge, which is both less and more than knowledge. To ‘believe in someone,’ without adding or
even conceiving what it is that one believes about him, is to employ a very subtle and profound idiom.
It expresses the feeling that there exists between our idea of a being and the being itself a definite
connection and unity, a certain consistency in our conception of it, an assurance and lack of resistance
in the surrender of the Ego to this conception, which may rest upon particular reasons, but is not
explained by them. Economic credit does contain an element of this supra-theoretical belief, and so
does the confidence that the community will assure the validity of the tokens for which we have
exchanged the products of our labour in exchange against material goods. This is largely, as I have
said, a simple induction, but it contains a further element of social-psychological quasi-religious faith.
The feeling of personal security that the possession of money gives is perhaps the most concentrated
and pointed form of manifestation of confidence in the socio-political organization and order. The
subjectivity of this process is, so to speak, a higher power of the subjectivity that creates the value of
precious metals in the first place. The latter is presupposed, but now it has a practical outcome in
money transactions through that two-sided faith.”
provide a coherent theory of religion or specify a detailed account for how the above mentioned belief functions. Instead, he settles for religion as metaphor rather than as an insightful lens for elucidating money. In light of the ambiguous value of Simmel’s work to monetary inquiry today, his main ideas have not significantly shaped this project.

One of the most innovative and helpful works in this broad subgenre of economics and religion is Dell de Chant’s *The Sacred Santa*. De Chant offers an alternative interpretation to the classic secularization thesis by arguing that America’s late-capitalistic consumer culture is actually quite religious if understood in the classification of the ancient cosmological religiosity of the pre Greco-Roman world. De Chant writes:

> The transcendental worldview, rooted in biblical notions of transcendental monotheism, supernatural creation myths, and human dominion over nature, disenchanted the natural world and eviscerated cosmological religion. By removing its gods and the ambient sacredness of the world and placing a single God above and beyond the world, transcendental monotheism replaces a reverence for the cycles of nature with a reverence for the events of history, and instead of the magical and mysterious potentiality of nature, the rationality of God and elevated rationality in human beings were positioned in an exalted plane. While this early expression of desacralization cannot be called the beginning of secularization as we know it today, we can nonetheless learn something about the ground from which the process seemed so suddenly to explode at the close of the Middle Ages.  


35 Ibid., 16-17.
We see here that de Chant is invoking religion not as distinct institutions or traditions, but rather as “collective enterprises based in deeply rooted cultural beliefs about the order and process of the cosmos and humanity’s right relation with it.”

This is de Chant’s most helpful innovation and allows him to lay out exactly how he sees consumer culture functioning religiously.

De Chant does a nice job of delineating his key terms. By religion, de Chant uses a four-part theory in which he weaves belief, community, maintenance, and power over material conditions with an eye toward providing religious adherents with “answers to ultimate questions” regarding their relationship with “ultimate (sacred) power.”

De Chant argues that our classically defined religious traditions (Christianity, Islam, Hinduism, etc.) tend to focus on transcendent elements and often overlook the real material concerns of their adherents and this is where a more prehistoric type of cosmological religion is helpful. Additionally, de Chant is particularly interested in the way myths and rituals function in religious systems and

36 Ibid., 16.

37 Ibid., 9-10. De Chant’s working description of religion is as follows: “Religion is about power. It mediates our relationship with the source(s) of ultimate (sacred) power by suggesting, teaching, or commanding (1) a belief that the ultimate truth and meaning of human life is derived from and related to an order and purpose based on or decreed by the ultimate (sacred) power (e.g., gods, God, nature, cosmic principles, social order). (2) This belief is necessarily shared by a group or community. (3) This belief is maintained because of (a) the community’s participation in certain special and uniquely patterned actions, either personal or communal, typically called rituals, and (b) special (numinous) narratives, typically called myths, which deal with unique persons or events related to sacred concerns and elements. (4) This belief is the foundational truth and meaning of human life is understood by participants in the religion to allow them (as individuals and as a community) a certain degree of power over material conditions (in so far as they live and act in harmony with the ultimate power) and to supply them with answers to ultimate questions regarding nature and the human condition (such as death, the afterlife, evil, one’s place in society, why one succeeds or fails).”
relate to sacred concerns and elements; he also appropriates a theory of “secular ritual” in his project.38

As for the positive elements of this book, de Chant’s big idea that late capitalism is indeed religious is one of the better examples of how religious studies can be of assistance in elucidating a broad array of social tapestries. De Chant’s work nicely shows how a well-aimed theory of religion can expand our notions of the way religion is at work around us. His investigation of consumer culture is compelling, and I think he supports his point with arguments that do leave the reader with the distinct sense that our consumerism does indeed constitute a form of important religiosity in our contemporary world.

As we drill down on a few of his supporting examples, I am less convinced by his arguments on the ritualized nature of purchasing items in the store along with his sense for how the sacred functions. For instance, de Chant argues that the process of purchasing goods at a store constitutes a ritualized action between “lay persons” (shoppers) and the lowest levels of the “priests” (in this case, a typical cashier).39 De Chant describes the typical process by which the transaction is made with the implication that this ritual helps substantiate the larger religion of consumerism of which the adherents are a part. But as one reads the description, one is struck that this is not at all what typically happens during a contemporary checkout, and, in fact


(since the publication of this book in 2002) the ritualized action being described is in the process of vanishing. Furthermore, even if this process continued, it is hard to escape the reality that all of these actions are actually aimed at a decisively practical end; this alone is enough to question whether these human encounters are truly ritualized.\footnote{Jack Goody, “Against Ritual: Loosely Structured Thoughts on a Loosely Defined Topic,” in Secular Ritual, eds. Sally Falk Moore and Barbara G. Myerhoff (Assen, NL: Van Gorcum, 1977), 25-35.}

Another concern of mine is de Chant’s use of the sacred. For this, de Chant relies on Eliade’s discussion of sacred places.\footnote{Mircea Eliade, Patterns in Comparative Religion (Lincoln: University of Nebraska Press, 1996).} Similar to the issues listed above, the notion of place is problematized in consumer culture with the expansion of online shopping and an ever larger percentage of retail sales being completed in non-traditional storefronts. So we see here that while de Chant created an interesting big idea related to archaic religion and consumerism, his idea weakens as we move away from the specific historic location of the writing of this book.

I wish de Chant would have followed the economic elements of his theory all the way down to their core realities. De Chant is on to something with an argument that applies archaic religion to contemporary phenomena, and he is correct that our contemporary economic realities frame our existence in ways similar to ancient religious traditions. But he is mistaken in his insistence that these are manifestations of consumer culture. In contrast to de Chant, I think the religious reality of our contemporary economic context is best elucidated by a close examination of money.
as a strict technical concept. It is in money that we find that complex social relations are obfuscated and made to seem naturally occurring and, therefore, seemingly unchangeable. And it is in money in which core human beliefs and actions combine to bind people together in a shared destiny and a common identity. At this very fundamental economic level, we find the core reality that should inspire much interdisciplinary study. De Chant deserves praise for creating a more sophisticated descriptive project that attempted to use religion to describe economic realities rather than as a soapbox to rail on the moral shortcomings of global capitalism.

Project Intent

Economics and religion are obviously distinct disciplines within the modern university, and, while work between these two fields is clearly interdisciplinary, religion scholars have often overlooked the substantial challenge this creates. Throughout my review of the relevant literature, it has become apparent that few thinkers who approach this broad subgenre do so with a sufficiently focused methodology. As it relates to this topic, most scholars of religion adequately define their theory-laden terms but do not use them in a sufficiently narrow scope. This tends to produce articles, chapters, and full monographs that are interesting collections of ideas with marginal descriptive value. As I have stated repeatedly, in order to have any chance to develop a coherent interdisciplinary project, the writer must carefully select a specific theory within a larger discipline (herein a sociological theory of religion) and apply it to a specific topic in the other (herein
money). Attempting a project like economics and religion, or even the religion of the market, seems to be too diffuse.

In recapping my observations about the popular works in this arena, there is no doubt that our current economic structures seem to have a religious quality to them. This is obvious when one reads the news or listens to commentary regarding our day-to-day experiences of money and markets. This common occurrence of the use of religious language to describe our economic experience invites thinkers to evoke religious metaphors in their descriptions of economic realities. From the perspective of the academic study of contemporary religion, this should invite a more formal and careful study of the interplay between these two seemingly distinct disciplines. Not surprisingly, my review of the relevant popular literature has shown that popular writers make methodologically similar mistakes to their more academic peers. In the case of those writing from a decisively religiously oriented perspective, they often conflate concepts that are distinct technical categories (for instance, they like to use economics, markets, or money as fairly interchangeable concepts, even though they are clearly distinct). In the case of those writing from an economic perspective, there tends to be little awareness of how their core assumptions about money leads them to miss important features of the discussion. Additionally, it is apparent that many writers working outside of religious studies use the category of religion as nothing more than a metaphor for understanding market phenomena. This has produced numerous works that add little value to the larger discourse around these topics.
Many academic writers on this topic have tended to be overly polemical. While I have no problem with scholars making ethical judgments once they have clearly articulated a careful description of the topic at hand, I find it irresponsible to do so without first advancing a *thick description*.42 Far too many scholars of religion glaze over the multivalent complexity of the interdisciplinary *other* and create simplified caricatures of the truly complex phenomena in which we encounter. This may produce interesting sermons, but it fails to add much to the larger long-term conversation. If we are to make headway in our research of these important topics, we must focus our efforts primarily on sufficiently complex descriptive analysis. Once the critical nuances of a topic have been delineated, we can then move forward with ethical judgments of the relative merits of the human systems we study. If scholars of religion spent more time studying the complexity of economic systems, they would be far less inclined to rail polemically against the injustices at hand. The world is a complicated tapestry of conflicting interests, and it deserves careful, precise, and useful analysis. I think the best type of religious studies scholarship describes phenomena in a way that illuminates distinct facets of human experience and meaning-making. It is this type of descriptively oriented work that I seek to produce in this project.

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42 By “thick description,” I am intentionally appropriating the concept developed by Gilbert Ryle and used by Clifford Geertz to get beyond simplistic “thin descriptions” as the object of our scholarly study. Geertz thinks that this sort of carefully nuanced and multi-order analysis leads us to better understand the “stratified hierarchy of meaningful structures” which undergirds our human systems. See Clifford Geertz, *The Interpretation of Cultures: Selected Essays* (New York: Basic Books, 1973), 3-7.
Chapter Three: The Social Nature of Religion

Theories of Religion

As I mentioned in the opening chapter, I will deploy a sociological theory of religion to investigate the category of money in our contemporary world. I will begin by describing the theory of religion published by Emile Durkheim in his seminal 1912 publication, *The Elementary Forms of Religious Life*. Following the discussion of *Elementary Forms*, I will examine several relevant criticisms of Durkheim’s theory. From there I will provide the reader with an amended working definition and theory of religion that I will use in this larger project.

This project boils down to viewing money through a specific religious studies lens with the outcome of elucidating new insights into monetary phenomena. That said, the figurative use of “lens” is potentially broad and could include numerous fruitful options of different definitions and theories of religion. In this project, when I use the term *religion*, I am usually referencing the technical and second-order sense of the word. As for a specific theory of religion, I could choose from one of three broad categories: theological, psychological, or sociological.

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2 J. Z. Smith describes the history of the usage of the term in his essay “Religion, Religions, Religious”: “‘Religion’ is not a native term; it is a term created by scholars for their intellectual purposes and therefore is theirs to define. It is a second-order, generic concept that plays the same role
Theological explanations of gods, God, or sacred postulates are technically theological theories of religion. Viewed from this perspective, a theological theory of religion seeks to understand religion in categories related to the supposed transcendent and supernatural elements of religion and is the default theoretical genre for most theologians, ministers, and even some scholars of religion. This type of theory explains the experience of religion through primarily supernatural causes, and most religious belief systems in some way reference this extra-natural realm. I point this out to address a common misperception that this project is a “theology of money.” While such a project might yield interesting insights and could be valuable to people of faith, I have concluded that deferring to supernatural dimensions does not helpfully clarify the social reality of money.

Another option is the use of psychological theories of religion along the lines of Sigmund Freud’s notable works. But as it relates to this larger project on money,
a more psychological approach would likely lead us toward more individualized observations and would miss the key collective dimensions of money. While these theories are valuable in investigating different sorts of religious phenomena, I think the decisively social dimension of money intuitively leads us toward sociological theories.

A sociological theory seeks to understand religion in terms of the collectivity of people living and acting within a religious tradition and best suits the topic of money primarily because money is an inherently communal construct; without people in relation to one another there would be no possibility of monetary exchange and no need for a store of value or unit of account. Durkheim provides a comprehensive sociological theory of how religion functions in a constructive and ongoing way and, most importantly, relies on the collective dimensions of human society as its engine.

The publication of *The Elementary Forms of Religious Life* has served as a primary resource for scholars of religion for over a century, and Durkheim’s argument continues to stand as the premier sociological theory of religion. Simply put into one terse sentence, for Durkheim, “society is God.” He arrives at this conclusion through studying nineteenth-century ethnographic information on the presumed *totemism* of the indigenous people of Australia. Durkheim did not actually conduct field research himself, but, through a review of the available published

literature and ethnographic studies, he thought he could account for religion in Australian society. In contrast to many nineteenth- and early twentieth-century thinkers, Durkheim thought that religion was a fruitful enterprise that could provide its adherents with psychological and social benefits. From Durkheim’s perspective, “religion is first and foremost a system of ideas by means of which individuals imagine the society of which they are members and the obscure yet intimate relations they have with it.”\(^5\) This system of beliefs and practices strengthens “the ties between the faithful and their god—the god being only a figurative representation of the society.”\(^6\) In contrast to scholars like Marx and Freud, who both thought that religion was a social ill, Durkheim claimed that religion served a fruitful societal purpose and was entirely reasonable and rational when one understood its sociological complexity.

In light of the larger arc of the academic study of religion, we see that Durkheim holds a unique position. On one hand, his theory seeks to explain the functioning of religion in purely naturalistic ways; yet, on the other, he seeks to be respectful and honoring of the communal significance of religious traditions. Durkheim strikes this careful balance by stripping our categories down all the way to their core ideas and then rebuilding them along a systematically coherent and thoroughly social framework. In order to accomplish this, Durkheim starts by engaging the questions of how we know things and how we construct meaning. From


\(^6\) Ibid.

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this epistemic domain he builds a system of thought that can account for our collective religious acting and thinking. It is in Durkheim’s epistemology that we find one of his greatest contributions to our understanding of religious functioning.

**Durkheimian Epistemology**

One hallmark of Durkheim is that he thinks all human knowledge is socially constructed. While Durkheim certainly thought that psychological factors played a role in individual actions, one of his major contributions to religious studies was his sense that sociological factors explained the otherwise obfuscated dimensions of human acting.\(^7\) This consistently social orientation is extended by Durkheim to concepts like *reason* and *logic* and has sparked some controversies between Durkheimian scholars over the exact social nature of his epistemology.\(^8\)

In *Elementary Forms* categories provide the core elements for humans to cognitively use representations which, for Durkheim and his period of French philosophy, are something similar to an idea or picture(s) in the mind.\(^9\) Durkheim states that what it means to be human is to experience thinking; this cognition is made up largely of individual and collective representations. These representations

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\(^7\) In Durkheim’s earlier work, he showed that psychology could help us explain why an individual commits suicide but cannot explain why suicide rates are higher in predominantly Protestant countries (versus Catholic ones); this dimension must be explained through sociological inquiry. Emile Durkheim, *Suicide, a Study in Sociology*, International Library of Sociology and Social Reconstruction (London: Routledge & K. Paul, 1952).

\(^8\) Michael Behrent has detailed a portion of the ongoing discussion between Warren Schmaus and Anne Warfield Rawls on this point. Schmaus reads Durkheim as a Kantian who uses Kant’s categories of understanding in terms of their social functions. Rawls claims that this reading ignores Durkheim’s fully social epistemology. Michael C. Behrent, “Rethinking Durkheim and His Tradition,” *H-Net Reviews in the Humanities & Social Sciences* (2006).

can best be described as thought between sensory experience and interpretation.

Collective and individual representations, along with the categories of understanding, provide the building blocks on which society constructs its self-referencing edifice. As humans, we experience sensory stimulus throughout our lives. These consistent flows of sensory stimuli are taken in through our sensory organs and transferred and processed through our cognitive functions in our brains. This cognitive function processes the representation by using the socially given concepts already present in the individual. Stated differently, the concepts of understanding are not applied to a more foundational thought, but rather the use of concepts is the most basic thinking process itself. This implies that individuals do not come to their own unique individual conclusions regarding what their sensory experiences mean; the most basic interpretive form is given by their immediate society. For instance, infants do not come to their own conclusions regarding objects they experience; they are given the name and use of an item through an ongoing and complex socialization process. These representations are then interpreted by increasingly complex social concepts which are undergirded by a vast social superstructure that extends backward in time and is beyond the individual’s subgroup in scope.

Durkheim is Kantian insofar as concepts inform representations which are the basic units of thought that are used within our cognitive functions as our mental processing provides coherence to our sensory experiences; concepts make thought possible. An example is the delineation of a piece of cloth which, in terms of sensory experience, is nothing more than an array of differently colored light reaching our
sensory organ (eyes) that is then “recognized” as a representation we refer to as “cloth.” This cloth could be sewed together into pieces to form a rectangle called a flag. The flag is physically nothing more than pieces of cloth arranged together into various shapes; however, if I were to hold this item up and ask a group of kindergarteners to identify the object, they would most likely say “a flag.” We see here that the flag is a socially mediated representation that is built out of more fundamental concepts, and the social category of the flag can be taken to increasingly higher order meanings. Consider, for instance, that if I take the American flag and hold it up in front of a group of American soldiers, it is likely that it will be invested with additional social meaning far beyond its simpler (kindergarten-like) conceptual category as merely a flag. In this instance, it holds meaning beyond the arrangement of fabric and takes on an additional symbolic function for the entire nation. This is why, when someone burns a flag, there is such a backlash from certain subgroups in a country. The flag is not just a collection of cloth; it is a flag, and, more importantly, it is “our flag,” the one for which our forerunners “fought and died.” We see here how representations and concepts can take on additional levels of meaning. At the beginning of the process, the symbol of our freedom (flag) is nothing more than sensory input encountering our receptive organs, but the social construction of reality around the flag is much more.10

10 The idea of the flag is an example Durkheim uses in Elementary Forms. See Durkheim, The Elementary Forms of Religious Life, 228-31.
The discussion above also elucidates an ethereal reality about representations and concepts. They do not exist in thought-space somewhere outside of us. Instead, they reside in the memory and cognitive function of individuals who cannot help but employ these categories and concepts on-the-fly as they think and act. In other words, there is no societal brain, only individual brains, and, therefore, the collective representations entirely reside in individuals. This functionally makes the collective representations reliant on the individual and her representations.11

The reciprocal relationship outlined above hints at the simultaneous tension between the long-term stability of collective representations and their changeability. Since the collective informs the individual, we can see how a vast history and tradition around a given idea is passed on to new generations of society. Collective representations span beyond the immediate moment and provide stability to the collective thought of a social group. Like language, collective representations are conceptually stable but do adjust slowly over time.12 Out of this collective reality we derive a sense of social continuity and the social constructions only continue to live on if individually re-iterated.13 For Durkheim, collective representations are not a

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11 While not being primary to this project, it is worth noting that Durkheim sought to show that social facts can be studied because representations are often substituted for the things-in-themselves and, therefore, should be the subject to scientific inquiry. Emile Durkheim et al., *The Rules of Sociological Method*, 8th ed., The University of Chicago Sociological Series (Chicago: University of Chicago Press, 1938), 14-31. See also Jorge Larrain, “Durkheim’s Concept of Ideology,” *Sociological Review* 28, no. 1 (1980): 129-39. Additionally, this point is well made by Durkheim in his explanation of funeral rites; see Durkheim, *The Elementary Forms of Religious Life*, 402-3.


sort of mean or average of individual representations, but instead hold a powerfully encoded social knowledge that informs the individual and provides an ordering of experience. In this way, an individual experience is a collective one.

Durkheim claims that collective representations become “concepts” when they are “common to an entire social group.” These concepts are “replete with knowledge surpassing that of the average individual.” Additionally, concepts add to personal experience by teaching “all the wisdom and science that the collectivity has amassed over the centuries.” In other words, conceptual thinking forms a socially constructed framework through which the individual and her society understand their shared world. These concepts are powerful tools through which individuals are raised beyond their individual experiences to hold knowledge and wisdom that exceeds their own individual capacities and experiences. These concepts enable us to live within our society and think and operate in alignment with one another since the concepts themselves come from the group.

The insight that concepts come from society now enables us to see how rational thought is simultaneously socially mediated, while, at the same time,

14 Durkheim clearly articulates the way in which collective representations are concepts in this passage: “If they [collective representations] are common to an entire social group, it is not because they are a simple average of the corresponding individual representations; if they were that, they would be of poorer intellectual content than individual representations, whereas they are in fact replete with knowledge surpassing that of the average individual. Concepts are not abstract things that have reality only in particular circumstances. They are representations just as concrete as any the individual can make of his own environment, for they correspond to the way in which the special being that is society thinks about the things of its own experience.” Durkheim, The Elementary Forms of Religious Life, 436-37.

seeming to be purely objective. Since the concepts derive from the commonly held experience and cognition of the social group, individuals within the group agree upon a proper interpretation of experience. In this way, to the individual, it feels as if what is reasonable or rational is outside of his individual sense experience, and we see that, in a way, it is.\textsuperscript{16} It resides in the commonly held collective representations we experience as our concepts, and yet no mechanism for thinking exists outside individuals. As I mentioned earlier, for Durkheim there is not a philosophical realm that exists in metaphysical space which holds something like Platonic forms; rather, these concepts are held in the individual memories of people in society. Yet in a more complicated sense, this social realm does not exist in terms of a thing-unto-itself, but rather is the commonly held collective representation within an individual’s memory and cognition.

Durkheim thinks that collective representations, primarily because they are collectively held, present the assurance of objectivity. It is easy to mistake this idea for a more mainstream sense that the objective exists (somewhere in metaphysical-thought space) and therefore is collectively ascribed to, but Durkheim claims the opposite. What is objective is that which we collectively hold because “the collective representation undergoes a test that is repeated indefinitely.”\textsuperscript{17} Durkheim refers to

\begin{flushleft}
\textsuperscript{16} Durkheim, \textit{The Elementary Forms of Religious Life}, 436.
\textsuperscript{17} Ibid., 439.
\end{flushleft}
this as “opinion” and claims that “opinion, eminently a social thing, is one source of authority.”^18

For many contemporary scientists (both those in natural and social sciences), Durkheim’s social epistemology may seem to be an alternative theory for human understanding that conceivably operates “under” an even more objective scientific one. Durkheim compellingly argues that even scientific authority is derived from opinion because contemporary people have “faith” in science. The “faith” here is “not essentially different from religious faith” because the value we attribute to science is fundamentally tied to the “idea we collectively have of its nature and role in life, which is to say that it expresses a state of opinion.”^19

Because of the reciprocal complexity of Durkheim’s epistemology, I will restate his epistemological system. For Durkheim, one unique aspect of humans is our awareness of our collective realities. This awareness originates from the physical reality that humans function in groups and are thus in proximity to one another to share language and a range of ideas. Collective thought is possible because it is sustained by the continual and ongoing “coming together” via the “collaboration of individual wills and sensibilities.”^20 This collaboration produces the possibility of creative power that is far beyond the capacity of any sole person. As humans, we often have a clear sense that there is something beyond our own experiences and

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^18 Ibid., 210.

^19 Ibid., 439-40.

^20 Ibid., 435-37.
individual thought processes. Durkheim makes a radical claim that collective thought is communally generated and sustained, and he understands logical thought to emanate from this social basis. In his system, logic originates from “collective representations” that are common to an entire social group. Importantly, it is not that these representations are a sort of simple average or median thought of the grouping on the whole, for, if this were the case, our collectively held logic would be less coherent than individual thought; in reality, we experience the exact opposite wherein there is an ideal thought-type that corresponds to a purer logic. An example of this is when we experience fleeting moments of thought that seem completely logical or purely rational. Durkheim argues that these thoughts correspond to our collective grouping and explain the way we think about “the things of our own experience.”21 In light of this, the collective representations appear to us as purely natural because they speak to our social reality in a way that is more comprehensive and powerful than our individual thought processes. This is because they come from a social reality that is broader than our individual existences.

The individual is correct to think that there is something outside her, but is unaware that the “something” is actually the collectively held representations of her social group which form the conceptual basis for her beliefs and knowledge. The concepts exhibit a sense of objectivity because they are deeply held within each individual while also being collectively held within the social group; Durkheim

21 Ibid., 436.
claims that what we often think of as impersonal reason is but collective thought by another name.22

Durkheim asserts that what we often think of as objective, rational, and logical are products of the social mechanism that undergirds all our thinking and acting. While we think of these categories as distinct from us in an ethereal sphere independent of humans, Durkheim argues that they are generated by our interactions within social groups. In actuality, we as individuals are involved in a reciprocal relationship to our society in that we are simultaneously constituted by our social relations while we constitute the social. While this section has explained Durkheim’s epistemology, it has done little to describe how these social-individual mental concepts are sustained and strengthened. Durkheim’s answer is religion.

**Durkheim’s Exploration of Religion in *Elementary Forms***

Durkheim’s intention was, first and foremost, to elucidate religion for early twentieth-century European intellectuals. He thought the best way to do this was by studying the “simplest and most primitive religion” as a “single well-made experiment” that would illustrate his theory.23 He thought he found this in the

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22 Ibid., 447. Collective thought is possible only through the coming together of individuals; hence it presupposes the individuals, and they in turn presuppose the collective, because they cannot sustain themselves except by coming together. The realm of impersonal aims and truths cannot be realized except through the collaboration of individual wills and sensibilities; the reasons they participate and the reasons they collaborate are the same. In short, there is something impersonal in us because there is something social in us, and since social life embraces both representations and practices, that impersonality extends quite naturally to ideas as well as to actions.

23 Ibid., 1.
presumed totemism of Australian indigenous tribes. In his study, Durkheim asserts a definition of religion which relies heavily on social realities. For Durkheim:

*A religion is a unified system of beliefs and practices relative to sacred things, that is to say, things set apart and forbidden—beliefs and practices which unite into one single moral community called a Church, all those who adhere to them.*

First, Durkheim claims that religion is a system of beliefs and practices that are inherently social, what he calls an “eminently collective thing.” Second, religion for Durkheim pertains to “sacred things”; it is worth noting that the sacred implies the existence of the profane and this sacred-profane distinction was the source of much criticism (which we will review later in this chapter). Third, religion is made up of both beliefs and practices. Durkheim understands religious practices (typically rites or ritualized actions) as being of equal importance to beliefs. Fourth, Durkheim understands that the function of religion is to “unite” the adherents into “one single moral community” that ultimately provides a sense of social binding. Finally, for Durkheim, religion is inseparable from the idea of united moral community and therefore must be an “eminently collective thing.”

24 In the context of Durkheim’s period, “totemism” was seen as a generic category of religion that was generally thought to be practiced by “primitives.” It is important to note for the reader that contemporary scholars of religion no longer think that “totemism” exists as a generic category (similarly to other categories from the period, such as “shamanism”) and are critical of these terms both for their lack of specificity and their pejorative pronouncements.

25 Durkheim, *The Elementary Forms of Religious Life*, 44; italics in the original.

26 It is worth noting that Durkheim’s sense of religion is quite similar to the original usage of the word *religare*, which meant something close to “binding.” John L. Esposito, Darrell J. Fasching, and Todd Thornton Lewis, *World Religions Today*, 3rd ed. (New York: Oxford University Press, 2009), 5-7.
Durkheim illustrates his theory of religion primarily by studying the indigenous people of Australia via ethnographic data that was available to him at the turn of the twentieth century.\(^27\) While he generally focuses on Australian tribes that practice totemism, he occasionally augmented his data with ethnographic studies of Native Americans.\(^28\) While later scholars would criticize his use of the data, both for inconsistency in application and its dubious quality, one should understand Durkheim’s observations regarding Australian totemism in order to grasp several nuances in his theory of religion.

For Durkheim, the basic social units in Australian indigenous society were the “clan” and the “tribe.” Durkheim spends significant energy describing the individual’s relations with members inside of the clan as well as relations with other clans within the larger tribe. Clans are determined by the members’ sense of being “joined by a bond of kinship” that is particular to their clan name; that, in turn, is determined by the sacred object that serves as the clan emblem. Durkheim is careful to distinguish the totem from being merely a name or symbol because, for the clan, it holds religious significance and is “the very archetype of sacred things.”\(^29\)

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27 One challenge that an exegesis of *Elementary Forms* poses is how exactly to update Durkheim’s language while not losing precision in understanding his ideas. While many of the terms Durkheim used are no longer appropriate, I have found it difficult to eliminate all usage. I recognize that these terms are offensive to many people and will seek to use them only when technically required. In the whole of this chapter I will not use “Aboriginal” (or its derivatives) to identify the subjects of the ethnography used by Durkheim. That said, in this particular section I will continue to use “tribe” and “clan” because I think that, for Durkheim, they identify distinct units of indigenous Australian societies. Ultimately, these terms will not appear in my “rearticulation” later in this chapter.


29 Ibid., 118.
individual feels a part of the larger tribe, it is her clan that is most common and with whom she feels most immediately influenced. This social binding finds its fullest expression in the group orientation toward the totem, which is a group emblem.\textsuperscript{30}

The totemic symbol, understood as the clan’s emblem, is not simply referential; it is a force on the clan. While being obviously symbolic to outside observers, on the inside the totemic symbol compels the clan to act in accordance with the identity it provides; it elicits powerful emotions in the clan and helps to form its unique group identity.\textsuperscript{31}

The totemic plant or animal from which the clan receives its name and identity is sacred for the clan. This sacredness is signified by the prohibition against eating the totemic species. For other clans, the species is not sacred and thus can be hunted or consumed, but often only with the permission of the clan that bares the totemic name; in this way, the species is regulated by the totemic clan. At times, the clan “taxes” the consumption of the given plant or animal.\textsuperscript{32} At other times, particularly special occasions of religious significance, the clan does consume the plant or animal that is its emblem, but only moderately and only as the object of a

\textsuperscript{30} Ibid., 216.

\textsuperscript{31} Ibid., 232-33.

\textsuperscript{32} Ibid., 127-28, 140. Durkheim notes that hunters or gatherers of a specific species must gain permission from the chief of the clan for which the species is sacred. In some cases, the chief of the group must take a small part of the food and eat it himself as “a kind of tax that must be paid.” Ultimately, the idea is that the cooperation of the tribe is indispensible for those who wish to use the given species. Additionally, Durkheim notes that the lack of enforcement of prohibitions of the clan’s consumption of its sacred totem is evidence of the breakdown of the totemic organization in a given tribe and implies a breakdown of its religious system.
given rite or ritualized action. Durkheim goes out of his way to claim that “the images of the totemic being are more sacred than the totemic being itself” and that the “representations of the totem are more efficacious than the totem itself.”

It could be inferred from the prior paragraph that sacredness is not inherent in an object. For one clan an object is sacred, and for another, even within the same tribe, this object is not. This leads us to the insight that, within Australian totemism specifically and religion generally, sacredness is “superadded” to the object via the “collective feeling of which it is the object.” Stated differently, sacredness has little to do with the object itself, but rather the clan’s collective orientation toward the object. Since, the relationship between the clan and the object is actually the clan “hypostasized and transfigured” and is the obscured representation of the clan itself. Interestingly, Durkheim claims that “sacredness is highly contagious” and tends to spread from the totemic being to “everything that remotely has to do with it,” creating sub-totems and classifications dividing up the whole world.

The idea of the “sacred” implies the existence and necessity of the “profane,” and Durkheim claims that this dichotomy applies to religious beliefs and is

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33 Ibid., 129.
34 Ibid., 133.
35 Ibid., 230, 327, and 416.
36 Ibid., 351.
37 Ibid., 224.
absolutely and completely “heterogeneous.”\textsuperscript{38} In explaining this “bipartite” division, he writes:

Sacred things are things protected and isolated by prohibitions; profane things are those things to which the prohibitions are applied and that must keep at a distance from what is sacred. Religious beliefs are those representations that express the nature of sacred things and the relations they have with other sacred things or with profane things. Finally, rites are rules of conduct that prescribe how man must conduct himself with sacred things.\textsuperscript{39}

In Durkheim’s mind, what makes something sacred is its orientation toward that which is collectively shared; that which is profane is oriented toward what is individual and mundane.

The relationship of the individual to the clan is more complicated than one may think at the outset.\textsuperscript{40} There exists for the individual a sort of “personal sacredness” that comes from the individual believing simultaneously that he is both human in one sense and the totemic species in another. The individual bears the name of his totem and not simply as a referent, but rather as a part of his nature. In this way, “each individual has a dual nature: two things exist in him, a man and an animal.”\textsuperscript{41} Within this unification is an inherent sacredness that all in the clan share, but not to the same degree. Durkheim notes that men possess a higher degree of

\textsuperscript{38} Ibid., 34-36.

\textsuperscript{39} Ibid., 38.

\textsuperscript{40} One example of this complexity relates to spatial proximity. Durkheim notes that the members of the clan do not necessarily share a common residence and are often scattered throughout the tribal territory. Their unity corresponds to their relationship to their totem and, therefore, their belief that they have the same individual relationship to the same category of things as their fellow clan members. Ibid., 169.

\textsuperscript{41} Ibid., 133-34.
sacredness than women, and older men possess the “maximum intensity” of sacredness and are often free from the totemic dietary restrictions that are placed on the rest of the clan.\textsuperscript{42} Essentially, the sacredness of the individual corresponds to the social reverence one holds within the clan; the more significant the individual is within the complex interconnections of clan life, the less the prohibitions apply.

Durkheim thought that totemism was not merely a religion of a specific clan in relation to a given totemic species. Instead, he understood it as a complex and “complete religion” in which given clans “imply one another” and are only a part of a larger whole; they are a part of the “same religion.”\textsuperscript{43} The “totemic organization” is the result of “consensus among all the members of the tribe, without distinction.”\textsuperscript{44} The “cults of the various totems complement one another exactly” and this is why we do not see repetition of a given totem but rather see that the “whole universe [is] divided amongst the totems.”\textsuperscript{45} While the clan enjoys great autonomy, the clans are unified into a complex system that is formed by the union and similarity of their cultic practices.\textsuperscript{46} In this way, the viewpoint of the clan is the cosmology of the tribe; it follows the same social logic.

\textsuperscript{42} Ibid., 138-39.
\textsuperscript{43} Ibid., 155-56.
\textsuperscript{44} Ibid., 156.
\textsuperscript{45} Ibid.
\textsuperscript{46} Ibid., 156-57, 199. It is also worth noting (see page 199) that, on the operational level, Durkheim understands totemism to be a “federative religion that cannot go beyond a certain level of centralization without ceasing to be itself.”
Durkheim claims that to understand totemism one should understand that it is not what it appears on the surface (a religion of plant and animal worship) but rather is the “religion of a kind of anonymous and impersonal force” that transcends generations and time. This is important to Durkheim because he wants to ensure that his readers understand that religion is not derived from a sense of personal psychological delusion, but rather is experienced by its adherents as a “force” that is not unlike cosmic forces. The force is personal insofar as it is experienced individually, but it is also communal in that it is experienced across generations and times.

This leads us to what Durkheim claims is the essential nature of totemism, which he thinks of as a “quasi-divine principle that is imminent in certain categories of men and things and thought of in the form of an animal or plant.” Durkheim claims that the totem is “above all a symbol” of “both god and the society,” and this is because god and society are one and the same. Interestingly, the symbol derives its power not from the threat of physical coercion (although society certainly holds that power), but rather from a sense of “genuine respect” that is rooted in the followers through the symbolic power of the totem. This coerces adherents to act automatically “irrespective of any utilitarian calculation of helpful or harmful

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47 Ibid., 190-91.

48 Ibid., 207-8.

49 Ibid., 208.
results.” This ingrained respect provides a form of “moral authority” which creates a society’s “opinion.” Durkheim claims that authority is the “daughter of opinion.”

While many in Durkheim’s era claimed that religion was a negative force in the world, Durkheim thought differently. He claims that the authority mentioned above provides religious believers with a sense of “confidence in approaching the world.” After all, who is not more confident if she truly believes that her God (or gods) is on her side and with her in a real and forceful way? But this sense of God’s power and presence with the believers must be renewed periodically in ways that are more intense than our typical day-to-day activities. For this, Durkheim points to periodic events in which we come together and which results in a general effervescence that upholds and renews the religious confidence in ourselves and our gods. For the native Australians, this effervescence allowed individuals that spent much time apart to come together and renew their collective identities as clans belonging to a given totem. This important dimension underlines one key feature of the uniquely social nature of Durkheim’s theory: collective effervescence.

Collective effervescence is the mechanism by which Durkheim thinks that beliefs are called back to consciousness and revitalized. Within religious groups effervescence develops, and collective beliefs and actions are regenerated in the

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50 Ibid., 208-10.  
51 Ibid., 210.  
52 Ibid., 211.  
53 Ibid., 210-12.
collective representations of the clan. More importantly, the specific clan experiences its society in the form of the order, meaning, and power exhibited in these collective meetings. This is a portion of what Durkheim means when he says that the “sacred principle is nothing other than society hypostasized and transfigured.” The most significant quality of religious ceremonies is that they “set collectivity in motion” and allow social space for groups to “multiply the contacts between them and make those contacts more intimate.” For Durkheim, the coming together of society is the social mechanism by which communal bonds are established, enriched, and sustained. This congruence of networks of different individuals makes possible the renewing of collective representations of the sacred.

One of the most important contemporary elements of Durkheim’s theory is the interpretive value of religion which embodies representations of social realities in at least two ways. In one sense, religion interprets for the individual forces that

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54 Ibid., 350-52. Durkheim writes: “If, as I have tried to establish, the sacred principle is nothing other than society hypostasized and transfigured, it should be possible to interpret ritual life in secular and social terms. Like ritual life, social life in fact moves in a circle. On the one hand, the individual gets the best part of himself from society—all that gives him a distinctive character and place among other beings, his intellectual and moral culture. Let language, sciences, arts, and moral beliefs be taken from man, and he falls to the rank of animality; therefore the distinctive attributes of human nature come to us from society. On the other hand, however, society exists and lives only in and through individuals. Let the idea of society be extinguished in individual minds, let the beliefs, traditions, and aspirations of the collectivity be felt and shared by individuals no longer, and the society will die. Thus we can repeat about society what was previously said about the deity: It has reality only to the extent that it has a place in human consciousnesses, and that place is made for society by us. We now glimpse the profound reason why the gods can no more do without their faithful than the faithful can do without their gods. It is that society, of which the gods are only the symbolic expression, can no more do without individuals than individuals can do without society” (351). See also the way the feelings aroused within collective effervescence “moors” the individual to his or her society (221-2).

55 Ibid., 352.

seem to be outside the person. This cognitive function allows the individual a mental representation of the obscure social relations that form the complex tapestry of society. Put differently, religion in the first sense provides a sort of social mythology through which the individual adherent could think of his life within the larger framework of society.\textsuperscript{57} In a second sense, religion provides a way for the individual to express religious sentiments back to the particular religious group which, in effect, reinforces and reifies the societal forces from the first sense. In this way, the individual is both acted upon by seemingly outside forces while also contributing to the creation, maintenance, and solidification of these same social relations.\textsuperscript{58}

Durkheim is clear that he thinks totemism is a religion of a specific kind of “anonymous and impersonal force” that is outside the people involved in the religious practice.\textsuperscript{59} This force is outside the individual insofar as the force remains “present” and “alive” beyond the individual life span of the particular totemic adherent. In this way, it provides a form of continuity between the past, present, and future and is thought of as outside the individual, which it is. Durkheim is explicit

\textsuperscript{57} It is worth noting that while Durkheim certainly was a sociologist viewing religion, his sensibilities around the importance of religion also reciprocally framed the larger structure and development of his thought. See Ibid., 237. For a clear summary, see also Tendzin N. Takla, review of Durkheim on Religion: A Selection of Readings with Bibliographies and Introductory Remarks, ed. W. S. F. Pickering, \textit{Contemporary Sociology} 6, no. 2 (1977): 163-64.

\textsuperscript{58} Lukes articulates the interpretive function in the following quote: “Durkheim can be seen as offering a set of hypotheses which interpret the meaning of men’s religious beliefs and practices—on the one hand, as a particular way of understanding their society and their relations with it; and, on the other, as a way of expressing and dramatizing these in a particular symbolic idiom.” Lukes, \textit{Émile Durkheim, His Life and Work}, 465.

\textsuperscript{59} Durkheim states: “Totemism is not the religion of certain animals, certain men, or certain images; it is the religion of a kind of anonymous and impersonal force that is identifiable in each of these beings but identical to none of them.” Durkheim, \textit{The Elementary Forms of Religious Life}, 191.
that, when he speaks of the “totemic principle,” he is not using the term in a purely metaphorical sense, but rather he thinks that these religious forces “behave like real (material) forces.” But this idea of force as external is complicated by the reality that the religious force “can be made real only within and by them”; therefore, it is necessary for the clan members to “feel within themselves the active presence of the religious force, because it is this force that lifts them up to a higher life.”

The impersonal totemic force is not an abstraction for the native Australian, but is rather the “tangible form in which the intangible substance is represented in the imagination,” which is diffused through all sorts of physical objects and thus is the “object” of the cultic practice of the clan. In this way, the past, present, and future form a social mythology which directs the clan toward a proper ordering of its identity with both other distinct clans around it and the cosmological world. The individuals within the clan also feel a moral imperative to continue to support and reify the totemic beliefs; for Durkheim, religion compels because of a sense of

60 Ibid., 192.
61 Ibid., 223.
62 Ibid., 191.
63 It is important to note that Durkheim himself does not use the term “social mythology” but, I believe, implies it within the whole of his theory. I find this term to be useful for labeling the way a given mythology develops within a subgroup of people and is substantiated by what they experience as real effects in their lives. I think this is one of the hallmarks of religion and something that Durkheim captures brilliantly in this quote: “Why we could not define religion by the idea of mythical personalities, gods, or spirits now becomes clearer. That way of imagining religious things is by no means inherent in their nature. At the origin and basis of religious thought, we find not definite and distinct objects or beings that in themselves possess sacredness but indefinite powers and anonymous forces. They are more or less numerous in different societies, and their impersonality is exactly comparable to that of the physical forces whose manifestations are studied by the sciences of nature.” Ibid., 202.
collective duty and a faith in the belief system of the adherents. Durkheim claims that if one were to ask the native why he continued to follow the rites of his totem, he would reply that his “ancestors have always done so and that he must follow their example.” All beings who participate in the totemic principle understand themselves to be bound by a moral power which constitutes their kinship. Durkheim explains that the totemic principle, combined with the constituent elements of physical force and moral power, make up what we know as “divinity proper.”

We see in *Elementary Forms* the way in which forces both impinge on the individual from outside while actually being upheld by the individual’s beliefs and actions. Beliefs for Durkheim constitute the symbolic system, which provides a sense for the proper order of humans in relation to the cosmos and each other. Beliefs also provide an interpretive grid for how the clan might understand the forces (both cosmic and social) that are acting upon it as a group; that said, it is critical to remember that this understanding is generated by the individual acting in unison with these forces. This religious acting solidifies the belief system within the clan member and supports the system in a reciprocal fashion both by orienting the individual (through action) toward beliefs and by aligning individuals in common rites. Stated differently, the religious person’s acting creates the religious forces by both reinforcing the belief in the individual’s mental processing system and also contributing tangibly to the carrying out of the religious system itself.

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64 Ibid., 192.
In light of the moral imperative that the clan member feels for his totemic system, the individual respects the totem and his clan “irrespective of any utilitarian calculation of helpful or harmful results.”\textsuperscript{65} This morally driven respect is a key element of understanding religion, for in it we see that the adherent of religion is not following the belief system because it has an obvious practical usefulness, but because the symbols and beliefs that the religion erects are the subjects of his genuine respect. This respect is the source of “opinion,” which has a tendency to “repress and hold at bay those representations that contradict it; it commands instead those actions that fulfill it.”\textsuperscript{66} Durkheim thinks this is a key to understanding the power of religion in society, namely, its ability to generate social power from moral origins:

\begin{quote}
The hallmark of moral authority is that its psychic properties alone give it power. Opinion, eminently a social thing, is one source of authority. Indeed, the question arises whether authority is not the daughter of opinion.\textsuperscript{67}
\end{quote}

The generative nature of opinion propels religion by empowering both individuals and groups to approach the world with “heightened energy.”\textsuperscript{68} This occurs in channels that are obscured from the ordinary observer and are experienced by religious people as being a force that acts upon them. In this way, many religions understand god as an authority to whom adherents are subject and a force that

\textsuperscript{65} Ibid., 209.

\textsuperscript{66} Ibid., 210.

\textsuperscript{67} Ibid.

\textsuperscript{68} Ibid., 211.
upholds our own acting in our daily lives. This is clearly seen in a religious man who boldly approaches the world with a sense of confidence that his god is behind him. This general stimulation and heightened mental activity is the result of a “general effervescence,” leading to an “uplifted feeling” that provides social confidence and cohesion for the group.”

The result of this uplifted feeling is that we experience two “distinct sorts of reality with a clear line of demarcation between them,” the sacred and the profane. But, as I mentioned earlier, the sacred nature of an object has nothing to do with the object itself, but is rather superadded to the object by the collective feeling the object elicits in its followers. In light of this, “society never stops creating new sacred things.” These sacred objects seem external to individuals and “endowed with a kind of transcendence” that can only be made real by the religious adherents themselves (in totemism’s case, the clan).

Durkheim is clear that the totemic principle is none other than the clan thought of in the form depicted by its emblematic symbol. This worship of the collectivity of the adherents, albeit obscured, leads to the primary function of religion: the imagination of society. Durkheim writes:

69 Ibid., 213.
70 Ibid., 214.
71 Ibid., 215.
72 Ibid., 223.
Religion is first and foremost a system of ideas by means of which individuals imagine the society of which they are members and the obscure yet intimate relations they have with it.\textsuperscript{73}

Therefore, by virtue of worshipping her god(s), the religious person is strengthening her ties with others in society because the object of her worship is none other than her society.

**Critiques of Durkheim’s Theory**

Any publication of the stature of Durkheim’s will undergo serious critique, especially when scholars have had over a century to digest it. Over the last one hundred years of reflection, several problems have been consistently identified in Durkheim’s theory. Among these are Durkheim’s use of circular logic, dubious field data, perceived reductionism, ambiguous role of the sacred, and his use of society as a static whole. I will attempt to address each of these issues in the next several pages.

Multiple scholars have been troubled by the circular reasoning that appears in *Elementary Forms*. On the surface, it seems that Durkheim uses circular logic to argue several points in his larger work.\textsuperscript{74} One example is Durkheim’s insistence that sacredness is produced by the collective feeling that a sacred object elicits in its worshippers, yet he claims elsewhere that the worship of an object is due to its sacredness. Another example can be observed in Durkheim’s own definition of religion: he claims that beliefs and practices “unite into one single moral community

\textsuperscript{73} Ibid., 227.

\textsuperscript{74} Lukes names this the *petitio principii* and calls it “a besetting scholarly vice in Durkheim.” Lukes, *Emile Durkheim, His Life and Work*, 31.
called a Church,” and then proceeds to say that “the idea of religion is inseparable from the idea of a Church.” Stated differently, he makes the initial claim that religion is fundamentally about the grouping of people around specific beliefs and practices and then concludes that religion must be an “eminently collective thing.”

Concerns regarding circular reasoning have tended to be critiques that fail to recognize the nature of theory making. Any theory has to start somewhere by stipulating a few opening terms and concepts and then proceed in a logical and systematically coherent way. Durkheim begins by claiming that to be human is to live in a collective reality which we think of as society. From there he seeks logically and systematically to show that individuals receive all that is of value to them from the norms and learning of society, and yet society is made up of individuals who contribute, reinforce, and reestablish these same norms. We are engaged in a mutually reinforcing relationship between our lone selves and collective society. Those who think that the circular nature of Durkheim’s arguments is problematic miss that his entire system, which includes what is logical and reasonable, is entirely informed and subsumed under this individual-societal circle.

The dubious quality of his ethnographic sources is the source of another issue in Durkheimian studies. While Durkheim’s theory is based on the studies of indigenous Australians, he never traveled to Australia and was fully at the mercy of published field data from a number of sources available in the early twentieth century.

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75 Durkheim, *The Elementary Forms of Religious Life*, 44.
76 Ibid.
century. Working from the ethnographic research of a number of British and American ethnographers, particularly the work of Spencer and Gillen, Durkheim began to delineate his particular understanding of Australian totemism.\textsuperscript{77} Within a decade of publishing \textit{Elementary Forms}, the ethnographic data upon which Durkheim had based his theory had been utterly discredited. The well-known anthropologist Arnold van Gennep argued as early as 1913 that the field studies Durkheim used were “constructed on the most fragile set of ethnographic data of which [we] know” and that Durkheim had been led astray by the dubious nature of the field information.\textsuperscript{78} In spite of this, van Gennep did also say that Durkheim was “entirely right” regarding a number of his key claims about the native Australians.

It is not difficult to see that the critique that Durkheim’s theory is based on faulty ethnographic reports is a serious blow to his theory as applied to the native Australians. That said, Durkheim’s larger objective within \textit{Elementary Forms} is not to explain Australian totemism, but rather religion on the whole. While Durkheim’s theory should definitely be viewed with suspicion by those who are seeking to understand the religion of nineteenth-century Australian natives, his theory is of use in studying other religious phenomena because it can assist in explaining the functioning of a variety of contemporary religious traditions.\textsuperscript{79} In other words, his

\textsuperscript{77} Steven Lukes provides an excellent overview of some of the issues related to ethnographic problems in Durkheim’s work in Lukes, \textit{Emile Durkheim, His Life and Work}, 497-528.

\textsuperscript{78} Arnold van Gennep as quoted in Ibid., 525.

\textsuperscript{79} For instance, I have found Durkheim’s theory to be particularly useful for explaining Midwestern American Protestantism in the late twentieth century. It is precisely Durkheim’s accounting for the “real forces” one experiences in religious systems that shows his theory’s value.
logical account for how religion functions within human societies is still useful even if his historical understanding is flawed. Durkheim’s weaknesses tend to be oriented toward his inability to explain the historical origins of religion in a coherent fashion, a task which is nearly impossible. However, if one intends to use *Elementary Forms* as a detailed theory that describes religious functioning and recognizes that its value mainly pertains to particular instances within the phenomenon of religion, then the dubious quality of the ethnography has little effect on the contemporary value of this theory today.

A common criticism of Durkheim’s theory is the assertion that he reduces “religion” to “society.” Many readers have understood Durkheim to collapse the phenomenon of religion into the category of society by simplifying his claim that god equals society. While there is certainly cause for concern here, I agree with Ivan Strenski that this is an oversimplification of the Durkheimian equation. In *The New Durkheim*, Strenski shows that while it is true that Durkheim thought that religion equals society, it is also reciprocally true that society equals religion. Viewed from this perspective, one can see that it is also accurate that Durkheim sees society as being fundamentally religious. Strenski calls this “Durkheim’s soft reductionism” and asserts that it expands what one thinks of as religious. In other words, while Durkheim is consistent in his claim that religious experience is always related to the

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80 While Durkheim does not provide a compelling account of the historical origins of religion, he does provide an excellent account of religion’s conceptual origins.


collective, he also thinks that the experience of society is fundamentally religious. When viewed this way, Durkheim’s theory tends to expand religion to a broader view.83

Ultimately, I think most of the protest related to Durkheim’s reductionistic theory of religion stems more from the reality that Durkheim provides a sociological, rather than a theological, account of religion. Many religious people are understandably resistant to fully naturalistic explanations of their religious traditions.84 That said, I find Durkheim’s theory helpful for the academic study of religion in that it expands the range of phenomena for which the religion scholar’s tools might be applied. My project is a good example of this in that I am investigating a topic that is not traditionally thought to be religious. Money is certainly a force in the world that has “real” implications, but I know of no religious studies scholars who have technically engaged the religious nature of money.

Because Durkheim’s theory is rooted entirely in a sociological viewpoint, it lends

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83 While not being central to this particular point, it is worth noting that there exist questions about the way Durkheim’s Jewish identity influenced his work. I have found Strenski’s articulation most helpful on this question. He argues that Durkheim’s engagement with the debates about nationhood, religion, and race in the early twentieth century were more significant to his formation than the simpler fact that Durkheim was raised in a Jewish household. See Strenski, Durkheim and the Jews of France, Chicago Studies in the History of Judaism (Chicago: University of Chicago Press, 1997). See also Fields’ discussion of this book, Karen E. Fields, review of Durkheim and the Jews of France, by Ivan Strenski, Method & Theory in the Study of Religion 11, no. 2 (1999): 173-74.

84 It is worth noting that some religious leaders during Durkheim’s period felt that his theory diminished religion since Durkheim did not assert a theological explanation of religion. Durkheim’s legacy is quite generous toward a faithful adherence to religion in that he accounts for religious experiences, acting, and beliefs within a sociological framework that affirms them as “real” and “forceful.” In contrast to scholars like Marx, Freud, and Feuerbach, Durkheim thought religion served a fruitful purpose in society even if its actual functioning was distinct from what religious believers thought they were doing.
itself to deployment on social phenomena like money, thus expanding what we think of as “religious.”

The aspect of Durkheim’s theory which has received the most critique is his use of the concept of “sacred.” As Lukes recounts, most critiques of this aspect of Durkheim’s theory felt that the concept was dubious at best and destructive at worst. The problem arises primarily in the conflict between the way Durkheim sets up this idea and its actual use in his book. Durkheim makes a lot out of the “complete heterogeneity” of the distinction between the sacred and profane, yet within his theory this distinction is unclear. Durkheim sees the sacred as pertaining to what is collective, while the profane pertains to what is individual and mundane. As Lukes points out, part of the problem is that Durkheim uses the sacred-profane distinction on one hand as a radical distinction between things, while also using it as a distinction between the way people feel, act, and evaluate those things. In a sense, Durkheim’s “sacred” is both a noun and a verb.

W. E. H. Stanner clarifies the philosophical problems posed by Durkheim’s sharp sacred-profane bipartite distinction and proposes a solution to the problem in the form of introducing a “mundane” category. In addressing the severity of the categorical boundaries, Stanner claims that an “immediate stage between sacred and profane is necessary.” Furthermore, Stanner argues that Durkheim himself tacitly


86 Ibid., 234.
admitted that another intermediate category was necessary for “things of common use.” Ultimately, Stanner suggests that the well-documented problems with Durkheim’s sacred dichotomy could at least be “eased if the implicit third category [mundane] is made explicit.” In the end, much of Durkheim’s theory operates independently of the sacred-profane category, and I see no reason why a revised sense for the sacred does not correct most of the ambiguity present in Durkheim’s original work. From here forward I will opt to add the mundane to Durkheim’s continuum, rendering a “sacred-mundane-profane” continuum. Furthermore, the rigid break between the sacred and profane makes little sense to me given Durkheim’s insistence that sacredness is “superadded” to objects and therefore is not tied to a specific quality of the object itself.

Tomoko Masuzawa has attempted to refocus contemporary readers on the sacred-profane problem by arguing that Durkheim’s idea of the sacred is confused because the author himself was split on the idea. Masuzawa claims that there are two alternative theories pertaining to the sacred that Durkheim supports, the first being that “the distinctive trait of religion is that it divides the world into two domains: the sacred and the profane.” The second is a more “shadowy” thesis: “the sacred (alias God) is society.” At the core of Masuzawa’s two-thesis argument is her assertion that Durkheim thought that the sacred did not have “any determinable characteristic,” but

87 Ibid., 234. Stanner’s passage is illuminative: “The problems [with the dichotomy] are at least eased if the implicit third category [mundane] is made explicit. . . . The construction may be ready to say: sacred things may readily lose their sacredness and become commonplace, which is in line with empirical experience and would not contravene Durkheim’s idea of sacredness.” A similar argument is also made for an intermediary stage by Arnold van Gennep, *The Rites of Passage* (London: Routledge & Paul, 1960), 1.
she seeks to correct Durkheim and argues that the defining feature of Durkheim’s sacred-profane continuum is the “absolutely heterogeneous” distinction.\(^{88}\) While I find it interesting that this issue continues to be debated in the guild, I am not entirely convinced by Masuzawa on this specific point. I agree that Durkheim leaves many details of the bipartite distinction left to the reader’s interpretation, and therefore opens himself up to this type of criticism, but I think he is reasonably clear on his sense of the way sacredness functions. He is explicit that an object’s sacredness has absolutely nothing to do with the thing-unto-itself but rather is the result of the collective feeling that it inspires in its followers. This leaves me to conclude that Masuzawa’s point about the distinctive categories relating to the origin of religion are largely irrelevant to my project, given that I am using Durkheim’s theory to explain religious functioning, not to explain the origins of religion.

One final point of critique of *Elementary Forms* is rooted in the state of the study of religion today. It is now clear that it is impossible to articulate a universal theory of religion that can account for all religious acting, in all places, at all times.\(^{89}\) Therefore, Durkheim’s sense that he would use “primitive” forms of religion as a

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\(^{89}\) In terms of the larger guild of religious studies, it is worth noting that the idea of a universal theory of religion is generally considered to be impossible to develop. In support of this, see Asad commenting on the theory or religion outlined in *The Interpretation of Cultures*. Asad writes: “My argument is that there cannot be a universal definition of religion, not only because its constituent elements and relationships are historically specific, but because that definition is itself the historical product of discursive processes.” Talal Asad, *Genealogies of Religion: Discipline and Reasons of Power in Christianity and Islam* (Baltimore: Johns Hopkins University Press, 1993), 29. This quote is in reference to Clifford Geertz, *The Interpretation of Cultures: Selected Essays* (London: Hutchinson, 1975).
single well-made experiment to elucidate more advanced religions is simply impossible to execute. What Durkheim thought he would accomplish with his theory falls short of what we now know is possible, but this does not render his project irrelevant. Durkheim’s project is an excellent sociological theory of particular religious traditions serving particular constituencies at particular cross-sections in time. Furthermore, if we jettison the too-ambitious sense that any theory can explain the historical origins of religion, we see that Durkheim’s theory provides us with a sufficiently sophisticated theory of religious functioning. Therefore, *Elementary Forms* continues to stand as a powerful theory that helps to explain the functioning of particular religious phenomena.

**Rearticulating a Sociological Definition of Religion**

Thus far I have explained how Durkheim understood his own theory of religion, and I have addressed the major critiques of his theory. From here I will attempt to articulate a modified version of Durkheim’s theory as outlined in *Elementary Forms*. To be clear, my task here is to align as closely as possible to Durkheim’s published theory while seeking to correct problematic aspects of his work. Recall that earlier I identified Durkheim’s specific definition as:

*A religion is a unified system of beliefs and practices relative to sacred things, that is to say, things set apart and forbidden—beliefs and practices which unite into one single moral community called a Church, all those who adhere to them.*

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90 Durkheim, *The Elementary Forms of Religious Life*, 44; italics in the original.
I propose amending this definition in a number of ways. For Durkheim, religion is primarily about collective realities; therefore, we should state this before “beliefs and practices.” Furthermore, I find the use of the term “society” somewhat misleading, not because of any serious deficiency in Durkheim’s work, but rather due to the breadth of the use of the term today. In the modern period, the term “society” has become intertwined with the idea of the nation-state and/or a specific politically defined subgroup. Therefore, in the pluralistic world in which we live, there are many “religions” within the same “society.” This leads me to attempt to dissect “society” from the definition while maintaining it within the larger theory. It is difficult to speak of “religious communities” apart from the larger social network in which they reside. Therefore, I will continue to use the term “society” in the larger discussion of the theory, but regarding the strictest sense of the definitional elements of “religion,” I think this theory pertains to “religious community” rather than the more broadly definitive “society.”

It would be easy to assume that one should remove the concept of the sacred from a modified Durkheimian theory. This is understandable given the confusion the term has produced. But for Durkheim, the sacred was a critical portion of his theory and holds a prominent place in his definition. In light of the corrections I outlined in the prior section, I think “sacred” should remain in the definition when understood in its functional sense as being “superadded” to an object and is best described as the “collective feeling an object or symbol inspires in its adherents.” Additionally, it makes little sense for Durkheim to reference “Church” in this definition since it is a
decisively Christian term that is not necessarily a function of religion in a strict sense. Instead, I will use the term “community” to identify what Durkheim meant by “Church.”91 Finally, religion is not simply about the imagination of systems but also serves in an ongoing process of maintaining what was previously imagined. Therefore, the term “imagination and maintenance” should be included.

This leads me to the following more streamlined and updated sociological definition of religion: A religion is a system of collective beliefs and practices, relating to things deemed sacred, which enables the imagination and maintenance of a community. This definition upholds the key elements of Durkheim’s original definition while also eliminating terms that unnecessarily complicate Durkheim’s theory.

Rearticulating a Sociological Theory of Religion

Religion is fundamentally a collective enterprise. The individual gains her identity from the complex relationality provided by the society around her. It is in this tapestry of relationships, most of which are obscured from the individual’s consciousness, that the human is constituted as a person with a socially mediated identity. But the individual does not merely receive her personhood from society; she also contributes to society by believing and acting in accordance with its normative regulative functions. In this way, while the individual is a receiver of identity from

91 Karen Fields has suggested inserting “imagined community” in the place of “Church.” While semantically I like this suggestion, it adds an additional level of unhelpful complexity because of that term’s use by Benedict Anderson. For Anderson, “imagined communities” pertains to a form of nationalism, which, while related to this project, would only further complicate it. See Ibid., xxxii-xxxiii, for Fields’ discussion, and Benedict R. O&G. Anderson, Imagined Communities: Reflections on the Origin and Spread of Nationalism, rev. ed. (New York: Verso, 2006).
something that is outside of her, she also confirms and reinforces this same collective matrix. This thoroughly reciprocal relationship is maintained in each moment of existence by the continued use of collective representations which confirm and reinforce the categories and concepts individuals use to make sense of the world.

The society is not simply the sum of its parts; it is more. It operates independently of the summation of all action at any given cross-section of time and receives much from the past. Ideas and emotions, as well as resources and debts, are passed forward, and, in this way, the past is always present. Because of this, the individual has a sense that there is something outside of her that is acting upon her existence, and she is correct about this. These socially derived forces are experienced as “real” in a way similar to natural forces because both types derive their power to inform us from the same conceptual mechanisms. These social forces are used in the maintenance of religious traditions because humans seek to articulate and understand them in a coherent way.

The most common type of theory of religion explaining human experiences is theological. Through a theological theory, individuals maintain a belief system which claims that agents, laws, or dimensions outside of their natural existence are at work around them. These explanations interpret for individuals their complicated and obfuscated experience of the society by which they are defined. And, in this way, religion obfuscates the social realities at work in a given place and time. What is actually being experienced is the complex tapestry of social relations that currently exist, as well as the ingrained and maintained social-power relationships handed
forward from the past. So while there is a decisively compelling natural explanation for the experience of things that seem “outside” of individual experience, most humans continue to project and uphold a sense that there is a supernatural realm altogether apart from their social relations.

The exact contours of the supernatural can vary widely. For some, the force may be general and abide within fixed laws. Ideas like “karma” exemplify this type of general concept. Just as easily, the specific contours can become supernatural beings in some sort of a quasi-human form. As has been historically witnessed, as this idea matures, such beings often are ultimately subordinated to one supreme type of being; stated differently, the gods evolve into one God. Regardless of whether the religious person defers to supernatural laws or to some type of supernatural entity, there always exists within the religious system a connector between those laws or entities and the person. In other words, religion is not an abstraction that develops as a network of related thoughts; instead, religious beliefs are tied to what is deemed sacred by the religious community. The sacrality of an object or idea derives its sacred nature from the collective feelings that it incites in the faithful. This socially mediated sacredness leads to moral authority which compels its adherents to act in accordance with a prescribed moral trajectory of the sacred object or symbol.

We see here the complicated way in which religious systems function. If I believe that God requires me to “act justly” and “walk humbly” with my fellow humans, I do not follow these requirements because of the utilitarian calculation that being just or humble will maximize my own enjoyment or value in the world.
Instead, I do so because a power within me morally compels me to adhere to these sacred postulates. These ideas do not derive their influence in me primarily because I have tried them and they work, but rather because I have experienced the power of the divine in my life via some collection of religious experiences. I am compelled because my religious beliefs form a significant portion of my core identity, and therefore my religious beliefs are part and parcel of my self-concept. Stated a little differently for a Protestant Christian context, I participate in a religious community, and, within the coming together of this community, I experience things that are distinct from my solitary life. These experiences are “religious” insofar as they are mediated from something outside of my internal world; they are not products of psychological delusion. As I attempt to make sense of what I am experiencing, my religious community reinforces and maintains communal beliefs by providing me with a description of another realm; this is my working theology. The theology exists in my memory as an individual but also is mediated and agreed upon by my collective religious community as we experience life together under the moral authority of our sacred postulates. Returning to “act justly” and “walk humbly” above, it is not simply that I think these are good ideas that I should follow for my own gain. Instead, I believe that my God expects me to fulfill these requirements because I have experienced God’s force in my internal world. I am morally compelled to act.

Religious traditions are not birthed out of nothing and almost always are passed onto the present from the past. As I mentioned earlier, the sacred is
determined by the collective feeling that the object incites in its followers. This sacredness is often conveyed and cultivated in “sacred texts” which have been passed forward for generations. These texts often uphold a set of beliefs which informs the way I understand the forces I experience. These beliefs are not illogical or irrational to the adherent because, like logic and reason, they are derived from a truly social epistemology. Ideas do not adhere to an abstract and absolute reason that exists apart from human groupings, but rather are “reasonable” because human groupings agree that they are. Our mental frameworks evolve, but this does not mean that they are rapidly changing and absolutely relative. Instead, they are fixed to a vast group memory that has been developed over time and amended continually. In this way, religion fundamentally conserves individual identity and is entirely rational.

But beliefs alone are not the only element of religion; the believer is also an actor, and this acting is the other element of the religious community maintaining religious identity. By acting in accordance with a given set of beliefs, these same beliefs are confirmed by those who hold them. Stated differently, by believing in the efficacy of certain religious actions, these same actions are confirmed. In this way, believing and acting are inextricably intertwined and form a self-supporting system that tends to conserve itself. While religious systems do change over time, their cultural staying power is due largely to their ability to conserve themselves at a relative rate of change that is slower than non-religious systems. Religious actions are not *ad hoc* and indiscriminant. They instead take on a consistent and repetitive
nature that we often refer to as ritualized. To the outsider these actions may seem bizarre and trivial, but they actually hold an inherent religious logic that is specific to the religious group and therefore makes sense to the particular believer.

When religious communities congregate to perform their rituals and renew their collective beliefs, a feeling of collective effervescence tends to pervade their experiences. This word captures a sense of heightened awareness and stimulation that is unique to religious groups. While the individual may experience moments of individual stimulation that are often referred to as mystical, it is secondary and derivative from the communal sense. What is being experienced is the collective power of the group-life itself, a feeling that unifies and aligns people in a powerful way. This effervescence is critical for the maintenance of religion because this sort of experience confirms for the religious person the existence of something that is beyond the individual and beyond the simple summation of the group. Effervescence is also important in the reverse sense, in that it provides a positive experiential feedback oriented around the social alignment and cohesion of the group; in this way, the experience of religiously derived effervescence acts as a sort of glue holding religious communities together.

Religious people have a sense that there is something beyond them that is real and outside of the group. They know that powerful collective emotions are elicited by what is deemed sacred. This sacredness can expand to also infuse actions with sacrality. Therefore, the adherent believes that the sacred way of acting is set apart and distinct from the mundane elements of existence. Ultimately, the sacred object
(or actions) of a religious community’s existence always pertain to the collective identity of the religious grouping itself; in other words, the sacred operates to preserve the identity of a religious group by consistently bringing the religious network together to experience the things of its own unique existence. These feelings, operating over a long period of time, develop a framework by which religious adherents order their world and provide a time-keeping, space-orienting, referential identity to the group.

Religious ordering is critical because, as was explained before, the religious adherent derives much of her identity from the religious community itself. While on the surface the ordering takes the form of truths revealed within sacred texts or in a particular theological accounting of things, what has occurred is the obfuscation of complex social relations. In other words, the complex social relationships which define the identity of a person are obscured by a religious system which seemingly dictates what is normative for the individual and the group. For example, the religious person might say something like, “women are created to be the help-mates of men” because “the bible tells us so.” In this type of statement, the woman’s social identity is explained on the surface by the group sacralizing a given narrative imbued in a sacred text within the larger religious system. But at a more complex and obfuscated level, what is happening is a meaningful explanation of the forces that some women experience in their socially mediated lives. On a sociological level, the woman experiences an ingrained and long-standing subordination to men which is
explained in her religious belief system as the sacred moral order, but is actually an instance of obfuscated power relations.

A terse summary of how a religion operates might be explained as follows. The theology of religious group has power because of its moral authority. It is deemed morally authoritative because of the opinion of the religious community. The communal opinion is maintained by the ongoing belief that the object (or symbol) around which the group orders itself is sacred. The object’s sacredness is superadded and derived from the collective feeling that it inspires in its followers. The collective feelings are invested with intensity that is beyond the individual’s because of the effervescent effects of a religious network that is acting with one another. Ultimately, the religious group continues to congregate because of the mutual desire to continue to experience this effervescence and because of the moral authority of their tradition in their own lives.

This system provides a powerful meaning-making system for the religious faithful. Religion is not a form of psychological delusion, but rather is a humanly constructed system that orders the adherent’s world. While religious beliefs can certainly be used for repressive ends, they are elements in meaning-making systems which provide confidence and social cohesion for specific religious communities. When this system is identified and deconstructed, we see that religious systems obscure the complicated social relations in which our collective lives are based, but this deconstruction is not necessary (or even warranted) for the religious adherent themselves. The truly religious are seldom aware that they are “religious”; they
simply understand themselves to be following the truth of their faith community as
determined by their particular religious tradition. To the degree that the religious
tradition has life-affirming, benevolent, and holistic values, it is a force for good in
their lives by morally compelling them to act in accordance with values that assist in
maintaining the religious group. It is also clear that if a religious tradition holds
maleficent and divisive values, the religion compels counter-productive social acting.
In other words, religion, in a technical sense, is a value-neutral system because it
simply maintains a particular religious community’s tradition regardless of the
particular content of the system.

Religious systems are at work in aspects of contemporary life that are not
considered “religious” in a strict social sense. As I mentioned earlier, one common
aspect of religious life is that religious adherents do not necessarily think of
themselves as “religious.” Rather, they simply order their lives around a set of beliefs
and practices relative to what they deem to be sacred and authoritative. My
contention is that what is most deeply held as “religious” often escapes our particular
notice in a given era. It is toward this end that I will now apply this sociological
theory of religion to the concept of money.

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92 An example of this is Christianity in medieval Europe. There is not a clear sense amongst even the
most brilliant thinkers of the period that they held a meaning-making system which ordered their
world. In this period, the European Christian tradition informed most aspects of their being and truly
was the domain in which they lived. Similarly to the way water is the reality for fish, a specific
religious tradition is often the reality in which people reside.
Chapter Four: The Religious Nature of Money

Introduction to Money

Before we move to the religious nature of money, we must first establish what has been understood by the term *money* and what some possible options might be for a theoretical understanding of it. Any full discussion of money must also engage how money functions and describe the relation between money and the economy. In this chapter I will primarily focus on monetary functioning and will outline some mainstream views which have been classified as *orthodox* theories, along with some of the best alternative theories on money that exist today; these will be labeled *heterodox* theories. In expanding the possibilities of what might be thought of as money, I hope to deconstruct many of our common notions related to this critical social entity. By the end of this chapter, I will outline three specific ways in which I think money functions religiously. Even in the early twenty-first century, a widely accepted theory of money is difficult to ascertain, and, despite the fact that humans have been using money for at least five thousand years, there is much to

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1 While not being directly relevant to this particular project, a description of objects or symbols that have served as money (historically) is also important. David Graeber lists a variety of objects used as money: brass, cattle, copper, cigarettes, silver, wives, and tobacco. David Graeber, *Debt: The First 5,000 Years* (Brooklyn, NY: Melville House, 2011), 26, 37-9, 59-61, 154, 364.

2 The use of “orthodox” theories was derived from Geoffrey Ingham’s work. Building on this, I have termed other theories as “heterodox” along the lines of a predictable religious studies usage. “Heterodox” was not a term used by Ingham. See Geoffrey K. Ingham, *The Nature of Money* (Malden, MA: Polity Press, 2004).
explore about this social phenomenon. Furthermore, I think the lenses used to view money have been overwhelmingly based upon an overly simplified view of money based in barter; this has prevented money from being clearly understood in all its social complexity. In light of this, I will use a religious studies lens to investigate money with the hope of providing some new insights into its fuller social identity.

I should articulate a basic understanding of what money is and does before moving into the various theories of money. One common perspective on money is that money is whatever functions as money. Obviously, this definition borders on being a classic tautology, but, as one surveys the economic literature, this phrase is clearly one of the most commonly used terms in describing money. In virtually all contemporary descriptions of money we find some type of functionalist definition. While I do not think that this is problematic in and of itself, this tendency should alert us to the plausible option that money (as an entity unto itself) is misunderstood and not well delineated within our current disciplines. Furthermore, the fact that this definition is so pervasive begs the question of whether we fully understand money. It is plausible that future generations may look back at this period and see it as a period in which modern money was present and active, but not well understood.

What is generally agreed upon is that money fulfills three key functions. The function that is the most commonly cited is as a medium-of-exchange. Money eliminates the inefficiencies and inconveniences of barter by smoothly facilitating

trade. As an example, think of how difficult life would be if we had to barter for all our needs. Furthermore, it is clear that humans would not have been able to specialize and divide labor throughout society if it were not for the medium-of-exchange function of money. Therefore, it is technically correct to say that the modern economic world would not exist if it were not for money.

Second, money is a store-of-value. Money enables us to preserve value from the present in order to be used in the future. If I am a farmer and have a harvest in the fall, I can sell my crop and hold that money into the future for use in a later period. In this way, money provides a mechanism for us to transcend time in terms of the value we produce either in the form of goods or services. As a side note, in modern economies this store-of-value is not static. Inflation erodes the face value of money over time, and, if properly managed, this erosion can be helpful for stimulating economic activity by incentivizing us to spend money rather than hold it indefinitely.

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4 Overcoming the inefficiencies of barter is often referred to as overcoming the “double coincidence of wants.” In a theoretical barter situation, one would need to find a double coincidence in which I find someone with something I want and have something he wants in order to trade.

5 If this point is not completely clear, please see the following example: If I am a farmer and sell my crop for $100,000 in September, this monetary sum takes on less potential buying power the longer it goes without being spent. If a new tractor costs $200,000 in September and inflation is 3% per year, then waiting a year will mean that I will need $206,000 in order to purchase the same tractor one year in the future and $268,783 ten years in the future. It is also likely that the farmer’s earnings will increase by roughly 3%, therefore the incentive to spend relates to the rate of income (or investment) growth relative to the rate of inflation. Properly managed inflation can be helpful for the economy because it incentivizes the farmer to buy the tractor sooner rather than waiting. This, in turn, stimulates demand for tractors, which creates economic activity for the tractor industry. This then provides tractor builders with money that they can use to buy other things, including the farmer’s crops. If there was no inflation, or negative rates of inflation (called deflation), economic activity would likely decline, and everyone in the economy would be poorer.
Third, money defines the dominant *unit-of-account*. This function has taken on a more substantial role in our contemporary period but has been present in some degree from the earliest monetary forms. In the modern world, the particular unit is determined by governments dictating two things: what is deemed *legal tender* and the monetary unit in which taxes can be paid. Legal tender is a term used for whatever is deemed lawful for meeting a financial obligation. These laws enable people to fulfill payment of debts by stipulating what currency unit will resolve such indebtedness. Additionally, since taxes form a major portion of any economy, the government (even without legal tender laws) can influence the preferred currency simply by only accepting tax obligations in a particular unit. The unit-of-account function also creates the reality of different monies which we refer to as currencies. Common modern currencies include the United States dollar, British pound, European euro, and Japanese yen.

I have listed the three functions of money above in this particular order for a strategic reason. Medium-of-exchange is clearly the most important function of

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7 It is worth inspecting the money you carry. Take a few moments to closely read what is printed on a US dollar bill (of any denomination). At the top you see “Federal Reserve Note,” and, usually down on the left-hand side, you see “this note is legal tender for all debts, public and private.”

8 This ability to influence is predicated on the health of the given currency. In failing (or failed) nations, even the collection of taxes is of limiting influence. Currently, we see several nations in which there exists a state currency, but the US dollar is used in most transactions; this is particularly true when a country experiences high rates of inflation.

9 Contrary to public perception, while precious metals such as gold and silver have been used as money, precious metals are not necessarily money. What makes something money is its sanctioning by a monetary authority, and, while this authority does not have to be a sovereign government, it typically is. That said, history is filled with examples of private banks and merchants creating their own currencies.
money to most mainstream economists, while the other two functions tend to be subordinated to this primary function. As we will see in the coming chapter, this understanding undermines a fuller identity of money, found in its unit-of-account function. Additionally, contrary to some articles in the popular press, there is no distinction between physical money and non-physical money, and, in fact, the majority of money that exists in the world is in purely ethereal forms in banks around the world. Stated more clearly, banks do not hold their reserves entirely in paper bills and coins, but rather run a positive account balance on their ledgers and with their respective central bank (assuming they are part of the central bank system). This point is important because much has been made about the move toward electronic payments (through credit card, transfers, etc.), and this move misses the fundamental reality that money does not primarily exist physically, but rather is a function of a complex accounting process in the form of double-entry bookkeeping. More will be discussed about this aspect of money later in this chapter.

Any discussion of money must also include some sense of money’s role in modern capitalism, along with capitalism’s role in historically changing the nature of money. Money was a primary feature in moving the world from the middle ages, through the industrial revolution, and into our contemporary period. Prior to modernity, money was primarily used by the merchant class, and it was here that money began to evolve into a more dynamic entity through the rise of modern banking. As money was more easily deployed throughout the world through bills of exchange and other banking instruments, industrial production and trade developed,
and the division of labor took hold. This division enriched much of the world, but also abruptly changed the way much of the world lived out basic day-to-day existence. In just a few hundred years, the majority of humans moved from some sort of locally based subsistence farming to a fully industrialized division of labor. This change was significant in that it introduced both new possibilities and problems.

Considering that in the premodern world the majority of people lived in disbursed rural areas and worked the land, the notion of unemployment was generally nonexistent. There was no shortage of work to be performed since each family unit was seeking to secure its own basic needs. Typically, people would have been engaged in some sort of minor trade for goods that they could not produce themselves, but this was secondary to their personal engagement in securing their more basic needs (food, shelter, clothing, etc.). As money developed into the contemporary form that we currently see within modern capitalism, the opportunity to work in manufacturing or other specialized jobs became a reality for millions of people. The division of labor generally produced greater wealth for those involved, but it also severed the group reliance that was a hallmark of life for thousands of years prior to the industrial revolution. Economic conundrums like unemployment, labor rights, and substantial inequality in wealth became major social issues, and modern money played a significant role in bringing this about.\(^\text{10}\) The formation of

money and the development of the industrial revolution were a bit of a chicken-and-egg scenario; they each enabled the other.

In the modern period, new monetary possibilities emerged. A stable unit-of-account enabled the large coordination of production and fueled global trade. Relatively stable currencies created the possibility of developing long-term contracts which encouraged investment in productive activities.\(^\text{11}\) These activities brought together governments, the merchant class, and banking, as each was required to work together in a way that was distinct from prior historical periods. The modern capitalistic world created new realities in which everything had a price and was open to being monetized. In this period, money has become an end to itself rather than a means to end.\(^\text{12}\) These capitalistic implications frame our modern existence and have become a major feature of contemporary life; today, access to money or credit is a vital necessity for virtually every endeavor. Contrary to popular narratives that people are self-made and have equal opportunity for building wealth, it is clear that access to money is a key determining factor. In other words, in our contemporary world it requires money to make money, and this idea is generally foreign to the


\(^{12}\) Karl Marx, *Capital: A Critique of Political Economy*, trans. Ben Fowkes (New York: Vintage Books, 1977), 247-57. The best articulation of this development is Marx’s “general formula” for capital. Marx shows that the modern world changes the reality from money being a unique commodity which facilitates trade between other commodities (understood in the equation C-M-C), to becoming an end to itself (here M-C-M’). This change radically upends the economic dynamics of the world, because as money becomes an end to itself there becomes a quest to gain more and more, which separates money from the means of production and earthly material resources.
narratives of “self-made” and “up-from-your-bootstraps” sorts of thinking.¹³

Therefore, in summary, while money has been with us for thousands of years, it has been in the last three to four centuries that it has taken on a central and foundational role in society. Money today is the lifeblood of production, consumption, and investment. It frames the fundamental reality for individuals, firms, and nation-states; money is critical to capitalism.

**Monetary Orthodoxy**

As a strict technical concept, money has received too little attention within mainstream economics because it is generally viewed by many mainstream economists as having no productive force by itself.¹⁴ This assumption has created an environment whereby mainstream accounts of money tend to miss the unique identity of this critical socio-economic element. This, in turn, has created a research environment in which too little energy has been spent in closely examining money’s distinct contribution to economic relations.

Mainstream economic thought has generally relied on the natural (cosmic) world for its conceptual underpinnings. In virtually any discussion about economic phenomena, we tend toward physically oriented metaphors and explanations.¹⁵ In

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¹³ Tracy Mott, *Kalecki’s Principle of Increasing Risk and Keynesian Economics*, Routledge Studies in the History of Economics 106 (New York: Routledge, 2010), 76. Mott shows that, contrary to the assertion of many mainstream economists, one must first have money or access to capital in order to create businesses. Access to unencumbered wealth is essential to the formation of businesses and economically productive activities.


¹⁵ This can be seen in economic explanations such as the “flow” or “quantity” of money. Both of these descriptors tend toward seeing this sociological phenomenon as being (metaphysically) substantive.
light of this, it is not surprising that, when money has been discussed, it has tended
toward discussions of substances rather than relations. This has led the field of
monetary economics to operate on a continuum of physicality with generic substance
on one end and precious metals on the other. So while most respected mainstream
economists in the twentieth century actually thought that money did not need to be
backed by a precious metal (typically referred to as a gold standard), most did think
of money in metaphysically substantive terms.\textsuperscript{16} This money-as-substance concept
has remained largely unchallenged due to the relative lack of academic attention it
has received, and this categorical reality continues to help obscure money’s
independent force on global economics.

While contemporary politicians, such as libertarian Ron Paul, have made
news by calling for an end to the Federal Reserve and the return to the gold standard,
few respected economists actually back that position. I point this out to clarify that
much of the contemporary (lay level) banter about money is actually rooted in a
narrow paradigm regarding money that is not widely asserted by professional
economists. Few contemporary economists think that a return of modern money to
the gold standard is a good idea, due mainly to the overwhelming evidence that these
precious-metal pegged currencies fail to accomplish what economic libertarians wish

\textsuperscript{16} My use of “metaphysically substantive” here is complicated by the existence of the commodity
theory of money. When I use the term, I mean that economists have tended to understand money as a
thing versus a relation. By “thing,” I do not mean material, but rather that money is an entity unto
itself. I wish to juxtapose this with my insistence that money is defined by its relations between
counterparties and thus is a relation rather than an object or thing.
to create: money that is not connected to a monetary authority. What is important to understand about gold’s relationship to money is that gold is no more money than any other object or concept. An object is deemed money solely by the collective agreement that a society strikes, not because of any inherent characteristic of the object itself.

While gold-backed money has not been a mainstream economic view, the conceptualization of money-as-substance has been. This substantive orientation can best be articulated by the idea that money is a special type of commodity that trades amongst other commodities. This commodity theory tradition has developed well-delineated roots within economic orthodoxy. The commodity theory is articulated in Karl Marx’s *Capital* and is closely linked with prioritizing the medium-of-exchange function as the dominant role of money. This view, that money’s role is as a medium of exchange that efficiently overcomes barter, goes back at least as far as Aristotle and was rekindled in the eighteenth century in the work of David Hume. Hume, in following Aristotle, begins his primary essay on money by stating:

> . . . money is not, properly speaking, one of the subjects of commerce; but only the instrument which men have agreed upon to facilitate the

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17 As a note to my readers, I will not be devoting much energy to debunking the idea of a gold standard because it is not widely supported and would amount to a monetary straw man argument.

18 It is important to note that, strictly speaking, the commodity theory of money does not necessarily imply the prioritization of the medium-of-exchange function but rather acts in relation to it. A coherent case could be made that prioritizing medium-of-exchange actually leads economists to think of money as a commodity. So while it is unclear which element takes precedence in this relationship, the connection between the two is clearly developed. Marx, *Capital*, 227-46. Additionally, Marx accurately describes the economic tradition up to the publication of *Capital*. This work marks a triumph of capturing the long-arc of economic thinking up to 1867.
exchange of one commodity for another. . . . [I]t is the oil which renders the motion of the wheels more smooth and easy.\textsuperscript{19}

This thinking was expanded by Karl Menger’s 1892 article “On the Origin of Money,” in which he explains the commodity theory of money as working within natural human “scarcity,” whereby a “theory of money necessarily presupposes a theory of the saleableness of goods.”\textsuperscript{20} In one form or another, whether as an economic lubricant or as an answer to humans’ sense of scarcity, we see that mid-modern notions of money were always conceptually metaphysically substantive and often thought of as a special commodity. As Geoffrey Ingham has articulated, because of this fundamental orientation toward some form of commodity money, “the questions of what money is and how it actually gets into the economy were subordinated to the question of how much of it is demanded at any time.”\textsuperscript{21} The latter question is the focus of one of the twentieth century’s most prominent theories on money: the quantity theory.

While the quantity theory of money is not identical to the commodity theory, it does hold at least one key element in common: money is understood as a symbol of a \textit{real} object. In the case of commodity money, money is understood as a transferable symbol of a desirable commodity (usually gold) and therefore

\begin{itemize}
\item Ingham, \textit{The Nature of Money}, 20.
\end{itemize}
understood to have value in its real (physical) form. Under this system, money is “backed” by gold and provides a legal right to exchange one’s paper money for a predetermined quantity and quality of gold. In effect, this gold standard provided a direct connection from the symbolic world of paper money to the real world of material. In the case of quantity theory, money is not necessarily understood as a commodity but is understood as some type of substantive entity with the ability to be quantified and with the property of *velocity.* This is an important point because we will see that a fundamental division between the orthodox and heterodox views of money often includes a distinction centering on this connection between money and the *real* economy, with *real* here referring to material or natural forces.

To understand the basics of quantity theory, one should consider the foundational equation for the theory.

\[ MV = PT \]

(where \( M \) corresponds to the volume of money stock, \( V \) corresponds to the velocity of money, \( P \) is a function of the price index, and \( T \) is a specific quantity per unit of time)

The left side of the equation corresponds to the quantity and velocity of the money supply, with increases on this side of the equation originating with either an increase in the money stock or a decrease in the velocity of the money.

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22 To be technically accurate, commodity money can be in paper or ethereal form just as easily as it can be in physical form (coins, bank notes, gold bars, etc.). What differentiates it is it being able to be exchanged (on-demand) for a specific commodity, typically gold or silver.

23 Note that I refer to a “real entity,” not an “object.” For instance, light waves have a velocity and are real insofar as we understand them as a portion of the natural world.

in the stock of money or an increase in the number of times (within a standard unit of time) that money *turns over* and is spent.25 On the right side, we see a correspondence to the price index per unit of time. Basic algebraic conversion therefore leads us to the conclusion that the quantity of money equates to prices, with the implication that as the quantity of money increases, so do prices.26 The equation alone does not constitute a theory; it is only a mathematical statement that each of the entities equate. What makes the equation a theory is that the velocity (V) and specific quantity per unit of time (T) are exogenously determined.27 By exogenous, I mean that determination comes from the outside (apart from money) and is objectified in the larger economy.

While one does still hear references in contemporary economics to quantity theory, the idea has weakened in its popularity due to its failure to account for the economic realities of the 1970s and 1980s. That said, the fundamental theoretical assumption of quantity theory is still very much alive in the popular financial press and amongst politicians and business people. With the elimination of the gold standard and the weakening of the quantity theory, there does not seem to be a dominant theory of money about which professional economists generally agree. So

25 The term “turns over” is what is meant by “velocity.” It is basically the reuse of money within an economic network. Think about a dollar being spent and re-spent within a given unit of time (perhaps a year), and what is meant by monetary velocity will become clear.

26 It is worth noting that, while most economists who adhere to quantity theory tend to see the quantity of money preceding increases in the price index, it is also equally valid (based only on this equation) that increases in prices should yield an increase in money stock. In other words, while the quantity theory correlates the volume of money with prices, its causal relationship is not entirely clear.

what do we say about money in the early twenty-first century? More specifically, what are the dominant theories being taught to the next generation of monetary practitioners and business leaders?

Frederic Mishkin’s book *The Economics of Money, Banking and Financial Markets* appears to be the dominant business school text on money and banking today. By way of introduction, Mishkin is currently a chaired full professor of banking and financial institutions at the Columbia University School of Business. He was trained at the Massachusetts Institute of Technology and was a long-time professor at the University of Chicago. Furthermore, he has held prominent positions in both Democratic and Republican administrations, most notably his participation on the board of governors of the Federal Reserve. Many business school leaders deem Mishkin to be the premier contemporary authority on monetary economics, specifically as it pertains to banking.

Mishkin entitles chapter three (of the above book) “What is Money?” and writes, “in this chapter, we develop precise definitions by exploring the functions of money.” Mishkin then proceeds to claim that “economists define money as

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28 Frederic S. Mishkin, *The Economics of Money, Banking, and Financial Markets*, 9th ed., The Addison-Wesley Series in Economics (Boston: Addison-Wesley, 2009). I substantiate this sentence by having asked a notable mainstream economist, “What is the best book on money?” Via an e-mail correspondence, Scott Sumner of Bentley University pointed me to Mishkin. Sumner has been featured as one of the premier thought-leaders on money via EconTalk, which is a podcast produced by the Hoover Institute and George Mason University. Additionally, in looking at business school syllabi related to “money” and “financial markets,” Mishkin’s book is consistently assigned.


anything that is generally accepted in payment for goods or services or in the repayment of debts.” Money’s primary functions are described as “a medium of exchange,” “a unit of account,” and “a store of value.” Mishkin clearly thinks that “medium of exchange” is the primary function of money in that it “promotes economic efficiency” by satisfying a “double coincidence of wants” by “eliminating much of the time spent exchanging goods and services” and by allowing people to “specialize in what they do best.” Mishkin reiterates the common view made earlier by Hume that “[money] is a lubricant that allows the economy to run more smoothly by lowering transaction costs, thereby encouraging specialization and the division of labor.”

Mishkin continues his chapter by explaining both the “unit of account” and “store of value” functions of money, but, importantly, he does not explain them as central functions. Rather, he implicitly refers them back to the medium-of-exchange. In the case of unit-of-account, he immediately goes back to his prior barter economy example and explains that this function simply “reduces transactions costs” by providing price quotes in a common unit. In the case of store-of-value, Mishkin cites the need for liquidity and the ability to engage in exchange at a future point of a person’s choosing. In other words, for Mishkin (and much of mainstream economic thought), there is really one function of money, which is the medium-of-exchange; the other two functions are relegated to the status of subpoints. What we see here

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31 Somewhat on the periphery of this particular summary, Mishkin follows this quote immediately with a paragraph outlining the commodity theory of money. What is notable here is that there is no disclaimer that this theory is one of several primary options explaining money. Apparently, Mishkin believes the commodity theory is the core fundamental concept explaining monetary functioning. This will be an important nuance to consider later in this chapter.
from the premier thought-leader for monetary practitioners (Mishkin) is typical of what we find throughout a study of contemporary money: money is largely ignored beyond its value for facilitating exchange, and all discussion of money boils down to a decisively functionalist orientation. This leaves money generally operating within contemporary economics without theoretical mooring.\(^{32}\)

In summary, we see in the orthodox view of money two enduring principles. First, money is primarily a tool to facilitate economic exchange. This was evident in the Mishkinian description of money but is also present in both the commodity and quantity theories. Second, there is a strong bias in the orthodox view toward real manifestations of money. Money in this view is tied to the natural world and is either a thing- unto-itself or a direct symbolic representation of such an object; the implication is that money can operate outside of human authority structures because it is an object and therefore “objectively” related to humanity. In the minds of commodity theorists, money exists in a fundamental form, for even our paper money

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\(^{32}\) John Maynard Keynes should be mentioned here not because he holds orthodox views of money, but because he is the biggest economic figure in the twentieth century. I find him difficult to categorize because he simultaneously transcends the orthodox view while not wholly providing a theory of money that I would deem heterodox. Stated a little differently, of the major economic figures of the twentieth century, Keynes' view of money clearly is beyond Fisher or Friedman, but he does not quite articulate a compelling theory of money that fully leads us into a new era. In this way, I find the heterodox thinkers (presented in the next section) more helpful. That said, there are three things I find helpful in Keynes. 1) Keynes clearly understood that money was not neutral, 2) he thought monetary authorities could apply some fine tuning to steer the economy, and 3) he understood the critical nature of interest rates in affecting income in a monetary network. Keynes was therefore generally ahead of his time in terms of monetary economics. See John Maynard Keynes, *A Treatise on Money* (New York: Harcourt, 1935); Keynes, *A Tract on Monetary Reform* (London, Macmillan and Co., Limited, 1923); and Keynes, *The General Theory of Employment, Interest, and Money*, 1st Harvest/HBJ ed. (San Diego: Harcourt, Brace, Jovanovich, 1964).
symbolically references some element or material (usually gold, but it could also be land, shells, rocks, etc.).

**Monetary Heterodoxy**

One early heterodox view was provided by A. Mitchell Innes in his May 1913 article “What is Money?” Innes argues that money is most fundamentally credit and is nothing more than a promise to pay, satisfy, or redeem. Innes writes:

> The eye has never seen, nor the hand touched a dollar. All that we can touch or see is a promise to pay or satisfy a debt due for an amount called a dollar. . . . What is stamped on the face of a coin or printed on the face of a note matters not at all; what does matter, and this is the only thing that matters is: What is the obligation which the issuer of that coin or note really undertakes, and is he able to fulfill that promise, whatever it may be?

Importantly, Innes was not the first to articulate the foundations for a heterodox view, and he openly points to Sir James Steuart (1713-1780) as someone who, very early in the modern period, understood that a monetary unit was distinct from commodities or coinage. But Innes was one of the first writers to articulate a compelling understanding that money is most fundamentally social credit. Later, responding to his critics, Innes writes, “A credit cancels a debt; this is the primitive law of commerce. By sale a credit is acquired, by purchase a debt is created. Purchases, therefore, are paid for by sales.” In other words, money is fundamentally credit, and these credits-debts are continuously created and

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simultaneously destroyed in any given transaction. This leads us to one conclusion that is starkly in contrast to the orthodox view: money’s fundamental identity is not tied to real (physically occurring) commodities but is instead embedded in a complex array of social relations.

In summarizing the most incisive thinking of contemporary heterodox thinkers, Geoffrey Ingham has outlined the functional nature of money’s social relations. He argues that money is a social relation in three closely related ways.36 First, it is produced by non-market agencies and is disconnected from economic laws of production. Therefore, even commodity-backed money (on a gold standard, for instance) is a socially constructed promise to pay. Second, money cannot be understood outside of social relations because it is most fundamentally a social credit-debt that is trilateral in nature. Whereas barter is bilateral in that it supposedly fulfills the double coincidence of wants, money actually includes the two-directional trade inferred in barter but adds a third dimension, which is the monetary authority. This authority is the issuer and regulator of the credit-debt. Third, modern capitalistic systems consist of state-issued money that is nothing more than a promise to pay recorded in a double-entry bookkeeping form. In other words, in our contemporary world, the banking system is backed by nothing other than the collective economic social relations of a society, and these relations are delineated within the banking

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system via a complex accounting system which tracks a nearly infinite amount of credits-debts between counterparties.

In recounting the significance of the non-market entities mentioned above, it is worth noting that, in our contemporary world, most money is state money. This has not always been the case; throughout much of the modern period, money was issued by private banks and functioned on the authority and reputation of such institutions. By the twentieth century, governments had taken a more active role in consistently creating central banks which have varied from being a direct arm of the government to something more quasi-governmental in nature. For instance, in 1913 the U.S. Congress passed the Federal Reserve Act which formed today’s Fed. The United States Federal Reserve operates as a central bank that is not an official department within the government (like the Treasury Department) but is rather a quasi-private entity under the supervision of Congress and the President, and is closely aligned with the Treasury. Whether the central bank is a direct department of the government or a private bank does not really matter in terms of money’s fundamental nature. All that matters for something to be state money is that it is the exclusive monetary unit that is accepted for payment of taxes. Because of the

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37 As I mentioned earlier in this chapter, for state money to function, the currency must be relatively stable. In some countries, a different currency is used despite the existence of a state-sponsored currency. A contemporary example is the African nation of Zimbabwe, which has its own inflation-prone currency. Because of this, most transactions occur in US dollars. Additionally, I use “most” currencies because there are occasionally non-state back money such as Bitcoin.

significant percentage of societal transactions made by the government, whatever the
government declares to be appropriate for payment of taxes becomes the de facto
core currency unit. 39

The trilateral nature of money which I articulated earlier points to the critical
role of the banking system in the maintenance of money. Consider, for instance, that
very few of us directly barter for goods and services. We instead sell our goods and
services for money denominated in a given currency unit. In effect, we buy money
with whatever we have to offer. Presumably, whether immediately or in the future,
we will purchase goods and services with the money mentioned above and, in effect,
sell our money. Therefore, in the middle of all our transactions is this one entity:
money. The money listed above is not made up of IOUs that we personally issue to
one another but rather currency units produced and upheld by a banking authority.
This produces the third element in the exchange and creates the trilateral nature of
monetary exchange. Banks exist within a society and abide by laws and norms
developed within the cultural construction of the given era and people group. This
third element of exchange is fundamentally and completely socially constructed and
maintained.

1999), 48-56). Wray is careful to credit Georg Friedrich Knapp as the originator of the “State Theory”
of money. Wray writes: “With the rise of the modern state, the money of account (the description) is
chosen by the state, which is free to choose that which will qualify as money (the thing that answers
to the description). This goes beyond legal tender laws, which establish what can legally discharge
contracts, to include that which the state accepts in payment at its pay offices. The state is free to
choose a system based on commodity money, fiat money, or managed money.”
Any contemporary reader will note that we do not actually conduct our transactions with paper bills or metal coins. The vast majority of transactions occur via our individual bank interacting with other banks. For virtually all large and consistently occurring payments (mortgages, rents, car payments, loans, etc.), people use checking accounts or electronic fund transfers to pay a monthly amount. It would be highly uncommon for an individual to visit the office of the bank that holds his mortgage and deliver a monthly payment with Federal Reserve Notes (cash money). More typically, he would write a check to the payee which systematically instructs the payee’s bank to request a set amount of funds from the payer’s bank via his specific account.40 Behind the scenes, these banks balance their requests for money from other banks with requests coming from these same banks. But note what is actually happening here: the process of payment is nothing more than double-entry bookkeeping, whereby the accounting of an individual’s social credit within his bank is transferred to another bank account.41 In other words, money is transferred not as a physical entity-unto-itself but rather is transacted via an adjustment of numerical representation within a particular monetary unit. All that exists is a positive number

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40 It is worth noting that economists think of checking accounts as cash because they are what is termed “demand deposits.” A demand deposit is a bank account in which a person has the legal right to “demand” at any time. Most lay people think of cash as paper bills, but, for economists, cash pertains to money that is at a person’s immediate disposal.

41 Double-entry bookkeeping refers to the innovation developed in the fifteenth century by Franciscan friar Luca Pacioli, in which a merchant would offset a credit and debit in his financial books in at least two places. Whereas a simplified form of bookkeeping would be to record purchases and sales in a journal or ledger, double-entry bookkeeping revolutionized this process by showing a single transaction as a credit on one side and a debit on the other. This enabled people to account for errors in their accounting and record keeping. A simplified double-entry equation is typically shown as: equity = assets – liabilities.
in an individual’s bank account and a negative number in the debt account, and an
adjustment of both accounts fulfills the payment required. Nothing actually changes
hands other than mathematically corresponding units-of-account, which represent
our anonymous form of social credit and social debt.

As recounted in an earlier section, orthodox economists have tended to focus
most closely on the medium-of-exchange function of money and have relegated the
unit-of-account and store-of-value functions to secondary status. This false
prioritization fails to account for the absolutely central nature of the banking system.
A clearer perspective views the functions of medium-of-exchange and unit-of-
account as completely equal in terms of monetary importance. As we focus more
closely on how monetary exchange actually functions, we see that the banking
system’s clearing function operates as a comprehensive double-entry accounting of
the numeric representation of our social credit. Additionally, in the orthodox view,
the key elements of money are either symbolically or directly connected to real
substance in the world. In the latter view, we understand money to be a socially
constructed technology which is completely delineated by social relations and human
operations. This leads us to consider how it is that money is maintained. Stated a
little differently, if money is not directly tied to real value in the form of precious
metals (like gold) or objects that have physical utility (like land), then how does it
keep from failing? If money is a form of social credits and debts, then what binds the
entity together? My answer to this critical question is religion.
The Religious Nature of Money

As I outlined earlier, there are at least three different types of theories of religion: theological, psychological, and sociological. In this project I am relying on a theoretical understanding of religion that is best classified as sociological. This theory illustrates the ways in which groups of people form meaning-making systems that uphold their religious beliefs and practices as these same entities reinforce these individual’s own religious nature. Durkheim compellingly showed how religious beliefs and practices hold together in a systematic and rationally coherent way. In part, this is due to Durkheim’s thoroughly social epistemology, which redefined what we mean by rational, while also providing insightful observations about the way religion functions both on a level of belief and practice. Ultimately, I think my modified Durkheimian understanding of religion is particularly well suited for viewing money in its fully religious nature, assuming we approach it with the same technical precision outlined in *Elementary Forms*. Otherwise we risk falling into common ways of thinking about religion which could obscure new insights into monetary phenomena.

Money operates religiously in a systematic way. Contrary to the mainstream orthodox view, money does not derive its power from an individual agent’s rational calculation of its relative utilitarian value in relation to other commodities. Instead, it derives its power from the collectively uniform moral compulsion within humans.42

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42 I am specifically referencing the form of moral compulsion outlined in the final section of chapter three.
Stated differently, the conceptual underpinnings of money do not rely on utilitarian thought, but rather are reliant on a more fundamental concept based within humans’ most basic thinking. From this mental category, money possesses a collectively powerful moral authority within humanity. Money’s moral authority does not gain its power out of nothing, but instead relies on a sense of sacrality that imbues the category of money in the human mind. Durkheim was clear that sacredness is not inherent in an object or symbol, but rather is generated by the collective feeling that the object inspires in its followers. Along these lines, I will show that money’s sacrality enables it to function uniquely in society as a force upon people as well as an object compelling regenerative actions. While money benefits from the form of religious belief listed above, money is actually more reliant on actions. Money is not solely a cognitive concept but also is upheld by a type of religious action. This occurs within the banking system, specifically within the lending and borrowing process. Lending creates a mechanism through which people come together in the form of monetary relations, and it is within this aspect of banking that we most clearly see what I am terming monetary effervescence.

**Quasi-Divine Principle**

Recall that in Durkheim’s understanding of totemism, each clan identified with a specific totemic plant or animal. Durkheim is clear that it is not the intrinsic nature of the plant or animal that makes it the object of worship, but rather the combination of an outward sense of divine that holds a unique power in the individual because it represents the particular social group of which the individual is
a part.\textsuperscript{43} Durkheim argues that the twofold nature above exists precisely because god and society are one and the same. The existence of god for the believer impels her to act in accordance with the respect due god and binds her to a certain way of acting. This creates a perpetual sense of dependence precisely because it fulfills its intended ends through the individual’s acting in accordance with those same ends. In this way, Durkheim argues that we become servants of society, forgetting our own interests and submitting to the rules of action that are sometimes contrary to our individual inclinations and instincts. But the interesting aspect of this compulsion to act is that it is not rooted in a sense of physical force, but rather in the moral power that religions generate. Stated in a different way, we pursue the ends of our religion because it is the object of our genuine respect within us, and we yield to it irrespective of any utilitarian calculation of helpful or harmful results. So we see here that religion does not derive its power to compel individuals from physical force, but rather from a sense of respect rooted in its moral authority related to our identity as human agents acting within a sense of dependency. Religion compels us through psychic powers alone and provides us with the impetus for our alignment with its ends and means; this psychic feeling is a force upon us.

\textsuperscript{43} Emile Durkheim, \textit{The Elementary Forms of Religious Life}, trans. Karen E. Fields (New York: The Free Press, 1995), 208-10. All references in this paragraph are rooted in the pages listed here and have already been extensively cited in chapter three.
When we view money through this quasi-divine principle, we see its fundamentally religious nature. First, our monetary identity is determined by our monetary network. Commerce, savings, investment, debt, and taxation all occur in the monetary unit of the given monetary authority we serve. Those of us living in the United States are in the US dollar (USD) zone, just as Europeans live and experience their economic being in the eurozone. Items and services we buy are quoted in USD, we borrow and pay in USD, and our taxes flow back to the government in USD. The USD is our fundamental monetary identity and reality. Second, we are dependent on our monetary network and reify it as we act within its framework. The USD is efficacious because we use it, and we use it because it is efficacious. Rarely, if ever, do we stop to consider the useful nature of the USD in our daily lives. In the USD zone, it is always accepted as a means of payment and therefore always fulfills the most surface property for which money is useful. Understanding the underpinnings of the USD is irrelevant to its use because of the uniformly near-perfect track record it possesses in fulfilling its monetary functions. While legal tender laws exist and every bill is clearly marked with the words, “this note is legal tender for all debts, public and private,” the USD hardly needs this legal backing to work. Stated a little differently, people using the USD do not need to be compelled by the force that is

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44 I am not saying that those who use money or are engaged in banking understand the religious implications for what they are doing. It is often the case that religious adherents do not recognize their own religiosity.

the U.S. justice system to adhere to legal tender laws; money (in this case, the USD) simply works because it is an object of our genuine (moral) respect. As we deconstruct money, we see that the reality formed by its religious nature is a decisively social one. Just as the believer is morally compelled to act in accordance with her religious beliefs, this acting actually reinforces those same beliefs. In the case of money, we are compelled to use it for payment of debts while we also accept it as a means of payment for our labor; as we do so, we continually establish it as an efficacious means to transact and store value. In other words, our adhering to our particular monetary unit enables it to continue to be useful currency. While the rule of law stands behind the currency, it hardly needs this backing since virtually no one questions the reality that money will work to accomplish its purpose.

While Americans enjoy a particularly stable currency in the USD, not all currency networks are as fortunate. In the case of a failing currency, we observe a predictable concern for whether a group’s particular money will be valued in the future. Consider stories from Weimar Germany (1930s), Russia after the fall of the Soviet Union (late 1980s), or Argentina (early 2000s). In each of these cases, these currency networks experienced a decaying monetary unit that created significant social disruption. These monetary networks experienced currency failures in part because of the weakened state of their central governments due to internal and external pressures. The fascinating thing is that these currency failures did not lead people to conclude that “money fails us!” Instead, the conclusion was that “we need to find a more stable currency!” In all modern cases of currency failure, it is not the
concept of money that is questioned, but rather confidence in the specific type of money being used.46 This point is significant because it shows the deeply ingrained way the concept of money is rooted in humans and how the veracity of this category is reinforced by the quasi-divine principle at work in us both as individuals and as societies.

The quasi-divine principle can also be observed in the way a given currency’s moral authority overcomes personal doubt. The currency’s power operates independently from the reliability of the other party with whom one is engaged. In other words, even if the most despicable, untrustworthy, incompetent, and malicious person in one’s community enters a store and purchases something with a legitimate USD, his money is of no greater or no less value than the person of socially highest esteem. Money cancels out all qualitative distinctions between people and truly binds people together in a sort of kinship that is central to society.47 We do not question the character, competency, or skills of a person with whom we are transacting, only whether they fulfill their duty to pay in the agreed-upon nominal amount of currency. In this way, money is a social force upon us while

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46 The strength of this argument is illustrated by a general failure to find a single example where people who had used modern money transitioned (permanently) away from monetary use. I cannot find an example of this in recent history.

47 This particular example nicely shows the religious dimension of money. Similarly to the way religious rites eliminate individual distinction, so does money. To go back to the example of Protestant Christianity, think of the way in which communion cancels out distinctions between socially distinct individuals. Within communion, Christians are “joined together within the body of Christ.” They are unified; questions of social stature, past transgressions, and personal failures (aka sinfulness) are irrelevant here, and individuals interact in equality. The same is true for money.
simultaneously buttressing our own forceful exertion on the world.\textsuperscript{48} This monetary force eliminates qualitative distinctions between individuals, while also ensuring that these same individuals can contribute back to the particular society from which they are a part. Money, viewed specifically through our local currency, provides a way for us to be acted upon by society while also providing an arena for our own individual contributions to this same collective force. We grow in confidence, courage, and boldness of action because we know our actions will count toward the whole and enable us to participate in society. Through money we are paid, we are able to buy, and we continue to live connected to our society. This binding is a force that is beyond us, yet at the same time is within us, and we experience it as being divine.

**Monetary Sacrality**

Money is sacred in a complicated and obscured sense. Most people would not think of money as sacred in the same way that they think of a Christian relic or important family artifact as sacred. We think of money as a utilitarian instrument that we deploy in accordance with our rational self-interest. This common orthodox narrative is supported by the consistent and widespread notions continually reinforced within mainstream economics and the popular rhetoric of Western business. But money’s sacrality is apparent if one understands sacredness in the way Durkheim did as \textit{superadded} (and therefore not inherent) to the object itself. For

\textsuperscript{48} It is helpful to remember, as per my comment about Lukes in the prior chapter, that the religious binding I am referencing does not necessarily provide widespread cohesive social integration. At times, monetary binding creates great inequity and disintegration. For the theoretical underpinnings of this point, see Steven Lukes, “Political Ritual and Social Integration,” \textit{Sociology} 9, no. 2 (1975).
Durkheim, the sacred related to that which pertained to the collectivity of the clan, and money fits this description. In fact, I can think of no more collective object in society than money because it is fundamentally predicated on the economic relationality between counterparties. In other words, if you were the only person on the planet, money would cease to exist because there would be no one else to pay. Furthermore, Durkheim’s sense of sacredness coherently fits within the descriptions of money I mentioned earlier. An object is not money because of any inherent quality that it possesses, but merely because humans choose to use it as such. We see here the way in which the moneyness of an object operates similarly to its sacredness. Both are functions of human beliefs and actions that are distinct and independent from the object itself, and both are superadded and would cease to exist outside of social relations.

Within money’s collectivity, we see that it sacredly holds together a monetary network because of the cooperative relationship between the individuals in the monetary network. Put in the language used in *Elementary Forms*, money joins people together in a bond of kinship that is unique to their group’s sacred object.\(^49\) Within a thoroughly Durkheimian notion of religion, we see that the sacred pertains to the collective precisely because god and society are one and the same. I am compelled by money because of its moral authority, and I transact with it without

\(^{49}\) The use of “kinship” here is Durkheim’s term. This is important because while most people think of “kin” as blood relations, for Durkheim it is the particular social bond generated within the indigenous tribes by their given orientation to a particular totem. In other words, kinship is about religious belief and acting, and not about genetics. This is particularly applicable to monetary networks, which operate similarly.
considering the possible utilitarian uselessness of the paper bills in my pocket or the digits in my bank account. I move forward in confidence while using and accepting this money, and, in the process, I am further establishing it as an efficacious agent in my society. I experience it, as do my peers, as having a consistently helpful effect on my daily life primarily because it always fulfills its functions. Stated a little differently, money provides me with a collective feeling of stability and security because we all accept and use it. This collective feeling inspires in us an alternative description of the monetary sacrality mentioned above. Importantly, from an overarching external perspective, money’s sacrality is superadded to the currency we use because it pertains to the collective. From an individual and practical day-to-day sense, money is sacred because of the collective feeling it inspires in us in its ability to always accomplish its stated purposes as a means-of-exchange and a store-of-value. Both senses are referencing the same feature of money from different perspectives; they are two sides of the same coin.

The description of monetary sacrality is also interesting because we see that sacredness pertains to the psychic force that money has within us. I say *within* instead of *on* because money operates from a position of moral authority within our individual minds but is held together through the collective representations and concepts of our fundamental experiences. Money is a force in us insofar as it compels us to act in accordance with its customs and socially mediated nature. It is also a force outside of us in that our monetary network determines our economic
reality and social existence. As I stated earlier, money is not merely a concept we consciously add to our economic relations, but rather is fundamental to what it means to be human. Money is in us, it operates through us via our collective acting, and it fundamentally is a part of our collective selves. It is socially impossible to live outside of money because to be human in the modern world is to be moneyed. Furthermore, our moneyed situatedness defines much of the way we are oriented toward our society. We experience ever-changing relative levels of freedom according to the precise economic relationships handed forward from the past. Therefore, our present is imbued with a complicated set of monetarily defined relations between ourselves and the collective which determines the way we can economically function in society. Money is not solely external to us; it is us.

**Monetary Effervescence**

The idea that money operates independently of a monetary authority is contradictory to our historic and contemporary observations about our economic reality. As I reiterated within the heterodox section of this chapter, we are reliant on a monetary authority for our moneyed existence. It is within the real interactions of this monetary authority with the rest of society that we observe an equally important

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50 The idea of money as a force upon us is clearly observed in the divergence between annual earnings between professions. Why is one group paid so differently than another? Orthodox economists will attempt to explain the gap entirely via some reference to the natural economy, which is tantamount to claiming the authority of the order of the natural world for our socially constructed reality. In a deconstructed sense, we are paid distinct amounts in part because this is what society collectively agrees to, and it is reified in our own actions. There are certainly barriers to entering given professions, but this alone does not account for monetary distinction; economists must also account for social power and sacrality in order to coherently explain the distinctions.
religious component of money to that of the quasi-divine principle and sacrality, namely, *monetary effervescence*.

Recall that in *Elementary Forms* the clan’s sense of sacredness was based within the collective feeling inspired by its specific totemic species. These feelings were created, enhanced and maintained by periodic experiences together. In a Protestant Christian context, this might be something like a worship service or a religious ritual like the administration of communion. The effervescent experience within monetary systems does not originate within common people transacting with one another, but rather in the lending and borrowing relationships between the monetary authority and banks. Stated another way, in this context, effervescence relates to the intensity with which bankers lend to other banks (in the case of a central bank system) and then to individuals or firms in a more localized sense. Through this lending process, money is *created* as it is borrowed and *destroyed* as it is paid back. The loan making component increases the monetary effervescence while the loan payment component decreases it. Furthermore, this reality is multiplied in significance in our modern fractional-reserve banking system because the monetary authority is not the only entity able to create money. Regular banks

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51 In chapter six, “Monetary Effervescence,” I will extensively retrace the way in which money was born out of debt.

52 The fractional-reserve banking system operates on the premise that individuals and firms that save will not want all their deposits back at the same time, thus providing the opportunity to create bank profits at a leveraged ratio. The central bank typically sets the requirements for the fraction used in reserve.
expand the nominal amount of money by lending, thus creating a powerful cascading effect of lending and borrowing.

As the banking system increases lending, money is created within the monetary network. This creation of money is nothing other than social credit that can be transferred for use by another entity or individual. In creating this money, the receiving agent is empowered to spend this money in a way aligned with the original loan and effectively stimulates further economic activity. This activity, in turn, stimulates even more activity beyond the original borrower, and this process continues on throughout the system.53 But the peripheral implications of the original loan are not the only aspect of economic stimulation. In a fractional-reserve banking system, the original bank-to-bank loan is actually multiplied in nominal value based upon the reserve factor declared by the monetary authority. This, like money creation itself, is an additional speech-act that creates money.54

Imagine that the central bank of a given monetary network decides it is going to encourage increased lending within the system, which, in the view of the religious nature of money, would increase effervescence. Note here that the money used to buy the debt is created from the legal authority that the central bank possesses to

53 The reverse of this is also true: as the debtor pays back the original loan, money, understood here as social credit, is eliminated.

54 By “speech-acts,” I am specifically referencing the theory proposed by J. L. Austin regarding the way in which speech fulfills the action within the utterance. A common example is: “I now pronounce you husband and wife.” In this case, the action of sanctioning a marriage is fulfilled by the utterance. Austin explains this thoroughly in lecture one of the 1955 William James Lectures at Harvard University and outlined in the corresponding book. J. L. Austin, How to Do Things with Words, 2nd ed., The William James Lectures 1955 (Oxford: Clarendon Press, 1975), 1-12.
monetize the network’s social relations. The ability for a central bank to freely buy securities from private banks creates a way for solvent private banks to easily convert assets (such as Treasury Bills) to cash that can be lent to the public or used to meet demands for cash withdrawals by their customers.55 From there, potential borrowers apply for, and are presumably granted, loans to meet their needs, and these funds immediately flow into another bank account within the system. Our modern banking systems function as a fractional-reserve system, meaning that the bank can actually loan out more money than it actually holds in reserve (which is their fractional reserve). Therefore, as the original funds flow into the receiver’s bank to await payment for the borrower’s useful purpose, the funds also add to the base money that this bank can further lend. As new loans are originated, this same process is repeated and continues on until the fractional reserve is fully employed. Furthermore, as the available supply of loans expands, the interest rate attached to these loans (thought of as the cost of money) often decreases, driving further demand for additional borrowing.56

Thus far in this chapter we have observed that our contemporary views of money are unable to explain adequately money’s full complexity. A particular currency is more than just a means-of-payment facilitating barter, for it forms an

55 An additional level of complexity exists here, whereby the bank is not directly borrowing money, but rather selling an asset to the central bank. The core assets are typically U.S. Federal Debt obligations in the form of Treasury securities.

56 For a succinct summary of the demand curve for interest rates, see Burton and Brown, The Financial System and the Economy, 91-128. These concepts will be more thoroughly covered in chapter five.
aspect of our most fundamental nature; it is an important part of our identity as individuals within a larger society. Yes, we are Americans, but we are also USD-people. Furthermore, given the prevalence of a powerful currency like the USD, USD-people might be a broader and more useful identifier than the politically defined American because it is the signifier of our fundamental economic identities. This identity is not a monetized dimension of a more fundamental nature as bartering humans; rather, it is a reflection of a three-dimensional view of money which includes a monetary authority. This authority determines the unit-of-account that will prevail in our society as well as manages this same unique currency in the world. Additionally, far from being neutral, money exerts its own unique force on society. This reality is ignored within the orthodox view that money is a lubricant for the real productive forces in the economy. Money is itself a productive, and, at times, destructive force. These realities are largely denied within orthodox views of money.

In my view, heterodox theories are better able to articulate a fuller view of monetary phenomena than their more orthodox peers. That said, the current state of heterodox study is missing a critical component, specifically the religious nature of money. It is in this domain that I have attempted to show that money forms a portion of what it means to be human in that money is us. It is not something we merely use, but rather forms a fundamental meaning-making identity within our lives. Money

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57 In fact, our monetary identity may be more powerful than our political identity because of the universally efficacious nature of money in society. Think about wealthy expatriates living abroad: their common identity is not based within their nationality, but rather within their monetary wealth which enables them to transfer their economic relations for new social and political standing in another area.
operates with moral authority in our lives because it is the representation and social mechanism through which we collectively are bound together as a monetary network. This collectivity creates a sense of monetary sacredness because it directly pertains to our collective realities as well as provides individual economic confidence in our daily lives. We are confident in our economic acting to provide us with efficacious money, and this same money provides us with a mechanism to contribute back to the collective whole. In the coming chapters I will more specifically provide significant examples of these dimensions.
Chapter Five: Monetary Sacrality

Up to this point, I have focused on outlining what work has been done on the broad topic of religious studies and money (chapter two), attempted to explain Durkheim’s sociological theory of religion (chapter three), and introduced the religious nature of money (chapter four). In this chapter, I will primarily focus on the way in which sacredness is superadded to money and the various effects that this sacrality has on society. It is important to understand that monetary sacrality is not a statement about the ontological nature of money in a theological sense. Stated a little differently, there is nothing about money’s ontological identity that makes it sacred; it is sacred simply because society deems it to be. This sacredness is superadded and does not occur out of a conscious intentional initiative by individuals; rather, it is due to the collective religious system that surrounds our moneyed existence. In a more specific Durkheimian sense, money is sacred because it pertains to the decisively collective aspects of society and because of the moral compulsion that it creates in individuals. Both its collectivity and moral authority are exponents of the larger religious system outlined in chapters three and four. In this chapter, I will provide examples that more clearly show the foundations for monetary sacrality and money’s moral authority. From there I hope to make a clear case that, through its sacredness, money impels us to uphold it as a universal social agreement. Furthermore, money as
a sacred object functions to bind a given monetary network together, although not necessarily in a just and beneficent way.

Before we turn to the foundations of money’s sacredness, let me first foreshadow why any of this matters. I have already argued that there is always a monetary authority at work in any economy, be it historical or contemporary. This is most foundationally expressed in the trilateral nature of money, in which the modern banking system is one of the parts. As we will see, the evidence for the necessity and historical existence of a monetary authority (or multiple monetary authorities) generally speaks for itself. This sort of institutional authority is distinct from a different type of personal authority within the core functioning of religion itself; Durkheim called this moral authority. A primary argument in this chapter is that this personal religious quality of moral authority is a critical component to monetary functioning because it enables bonds of reciprocating relationships which sustain money as a thoroughly social construction at its most fundamental level. We sustain our portion of the monetary social agreement not because of external threats of action taken from legal forces, or even the threat of physical violence (via a police force or military), but because money is morally compelling. This ability to compel is maintained through the religious nature of money and is specifically supported by monetary sacrality.

As a sort of corollary example, money’s authority in our lives originates and is maintained in the same way that God’s authority (assuming one is monotheistic) or karma’s authority (assuming one subscribes to Buddhist notions) operates. Contrary
to the supposed assumptions underlying the myth of barter, money does not work because of some utilitarian calculation about its usefulness, but rather because a force that is outside of the individual beckons him to act. As we have seen, this force is actually society transfigured and related back to the individual in the form of moneyed economic relations. But how does this religious system function? How does the collective representation that is money come to be invested with such power and authority within us and within our collective monetary networks? In the individual sense, money is a credit-debt that is held together through the religiously generated moral authority that its sacred status creates. In a collective sense, bank lending as a pooling of credit-debt generates macroeconomic acting that animates our culture toward collective ends. This chapter will focus on this first, individual sense, while chapter six will focus on the second.

**Foundations of Money as a Collective Concept**

Humans are social creatures. *Homo sapiens* developed in groupings, and this collective orientation provided the opportunity for ongoing advanced social development. Basic social skills like language, collectively held representations, and ideas formed over multiple generations. Concepts, categories, and ideas were passed forward and developed in successive generations of people groups. This tapestry of human society developed collectively held ideas and interpretations of its sensory experience. Language and memory developed and facilitated a common understanding of the group’s environment and existence. Ultimately, as outlined in the epistemology section of chapter three, concepts developed to take on increasingly
sophisticated orders of meaning and symbolism. As humans, we are born into these complex meaning-making systems, and it is within this socially mediated reality that concepts and ideas help us order our world.

Our reality is socially constructed, and this social edifice goes all the way down to our most foundational awareness. A baby learns what a triangle is because that is what her society deems a three-sided geometric object to be. A dog is a dog because our linguistic system signifies it as such. Concepts that are more complex develop and are framed by our linguistic systems and social memory. These concepts are not applied in an *ad hoc* fashion, but rather have developed slowly over time and are handed forward from the past to the present. Being collectively held and generated, these concepts are collective representations through which we order our world. Many of these concepts are rather basic, but each category builds on the others to take on higher orders of meaning. In chapter three, I used Durkheim’s example of a flag as a social symbol; let us return to this and explore more expansively.

The flag becomes a social symbol based on multiple levels of conceptual understanding. On the first order, we find objects and categories that are conceptually identified as elements of our common use, and these make up the most basic components of a flag. This could be *fabric, thread, rectangles, white, blue,* and other basic concepts. On the second order, this cloth comes together to form an entity which is socially recognized as a generic *flag.* The flag itself is a higher-order concept developed out of other categories and objects and is not invested with further
meaning at this level. On the third order, this flag can become the symbolic referent for a grouping of people, be it an organization, nation-state, or movement. At this point, the flag moves from mere constructed object to a general symbol of something else. The third-order flag symbolizes an entity or movement and is invested with significance beyond its generic conceptual description. The significance of this third-order concept depends upon the symbol’s relationship to a local reality. If the flag is our flag, it becomes invested with significance for us, and the flag moves to a fourth-order construction that is distinct from what it might be for others.

Note here that nothing physically has changed about the object itself. It continues to be made up of materials that are first-order categories: fabric, shapes, and colors which are arranged together into something with the physical description that fits the socially constructed notion of what a flag should be. This new construction is now a second-order category, a generic flag. On the third order, this flag becomes a symbol. Prior to the third-order, the flag has not taken on its collective role of a social symbol, but at the third level the flag becomes invested with meaning that is beyond its lower categories. If the third-order flag pertains to an important aspect of my group’s particular identity, an additional fourth-order construction may occur. Note that each of these orders is imposed on the sensory inputs at hand and completely defined by our use of shared language and concepts.

To help us understand the complex array of emotions and reactions that these multiple orders incite, consider the following thought experiment. Suppose that someone takes a random (generic) second-order flag and enters a Veterans of
Foreign Wars (VFW) establishment within the United States. Imagine that person
taking the flag, tossing it on the ground, and stomping on it. Assuming that everyone
in the room identifies it as a generic flag, there might be some puzzlement as to what
the person was doing, but no moral outrage. Stomping on a second-order flag would
most likely incite a reaction of befuddlement since the flag is recognizable as a flag
but does not symbolize anything in particular. Now consider the same example, but,
in this case, the flag is a recognizable one and symbolic of a people group or
movement. Recall that it meets the requirement of a third-order flag when it
references a specific social grouping (or movement) and is a recognizable symbol. In
this case, let us assume that it is the flag of the African nation of Sudan. Now
imagine that the person tosses it on the ground and begins to stomp on it. My guess
is that the people in the VFW will not be outraged, but may feel a little
uncomfortable because they understand the symbolic reference in a categorical way.
Perhaps someone might stop the person on this basis, but, assuming no one in the
room has any sort of connection to Sudan, it is not likely that there would be a
significant moral compulsion to stop the stomping of the Sudanese flag. Anyone who
might stop the stomping would most likely do so as an exponent of the sense that the
people have for their own flag and its significance, but not necessarily due to moral
outrage related to the Sudanese flag itself.

Imagine the exact same scenario, but now the person takes the American flag,
tosses it on the floor, and begins to stomp on it. At this point, I think it is easy to
anticipate the moral outrage that would be felt in the room. The action of stomping
on the American flag in front of American military veterans would incite a form of moral outrage which would most likely be quite palpable. This outrage could actually take on such intensity that the person would certainly be stopped and might even be harmed in the ensuing reaction. The reason for the reaction is well established in our culture: the person is stomping on our flag (Old Glory, the Stars and Stripes) and is de-sacralizing the flag. The person is dis-respecting the object that is held sacred and is respected by those in the room. The reasons here are fairly intuitive for anyone who understands American culture.  

The flag is the symbol of freedom; it is the flag our people died for and it is invested with symbolic power that is far beyond its second-order identification as a generic flag or even its third-order sense of symbolizing a nation-state. In this particular context, it is a fourth-order symbol which is directly tied to a complex array of histories and relationships that relate to the particular grouping of people in the room. At this fourth order, it is sacred because it directly references the collective grouping (or society) for which it is a symbol.  

But note that the sacredness is not inherent in the fourth-order object.

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1 There are many cultural references to the symbolic significance of the American flag. Consider the lyrics of the popular song by Lee Greenwood, “God Bless the USA”: “If tomorrow all the things were gone I’d worked for all my life, and I had to start again with just my children and my wife, I’d thank my lucky stars to be living here today, ‘cause the flag still stands for freedom, and they can’t take that away. And I’m proud to be an American, where at least I know I’m free. And I won’t forget the men who died, who gave that right to me. And I’ll gladly stand up, next to you and defend her still today. ‘Cause there ain’t no doubt I love this land, God bless the USA.” Lee Greenwood, You’ve Got a Good Love Comin’ (Nashville: MCA, 1984). Additionally, regarding the recent Florida controversy over a simple cultural communications assignment, see Scott Jaschik, “He Didn’t Say ‘Stomp on Jesus,’” Inside Higher Ed, March 28, 2013, http://www.insidehighered.com/news/2013/03/28/professor-whose-exercise-caused-stomp-jesus-controversy.

2 The sacred as a fourth-order concept does not appear in Elementary Forms. The various orders of conceptual construction are basically mine and are used here to clarify the connection between Durkheim’s social epistemology and flags/money. That said, I think the orders of conceptual
itself; it is superadded to our flag by us via the combination of the way the flag symbolizes our collective identity as Americans and the collective feeling that it inspires in us individually. A similar process is at work with money.

Consider a second thought experiment. Imagine that you are out hiking on a mountain trail in Colorado, and you come across a dollar bill from the board game Monopoly. On the level of the first order, it is simply paper printed with various images and denoted with numeric values. At the second order, it is recognizable as a generic form of *money* from the particular board game which it serves. This move from first-order paper rectangles to second-order *money* is one of a higher order of socially constructed reality and should be recognizable to most people, since money is a familiar concept. Given that this particular money is only useful within the game of Monopoly, it is third-order money only within the context of the game, while outside this context it is second order because it does not fulfill the specific functions of money within larger society.³

So we see here that it is at the third level that money takes on its commonly referenced form as typically discussed by economists. Money becomes third order when it is formally authorized as such by the legally empowered social-political construction are in line with Durkheim’s broader ideas. The closest idea to money in *Elementary Forms* is the totem.

³ I am simplifying to make a point. Technically speaking, the second-order Monopoly money could become third-order money when used within the game. In this context, it has a specific use and is a store of game-related value. Outside of the game, it does not.
To return to the thought experiment, imagine you walk a little further and you come across a Mexican peso in paper bill form. This rectangle is comparable to the prior second-order Monopoly money in that it is a rectangle that is imprinted with various monetary and symbolic images, but it is contextually higher-order money because it is invested with economic value as the official money of the sovereign nation-state of Mexico. So, from your perspective as an American, the Mexican peso is a third-order money because it is useful for purchasing goods and services in Mexico. If you are a Mexican national, the peso would be a fourth-order money because it is the unit in which the collective credit-debt of your entire nation resides and is therefore the primary money of your day-to-day existence. In terms of the

Once this occurs, second-order money becomes third order and becomes useful for fulfilling the three functions of money explained in chapter four. The move from second- to third-order functioning pertains entirely to money being connected to an active monetary network made up of people who are living and economically active. The distinction between second- and third-order money is nothing other than the sociological reality that this conceptual (third-order) reality represents the economic relationality of the group. In moving from the third to fourth order we find that, similar to the example of the flag, it pertains to the particular currency of the monetary network of which one is a part.

To return to the thought experiment, imagine you walk a little further and you come across a Mexican peso in paper bill form. This rectangle is comparable to the prior second-order Monopoly money in that it is a rectangle that is imprinted with various monetary and symbolic images, but it is contextually higher-order money because it is invested with economic value as the official money of the sovereign nation-state of Mexico. So, from your perspective as an American, the Mexican peso is a third-order money because it is useful for purchasing goods and services in Mexico. If you are a Mexican national, the peso would be a fourth-order money because it is the unit in which the collective credit-debt of your entire nation resides and is therefore the primary money of your day-to-day existence. In terms of the

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4 What is meant by “social-political authorizers” is contextual. In contemporary America, the term was set up by the legal authority of Congress via the Federal Reserve Act (of 1913) that was mentioned in chapter four. But it just as easily could be more informal and operated by private banks through the issuance of private bank notes (which was actually the case for a significant portion of American history). The point here is that, along the lines of Durkheim’s theory of authority, the authorizing entity is completely socially constructed and mediated.
social construction of reality, the peso represents Mexican economic society and is sovereign in Mexico. As an American, the money has economic value to you but only insofar as you can exchange the pesos for US dollars to be used in your own country. As an American hiking on a trail in Colorado, it is likely that you will discard the Monopoly money that you found on the trail, but it is far less likely that you would throw away the Mexican peso. Furthermore, had you come across a US dollar bill, you would most certainly retain it after your hike. See Table 1 for a general summary of these conceptual orders.

Table 1. Conceptual Orders

<table>
<thead>
<tr>
<th>CONCEPTUAL ORDERS</th>
<th>FLAG EXAMPLE</th>
<th>MONEY EXAMPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second-Order</td>
<td>Assembly of basic elements above into recognizable generic flag (example: checkered flag for auto racing).</td>
<td>Collection of elements above into recognizable generic money (example: Monopoly money).</td>
</tr>
<tr>
<td>Third-Order</td>
<td>Generic flag above becomes the symbol for a people group or movement (example: Sudanese flag).</td>
<td>Generic money above becomes authorized as currency (legal tender) in a particular monetary network (example: Mexican peso).</td>
</tr>
<tr>
<td>Fourth-Order</td>
<td>Third-order flag above is the flag of your particular group or movement (example: American flag for US soldiers).</td>
<td>Currency above is the particular money for your monetary network (example: US dollar for Americans).</td>
</tr>
</tbody>
</table>

While the above examples help clarify the conceptual orders at work in the social construction of money, the use of paper bills confuses a clearer understanding.

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5 Obviously, the Mexican peso is also valuable to you if you are traveling in Mexico.
of the nature of money. As described in chapter four, money does not need to be material to exist. Money can just as easily be digits on a bank ledger as it can be paper bills, coins, or precious metals. Money is a concept, not a material. Furthermore, it should now be clear that the conceptual underpinnings of money operate on multiple levels of construction ranging from a second- to fourth-order concept.

The above examples of the flags and money provoke an important question about the social construction of fourth-order money: *why is fourth-order money sacred?* If viewed from a standpoint of simple utility in providing a means-of-exchange, there is nothing inherently sacred about the currency of a given monetary network. It is essentially a tool to facilitate exchange similar to a highway which provides a means-of-delivery for goods and services. But this is where the example of the flag is instructive. Like the American flag, fourth-order money’s sacredness pertains to the way it relates to the collective identity of an economic network. In an American context, the USD is sacred because it is our collective society transfigured and represented back to us in a seemingly objectified form. It upholds the corresponding economic relationships between people in an economic and monetary network and becomes a part of our daily acting as moneyed humans.

**Interpretive Functions of Money in Society**

The seemingly objectified form of our monetary relations within our immediate culture obscures our social-economic relationality, making these social structures nearly invisible to most observers. Most people are familiar with the idea
of the “American Dream,” which is less one monolithic dream and more a cluster of
dreams that typically relate to upward economic mobility and increasing wealth
across generations. Whether or not these dreams correspond to our actual lived
realities is difficult to comprehend due to the obfuscation of our economic
relationships related primarily to money. Money objectifies these relationships,
making them seem to be results of forces beyond human control. We see this in
discussions of in-demand worker skills, the “market” for certain types of
occupations, and the “job producers” who nearly always correspond to the wealthiest
elite in society. While economic arguments help explain the diversity of differing
earnings, my argument here is that one must also take seriously the interpretive
function of money in accounting for income disparities. Stated more bluntly, the
complex set of social power relations become monetized and objectified, which
makes them seem as if they are outside of long-term social control. A fairly
amorphous notion of the “market” is the supposed cause of such distinctions and
therefore is difficult to control.

If we attend to a critical analysis of money, I think we can see the way in
which money serves an interpretive function in society which enables individuals to
have a sense for why they earn what they do. Note that these earnings may or may
not be just: the interpretive function does not provide clarity there; it only provides a
seemingly objectified sense for the relations at hand. As we focus in on this
particular monetized reality, we see that the above mentioned American Dream fails
fully to live up to its own core narrative. Instead, we find that social location is far
more determined than we think, and economic mobility (especially at the extremes) is fairly static. Classical economic arguments alone cannot completely account for this lack of mobility or significant distinctions of income and wealth. Furthermore, our monetary relations obscure the static nature of our social location in ways in which these contemporary narratives fail to account.

A recently released study, “Pursuing the American Dream: Economic Mobility Across Generations,” directly engaged the idea that “Americans have equality of opportunity regardless of their economic status at birth.” The study sought to analyze and show empirically the economic mobility of American families from a parent’s generation to the children’s generation using two different types of mobility: *absolute mobility* measures whether a person’s income, earnings, and wealth are greater or lesser than the parent’s at the same age; *relative mobility* measures the person’s rank (in relation to other people in the same generation) in these same metrics. The study divided the participants into quintiles for purposes of determining the relative economic location of a given family, and all values were adjusted for inflation and family size.

This study made two particularly interesting observations. First, in terms of absolute mobility, Americans of every quintile have grown richer. The study revealed that 84 percent of Americans have higher family incomes than their parents.

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did at the same age. Furthermore, this statistically large group was spread throughout all five quintile groups. Second, in terms of relative mobility, America has relatively low mobility as compared with other industrialized nations. If an individual is born into the bottom or top quintile, she has a 41 percent chance of remaining in that quintile and a 66 percent chance of never entering the middle income rung. Stated differently, being born into a family at the top or bottom of the income ladder means that an individual is more than twice as likely (as compared with the middle 60 percent) of remaining in her birth quintile throughout her life. In other words, at the ends of the spectrum (here defined as top 20 percent and bottom 20 percent) relative mobility across generations is extremely sticky. So what does this indicate about the long-term economic nature of American society? The short answer is that being born with wealth means that it is statistically likely that one will retain wealth, while being born poor indicates a higher than normal probability of living in poverty.

There are some obvious economic factors for the lack of relative mobility at the ends of the socio-economic spectrum. For instance, if one is born into a family that holds significant assets, it is likely that ownership of these assets appreciates over time and creates income in the form of interest, dividends, or increased value

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7 Ibid., 4.
8 Ibid., 15.
9 “Sticky” is the specific term used by the Economic Mobility Project.
10 Educational attainment and race are other factors that contribute to economic mobility; see “Pursuing the American Dream,” 18-22.
for the next generation. Given that these assets are transferrable from one generation
to the next, there is a clear and direct monetary connection between generations.
Simultaneously, being situated at the bottom of the economic spectrum greatly
increases the likelihood that there are no assets to pass on from one generation to the
next, and, in fact, there could even be shared debt which is transferred. The effects of
this transference have been strengthened by the American political system. The
prominent Nobel Laureate Joseph Stiglitz (Columbia University) writes:

Much of the inequality that exists today is a result of government
policy, both what the government does and what it does not do.
Government has the power to move money from the top to the bottom
and the middle, or vice versa.11

Stiglitz’s point is that market forces alone do not explain the lack of relative
mobility. One has to also look to the political spectrum to account for these facets of
socially mediated life. Additionally, Stiglitz claims that the “economics profession
hasn’t paid sufficient attention to inequality,” which has left these social structures
generally unchallenged by most economists.12

The religious nature of money plays a notable role in obfuscating this
significant lack of relative mobility by instantiating monetary relations in a way that
makes their truer identity difficult to understand. When we understand money as
social credit-debt in aggregate form, it becomes clearer that money is a means of
social power that benefits certain groups over others. The reason that there has been

11 Joseph E. Stiglitz, The Price of Inequality: How Today’s Divided Society Endangers Our Futures

12 Ibid., loc. 397. See also James K. Galbraith, Inequality and Instability: A Study of the World
so little populous protest to such inequity directly correlates to the way in which
these monetary relations are, to use the famous description of religion from Clifford
Geertz, clothed in “an aura of factuality” that makes them seem naturally occurring
and objectively determined.\textsuperscript{13} The maintenance of such structures is upheld by the
religious nature of money.

In comparing the obfuscated economic relations to more clearly observed
power structures found in many religious traditions, I think the core mechanisms are
highly similar. Why is it that Roman Catholic men can be ordained and women
cannot? The simplest answer is that ordination pertains to ingrained and long-
standing power relations which revolve around gender. For most contemporary
people living in developed Western nations, the reasons why there is no ordination
for women in Roman Catholicism seems pretty clear (patriarchy and power). This
distinction, to the Catholic faithful, is obfuscated by their religious belief, which is
upheld by the sense of moral authority that their tradition instills within them. So
when one asks a woman who faithfully follows the teaching of the Catholic Church
why she cannot be ordained, her answer will likely be, “because God does not allow
it.”\textsuperscript{14} By God here she is citing the sacredness of Catholic teaching (the Christian

\textsuperscript{13} Clifford Geertz, \textit{The Interpretation of Cultures: Selected Essays} (New York: Basic Books, 1973),
90. For Geertz, religion is: (1) a system of symbols which acts to (2) establish powerful, pervasive,
and long-lasting moods and motivations in men by (3) formulating conceptions of a general order of
existence and (4) clothing these conceptions with such an aura of factuality that (5) the moods and
motivations seem uniquely realistic.

\textsuperscript{14} In most cases, the answer here will not be quite this simple. Many Catholic women will be
conflicted on this point, and this also gets at the core point that one aspect of the nature of religion is
that it tends to obfuscate power relations that would otherwise be clearer.
bible, church councils, and Papal authority), and, in her perspective, these power structures seem coherent in her traditional meaning-making system. The way in which economic arguments function to uphold and obscure economic power relations between groups is functionally similar to this type of religious system.

While most people in the world have a category for what we popularly mean by religion or religious, those who are religious do not typically understand their particular faith tradition as such. The faithful adherents of Roman Catholicism truly believe in their specific tradition’s interpretation of the teachings of the bible and find them morally compelling. Therefore, the difference between the obscured relations that money represents and an example like Roman Catholic ordination is one of period rather than type. I mean period in the sense that religion, formally understood here as traditions such as Christianity, Buddhism, Islam, etc., are clearly understood as religious by those outside them, while money (at this time) is not. An aspect of my argument is that money is a dominant religion of our age, and this facet of modern life is nearly universally overlooked. In this particular flavor of religious belief and acting, money is perceived to be an objective representation of reality, similar to the way religions operate in the lives of their adherents.15

15 Traditions that we think of as “religious” (such as Christian, Judaic, Muslim, etc.) were more obscured from our clearer understanding prior to the modern period. For instance, it is highly likely that the majority of Roman Catholic women in medieval Europe did not critically consider the social reason for their not being ordained. It was “just the way things were” in God’s order of things. As the modern period continued and new notions of egalitarianism and equality began to develop, new conceptual categories emerged and desacralized the Roman Catholic way of doing things for much of the population. In part, my argument here is that we currently live within a religious order that we do not recognize as such: money.
Recall that Steven Lukes thought that one of the major functions of Durkheim’s theory of religion was the way it interpreted obscured social realities;

Lukes writes that within Durkheim’s theory of religion:

on the one hand, religion could be seen as ‘representing’ society and social relationships in a cognitive sense, to the mind or intellect. In this sense religion afforded a means of comprehending or rendering intelligible social realities. On the other hand, it could be seen as ‘representing’ them in the sense of expressing, symbolizing or dramatizing social relationships.16

Lukes argues that Durkheim conceived of religion as a “mode of comprehending social realities,” which is a sort of “mythological sociology.”17 In this view, we see that religion offers people an interpretation of their social world which explains their experiences. About this, Durkheim writes:

The mythological interpretations [coming from social pressure via mental channels] would doubtless not have been born if man could easily see that those influences upon him come from society. But the ordinary observer cannot see where the influence of society comes from. It moves along channels that are too obscure and circuitous, and uses psychic mechanisms that are too complex, to be easily traced to the source. So long as scientific analysis has not yet taught him, man is well aware that he is acted upon but not by whom.18

Durkheim continues in this section to argue that this is where religious notions become useful. The concept of God and sacred postulates are examples of how these social forces are transfigured and reinterpreted back to us.


17 Ibid., 467.

As we return to the religious nature of money, we see that money obfuscates the complex economic relations which uphold our collective social strata. In thinking about the fairly stark report on relative economic mobility outlined earlier, it seems plausible that money’s religious nature functions to obscure social relations in a way similar to what happens in most religious traditions. Therefore, a person who is rich and in the top stratum of American economic life most likely believes that her talent, hard work, and superior skills created her success. What tends not to be recognized is that the strict category of money operating within society significantly enabled her continued monetary success. In other words, if money did not exist, the social mechanics that would have to be used would be less obscured and more clearly seen.

Recall from chapter four that money has enabled our contemporary division of labor and this, in turn, has made it far more difficult to understand our social-economic relations. Consider, for example, how the top quintile of society would have maintained its social and economic privilege prior to the hyper moneyed world in which we live. In more direct language, would we have maintained the elite elements of our physical existence in terms of food, shelter, and security? One solution would be to own a sizable tract of land that we defend with some threat of force. We would probably need a significant cadre of servant-type workers to do the farming, defend our physical assets, and serve our needs. All of this beckons visions of an earlier historical period prior to the industrial revolution and the decisive division of labor, and this is precisely the point. Without modern money, this division would not have occurred, and therefore our formation and maintenance of
our different social classes would be much easier to observe and understand. Money, in our contemporary context, obfuscates this reality by instantiating in our social relations a form of seemingly detached objectivity which obfuscates our social matrix.

In our contemporary world, upper stratum people operate with many of the same benefits as the upper stratum person from long ago; the difference is that the clear economic relationality between people is now much harder to see. So instead of a small force of agricultural workers, servants, and assistants on her property, she now is frequently able to eat at restaurants in which her food is purchased, prepared, served, and ultimately cleaned up by servant-like people who are not seen as her direct property or employees. A portion of their services are purchased by way of the patron eating at the restaurant. While people eat in any one particular restaurant in aggregate form (thousands of people using the services of one single restaurant), the economic relations are not significantly different than they were in an earlier age. It is likely that virtually all of the workers in the restaurant are of lower economic strata than the people they are serving, and, as one traces the food products through development and delivery, that starkness becomes even more pronounced. The migrant worker picking tomatoes in a Mexican valley is quite likely doing so for less than a dollar an hour. The truck driver transferring these tomatoes for distribution is paid a fraction of the money that many of the restaurant’s clientele make for their same labor. Outside of the owners of the farms, distribution companies, and
restaurants, the human social structure on which this economic edifice is built is not all that different from an earlier period.

On one hand, things in the developed world have changed. Unlike a few centuries ago, there are economic and legal protections that generally prevent the clear abuse of labor and general discrimination on the basis of race, gender, and class. While these protections exist and nearly every Western citizen is aware of them, they only provide a social mechanism to root out the direst examples of economic abuse. What is harder to see is that, if one is born into the top or bottom economic stratum in American society, that person will most likely remain there throughout her life. This means that the impoverished farm worker or waitress is quite likely never to escape her economic reality as being an underclass in her own society. She is statistically likely to live her entire life with much fewer resources than people in other strata. Simultaneously, the child born into a relatively wealthy family will most likely live her life with a significant surplus of resources and opportunity.\(^{19}\) While the economic and social reasons for this are complicated and multifaceted, the reality is statistically clear and money obscures this reality.

Money helps hide the social relations at work in a situation. Since money is a socially delineated credit-debt, we feel bound together in a shared economy of potential prosperity. The “Pursuing the American Dream” study mentioned earlier

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\(^{19}\) It is important to note that I am speaking about “relative” wealth here. Many readers of this chapter are actually in the upper stratum of economic life. This chapter is not solely about the super rich of the top one-hundredth of a percent of American culture or even the top 1 percent. Many in the “99 percent” are included within the “relatively wealthy” component.
revealed that, currently in America, in absolute terms the entire range of economic strata have grown wealthier than prior generations. What goes unseen is that the relative economic power of differing economic classes is decisively different, with the higher classes gaining considerably more economic power than those at the bottom over the past thirty years. The point here is not to analyze the why behind these economic trends or to weigh in ethically on the justice of this situation; the point is that this reality goes somewhat unnoticed because of the religious nature of money in society upheld by monetary sacrality. As economically active agents, we miss this because we are bound together with our economic kin in bonds of relationships that are held together monetarily. We do not use separate moneys depending on wealth; we use one money and are a part of one local currency network. This contributes to many common perspectives which reinforce these monetary relations. For instance, in the mindset of the waitress, she simply needs to work harder and get an education and she, too, will become economically successful. In the mindset of a relatively wealthy person, she has earned her success and is enjoying the fruits of her superior skills and expertise. In this narrative, working harder, education, and earning economic benefits are all agreed upon within our larger society, all while the truer complexity of these economic relations are obscured by our monetary reality.
Money’s Reciprocal Obfuscation

Related to money’s obfuscation in a collective sense, recall from chapter three that Durkheim showed that totemic clans were “joined by a bond of kinship” that was particular to their specific clan symbols. This symbol was “the very archetype of sacred things” and joined the individual in a highly bonded way to her particular clan. My argument here is that the particular currency of the monetary network of which a person is a part functions similarly to the totemic symbol and becomes the archetype of the sacred for the monetary network. In a conceptual sense, this fourth-order money is the symbolic referent that the monetary network references as sacred. But, moving forward, recall that the sacred (totemic) symbol is not merely an idea that is intellectually endorsed by the clan, but rather fourth-order money is a *force* that binds the monetary network together. Its ability to project the above said force originates from the moral authority that it holds in the individual, and, through this moral compulsion, it compels the monetary network to act.

As I explained in chapter four, money derives its power in society from the fact that it is the object of our genuine respect rooted within the moral authority of its religious nature. It does not derive its social power from a utilitarian calculation of the relative helpful or harmful results, but rather from our sense of social dependency that is nearly impossible for us to resist. Stated more bluntly, we rarely stop to consider that money is nothing more than a socially constructed agreement to honor each other’s relative credits and debts; we instead operate as if money is an objective force that operates outside of relations. In reality, money is nothing more than the
systematically uniform organization of our aggregate social credit and social debt. This is why money does not need the direct threat of legal coercion or physical violence to operate; it is a self-reinforcing entity whose power emanates from the social fact that it is the monetary network’s collective relations transfigured and represented back to individuals in the network itself. The individual is morally compelled to act by the existence of money in the system and actually contributes to money’s social edifice in this same acting. This is more clearly observed throughout economic theory where the injection of money into an economy (often referred to economically as *stimulus*) creates economic acting. Note here that the money injected is nothing other than newly created credit-debt that is spent by the monetary authority or government and works its way through the economic network. The fact that human groupings physically and mentally act to earn these credit-debts reinforces the fourth-order concept of money. Stated differently, *money is money because it is efficacious in fulfilling the functions of money, and what enables it to be efficacious is that it is money.*

The above paragraph is completely circular in its logical underpinnings, and this is precisely the point. There is nothing that upholds money other than the social agreement that is made that creates money itself. This agreement is not clear to most users of money (in fact, very few people understand the nature of money), and this is

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20 In contemporary America, this is facilitated by both fiscal and monetary policy. Fiscally, it can occur by Congress and the President passing legislation to spend money on specified expenditures above what was planned. This could be a bill to build new highways, schools, or other infrastructure, or it could take the form of a tax break. Monetarily, it can occur by the Federal Reserve buying securities from private banks, which provides banks with additional money to lend in the economic network.
to our benefit because money is nothing more than the collective economic relations
of the monetary network obscured and represented back to us in a seemingly
objective form. But as I have argued in this project, the social agreement on which
money functions is strengthened by its religious nature. To build on the words of
Durkheim, money is our economic network “hypostatized and transfigured” back to
us in a seemingly objective form.21 That said, money is not a figment of our
collective social imaginations, but rather (like the totem) is a force that is socially
real and active. Money does compel us as an entity unto itself. In a sense, we could
say that “money is god.”

Money as god is technically not the best way to explain it as a social
phenomenon because it becomes cognitively intertwined with the particular
theological grids of most readers. In other words, since most religious believers think
that their God, gods, or sacred postulates are indeed real in an objectified sense, they
have a hard time recognizing money as godlike. But if one chooses to think about
money as a god in the same way one thinks about other people’s gods, then the
parallel becomes much clearer. For instance, if the Christian thinks about the array of
Hindu gods and understands the way these gods sociologically function for Hindu
culture, it becomes much easier to recognize Durkheim’s theory for how a particular
religion functions. Once this is understood, it is much easier to understand money as
sacred and as an objectified force within our contemporary society. Money does

21 Recall that Durkheim was not explicitly applying this idea to money; he was referencing the
religious system of Australian natives.
operate religiously and it can certainly be understood as godlike. In fact, my instinct is that money is the dominant God of our age.

“Money” is a generic concept that captures a broad array of more specific “currencies.” Money is only economically significant at its third-order level and above, and the existence of different third-order currencies implies that, like Durkheimian totemism, currencies operate in a broader (federation-like) context in relation to other currencies. This actually mirrors what we observe in more formally realized religious contexts in that all money is not sacred to all people, but my particular currency is sacred to me. Note here the stark similarity with notions that we classically think of as “religious.” The prophet Mohammed is highly sacred to followers of Islam but is not as sacred to Christians. The Bodhi tree is highly sacred to followers of Buddhism but is not as sacred to Christians. Meanwhile, the gospel accounts in the Christian bible are highly sacred to Christians but are not as sacred to Muslims or Buddhists. Similarly, while the Mexican peso is certainly recognizable to Americans as (third-order) money, it is not as sacred as the US dollar. As moneyed humans, we understand that the world is divided up into currency networks. In this way, like Durkheimian totemism, money operates as a sort of federation of mutually interchangeable systems. Where there are people, there are monetary networks, and each of these is devoted to a specific currency.

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22 Durkheim refers to this as the “federative” nature of totemism, where differing clans “imply one another” and are part of a larger whole that is the “same religion.” Durkheim argues that the “whole universe was divided amongst the totems,” and the disparate clans are unified by a complex system that is formed by the similarity of their cultic practices. I think a similar argument can be made for currencies which form a larger monetary religion. The whole world is divided amongst currency networks of one form or another. Durkheim, The Elementary Forms of Religious Life, 155-57, 199.
The federative nature of third-order money points us back to the heterodox views on money explained in chapter four. In these monetary theories, it is the monetary authority of a given currency that holds the responsibility for properly regulating it in relation to other currencies. In other words, while a modern central bank operates within the monetary network by issuing currency and regulating the network’s banking, the monetary authority also has to take into account the relationship between its own currency and other currencies around the world. This authority parallels the way religious authorities regulate their own sacred beliefs and actions.23

This relationship between currencies in the development of international trade in goods and services is complicated and a bit counter-intuitive. If a country’s currency is too strong for too long (relative to other currencies), economic acting begins to diminish in the network. If too weak, the currency risks dying and becoming obsolete. Regarding relative currency strength, it is in a well-functioning nation’s interest to have a relatively weaker currency related to another country. This, in turn, creates a situation whereby the home country’s goods are relatively less expensive when sent abroad into a foreign country, while the foreign county’s goods are more expensive in the home country. This creates an environment whereby a

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23 Ibid., 127-28, 140. Durkheim notes that hunters or gatherers of a specific species must gain permission from the chief of the clan for which the species is sacred. In some cases, the chief of the group must take a small part of the food and eat it himself as “a kind of tax that must be paid.” Ultimately, the idea is that the cooperation of the tribe is indispensable for those who wish to use the given species. Additionally, Durkheim notes that the lack of enforcement of prohibitions of the clan’s consumption of its sacred totem is evidence of the breakdown of the totemic organization in a given tribe and implies a breakdown of its religious system.
given network is able to export more goods and services to other currency networks which in turn increases the aggregate collective acting in their own network and creates wealth over time.

An example of relative currency strength can be seen in the contemporary situation of Switzerland potentially having too “strong” of a currency in relation to its peers.\textsuperscript{24} The Swiss franc’s strength drives up the cost of Swiss goods for those around the world because other currency networks would be paying a higher relative rate for Switzerland’s exported goods while the Swiss people would be paying a relatively lower rate for imports into their country. On the surface, this sounds great for the Swiss people, and indeed it is in the short run: the Swiss can easily consume the economic production of other currency networks at a relatively cheaper price. Over the long term, however, this is damaging to the Swiss economy: their own economic network’s atrophy relates to the decreased demand for their own goods and services abroad. Left unchecked over a substantial period of time, an overvalued currency lowers the ability of the Swiss people to produce goods and services for one another (since they are gaining these from other networks) and weakens the economic fabric of that particular currency network. In the long run, this erodes the ability of Swiss society to be socially and economically vibrant, and the possibility

\textsuperscript{24} “Strong” here references the relative exchange rate of the Swiss franc to other currencies. So if one Swiss franc traded for ten units of a given currency in the past, but now trades for fifteen units of the same currency unit in the present, a monetary economist would refer to this as the “strengthening” of the Swiss franc.
of this erosion is why the Swiss monetary authority has sought to ensure that the Swiss franc stays competitively devalued against its peer currencies.25

As we step back and consider this in light of the monetary sacrality, we see that this directly tracks with Durkheim’s observation that a poorly regulated totem tends to lead to a breakdown of the particular clan’s religious system.\(^{26}\) This becomes clearer if we remember that a network’s currency (or a clan’s totem) is nothing other than the network’s collective economic acting represented back to the society. If the specific currency is overvalued against other currencies, the long run implications are economic atrophy and a transfer of goods and services from one network to another. In the long run, this weakens the economy of the particular network.

A possible opposite situation can occur in underperforming economic networks, whereby a currency is so weak relative to others that people have a difficult time importing necessary goods and services. This, in turn, can lead to a lack of economic production whereby the nation’s entire currency becomes worthless to both the currency network and to the foreign currency exchange markets (known as FOREX). The possible long-term failure of a currency here can be seen to correspond to the economic relations at work within a society itself, and these relations are held together by appropriate regulation of a particular currency. In


\(^{26}\) Durkheim, The Elementary Forms of Religious Life, 127-28, 140.
Durkheimian terms, this would be understood as totemic prohibitions and relate to the profane, understood here as the opposite of the sacred. The irony of currency is well illustrated here. If a monetary network’s currency is overvalued in relation to other currency networks, there tends to be possible long-term damage to an economy. On the other hand, if the currency is not valued within the monetary network, the currency becomes worthless and ceases to be fourth-order (sacred) money. This shows the tenuous balance that must be maintained by monetary authorities as they regulate their currency in relation to others.

Related to money’s obfuscation in an individual sense, we see that money upholds individual confidence that a person can live and act within his society. For Durkheim, religion upholds the individual adherent’s “confidence in approaching the world” by believing that the cosmic forces at work in the world will be with the individual. This can occur through an agent, such as a god or God who controls such forces or through a sacred postulate like karma. Either way, individual religious adherents move through the world with confidence that they have a force with them that is beyond their individual selves. As Durkheim articulated, these believers are correct to sense a force that is beyond their individual existences, but are mistaken regarding the origin of that force. The force is their society, hypostatized and transfigured and represented back to them through their particular religious grids. Understood as a social credit-debt, money can be clearly seen as this type of sacred force.

27 Ibid., 207-16.
Coming back to our Durkheimian notion of religion, we see that the totem (as the key religious object of native Australian religious life) requires ongoing regulation and attention by the religious authorities, and this corresponds with what is required to maintain a modern currency. This is not an abstract similarity; the reason the totem and a modern currency share this property is that they both derive their existence in relation to the larger federation of other totems and currencies. They each are a particular network’s representation of the group’s identity as a grouping, and it is through this collective representation that this group relates to their larger world. This point is important because it shows the link between the particularity of a given grouping and the larger religious tapestry of the entire world. So while the regulation of a given totem in relation to all other indigenous Australian totems is critical for the health of that particular clan’s cultic life and identity, the regulation of a given currency in relation to all other currencies is critical for the health of the particular monetary network’s identity and functioning abroad. Both the totem and the currency operate as religious objects through which their respective groups enact, maintain, and reify the network’s collective identity, standing, and existence.

Recall that Durkheim spoke to a specific type of “personal sacredness” that existed in the clan. Durkheim thought that this originated from the individual believing that he is both human in one sense and the totemic species in another.28 In this way, the individual holds a dual nature: on one hand, he is an individual human,
and, on another (in a totemic sense), he is the animal or plant represented by his totem. Durkheim observed that prohibitions placed on many in the clan were lessened for those who held a higher degree of sacredness. For instance, men possessed a higher degree of sacredness than women, with the eldest males possessing the maximum intensity of such sacrality: the higher degree of sacredness, the less prohibition applied relative to the sacred totem. Moneyed humanity creates a similar dual nature. On one hand, we are humans with physical limits, yet, in another way, we hold a varied array of potential social credit at our disposal. Consider, for instance, the fact that Bill Gates is biologically similar to other human males, yet his ability to project his desire and will onto the world is nearly limitless due to his massive monetized wealth. Thought of in totemic terms, Gates holds the maximum degree of sacredness and has very few prohibitions regarding what he might socially do.

Money, as understood as social credit-debt, equates to social power and freedom. It is easy to observe this in our daily lives. If I have money at my disposal, I have numerous potential choices of what I can eat, where I can go, and how I might get there. With less money, my choices are constricted within society, and I am forced to choose between competing wants. Thought of religiously, there are prohibitions placed on what I can and cannot do. To the degree that something is demanded in society (yet limited in supply), fewer people can consume. For instance, if I wish to consume a high-quality beef steak, I have to be able to produce enough social credit-debt (money) to buy the item, and its price is determined relative to
what others have to spend. So as we think about a highly wealthy person like Gates, we see that his ability to consume virtually anything in the world is nearly limitless; Gates has very few monetary prohibitions. Furthermore, after consuming all he desires, Gates still holds an enormous surplus of wealth that can be monetized and used to incentivize others to work according to his desired ends. In Gates’ case, and to his credit, he does this through his foundation which supports global initiatives around the world.29

As we step back to compare the sort of social power that money provides with more classically understood religious traditions, we see there is less difference than one might think. How is it that the Roman Catholic Pope has been able to exert his will around the world through various initiatives of the Catholic Church? The answer, of course, is through the use of religious agents who follow his direction due to their respect for the Church (and presumed service to God), which grows out of the moral authority it holds within them. This enables the sitting Pope to create initiatives wherever there are faithful Catholics who are willing to follow his lead. These sorts of movements, whereby people act in accordance with another’s will imbued with religious authority, are obviously religious in their missional quality. If we view money through our specific sociological-based religious studies lens, we see that the work of the Gates Foundation is quite similar to that of the Roman Catholic

29 See the Bill and Melinda Gates Foundation at www.gatesfoundation.org. Gates’ wealth currently stands at $67 billion (March 2013). To put this in perspective, if Gates earned a typical 5.5 percent return on his wealth (the standard return for most university endowments), the earnings would be just above ten million dollars per day (365.25 days per year) before ever touching his principal sum of $67 billion. “Bill Gates,” Forbes Magazine, http://www.forbes.com/profile/bill-gates/.
Church, especially regarding global initiatives. The Pope may have a network of priests willing to be the Catholic Church’s agents throughout the world, but, equally, the Gates Foundation can pay for agents to do similar things through the use of money. In terms of local acting stimulated through a more universal mechanism, the Pope uses the moral authority imbued in the religious adherence of the Catholic faithful, while Gates uses the moral authority imbued in money, but the ends are quite similar.

The similarities between money and classic religious traditions do not end with the highest crust of society such as Bill Gates and the Pope. They also extend to average people throughout the world. As I argued in chapter four, to be human is to be moneyed. People cannot choose to operate outside the social system of money because to do so one would need to live entirely off the resource grid. While it is biologically possible to live outside of using money, it is socially and practically impossible. The practical impossibility of living without money reveals one aspect of how the monetary system maintains its forceful relations on individuals. Our need for money also creates the conditions by which we reinforce monetary relations. We individually contribute to the ongoing maintenance of this system by our economic acting and, in so doing, contribute to the maintenance of the system. We receive

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30 Currently, the Alaskan wilderness is a hot topic for networks such as the Discovery Channel. Because of this, there are numerous documentary-style shows, such as *Yukon Men* and *Alaska: The Last Frontier*. A viewer will note that those living in the wilderness are also dependent upon society and money for their sustenance. They trap animals for fur with traps bought with money and sell these furs for their particular currency. They use rifles and ammunition produced far away and purchased with money. Ultimately, they are reliant on a variety of other products that they could not produce in their isolated communities. Therefore, even if they wished to be free from money, they could not fully escape it.
from our society the particular socially determined skill set that enables us to live and work in our monetary network. By working, we earn money by selling our time and products and then use that money to consume what we need and desire, which enables further monetary earnings. This grand circle both contributes to us our social identity while we contribute back to the larger whole; this is true whether or not our benefit from this system is relatively equal with others in our society.

This brings us to one clear observation that we can make about both the nature of religion and the nature of money. While religion does bind its adherents together, it may or may not be a beneficent kind of binding. Just as religions produce many who move on to create and maintain hospitals, orphanages, and schools, the very same religion may produce suicide bombers, oppressors of women, and promote regressive learning. In other words, the religious network might be bound together, but not necessarily for the good of society. This is true whether we are talking about commonly understood religious traditions (Christianity, Buddhism, etc.) or whether we are speaking of the religion of money. In an earlier section of this chapter, we saw that the relative economic mobility of the poorest 20 percent of America is significantly less than the rest of the country. Therefore, true to its religious nature, while money binds us together in webs of economic acting, the binding is not always beneficent or equal. Monetary relations are often unjust, unfair, and contribute to marginalization. This reality creates a substantial challenge for those who are seeking economic justice. Like it or not, if one wishes to change oppressive monetary systems, one is still forced to work from within. In other words,
no matter how opposed one is to our current monetary system, it is impossible to be a monetary atheist. We are all implicated in this system by virtue of being human and living and acting in a contemporary economic network. Everyone tacitly agrees to a religious adherence to money despite benefiting in starkly different ways.

In this chapter, we have more closely examined the way money functions religiously for individuals within a larger collective network. We determined that money is invested with sacredness, and this creates moral authority that compels us to act. This authority is rooted within our fundamental thinking via advanced orders of categorical construction. Money, in its fourth-order sacred sense, functions to bind a particular currency network together in ways that contribute to economic acting, but not necessarily in a just and equal way. We have difficulty understanding the power of monetary class because of money’s ability to obscure particular power relations within society. This monetary force is our particular society represented to us in seemingly objectified terms, and this obfuscation creates a sense that our economic relationships are naturally occurring versus socially constructed.
Chapter Six: Monetary Effervescence

The first four chapters of this project focused on explaining the theoretical terrain involved in this interdisciplinary topic of religion and money. In chapter five, I specifically engaged the way in which sacredness is superadded to money and the various effects this has on society. I concluded that the particular currency of an individual’s given monetary network is sacred for that individual and binds him together with other users of his currency. This binding is in no way equitable and actually obfuscates the power relations in a given society. Such binding leads most people to conclude that their economic relationships are naturally occurring rather than socially constructed. In this chapter, I will build on this prior work but focus on the way in which bank lending (as a collective endeavor) animates society by funding economic action that would not occur without it. Furthermore, our contemporary banking system allows for super-charged economic growth by providing the opportunity to expand significantly the money supply and provide additional economic stimulation for social acting. Since most currency networks are in disembodied relationship with a vast number of people, we are bound together by shared concepts and moral orientations. Along Durkheimian lines of thought that will be discussed later in this chapter, this binding occurs organically rather than mechanically. Ultimately, I will show that bank lending impels social animation
forward in ways that are unique to the fractional reserve banking system, which is the basis of modern banking.

Thought of as a specific entity, money is best explained as a social credit-debt, with the hyphen signaling that a general unit of money is on one hand a credit to the person or firm holding it, while simultaneously being a general and anonymous social debt from the monetary network from which it emerged. These credit-debts are transferred freely and make up a given currency network’s money supply. From chapter five, recall that money can operate as a second-, third-, or fourth-order category depending upon the context, with third-order money making up the minimal level from which we think of money as an economic entity. Up to this point, we have spoken of money in a static sense, specifically as a single category that operates as one mutually interchangeable entity. In this chapter, I wish to build on this idea but move toward a more fluid sense that understands money as being continually created and destroyed, depending upon bank lending. This further complicates our use of the conceptual category of money but provides us with a highly specific economic phenomenon to view with the religious studies lenses used in the project. So while chapter five was devoted to thinking about the unique way in which money is sacred, this chapter will expound the way in which our contemporary banking system contributes to the effervescent quality of money in society, which recharges the religious salience of a contemporary currency.
Lending as Collective Credit-Debt

In chapter four, I showed that money is actually a trilateral entity: each counterparty holds a simultaneous social claim on a credit and a debt, but this relationship is mediated and upheld by a third entity, described simply as the monetary authority. In our contemporary economic system, the monetary authorities are nearly always banks, and it is in the banking system that we find the mechanisms by which money is created and destroyed. Governments have the power to create money out of nothing other than their collective will as a function of their unique position as the sole legal authority in a given jurisdiction, which provides them with monopoly power over the definition of the particular monetary unit-of-account. This is often referred to as “printing” money, and, in part, this is exactly what happens when a given nation’s treasury, in union with its corresponding central bank, physically prints cash for circulation. This is what many lay people have in mind when speaking of “money creation.” In reality, the percentage of money that exists as physical cash in the world is quite small. According to a recent statistical release from the Federal Reserve, roughly $1.18 trillion in physical cash exists in pockets, purses, and vaults around the world, making up about 7 percent of the estimated total amount of dollars in existence. The remainder resides as ethereal numeric representation on bank ledgers around the world.\(^1\) Another way to think about money

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\(^1\) See “Federal Reserve Statistical Release - H.8,” available at www.federalreserve.gov, retrieved May 20, 2013. According to the consolidated balance sheet, there was roughly $1.18 trillion of currency in circulation. This is a moot point since all demand deposits are available to be paid in reserve notes. We do not know exactly how many (paper) reserve notes exist in the world, but this amount is likely about 7 percent of the total US dollars currently held in circulation.
creation is to realize that a central bank is the banking system’s bank. Just as an individual or firm has accounts with a given bank, banks possess accounts with other larger and more established ones; the central bank (in the United States, the Federal Reserve) is typically at the top of the system. The central bank is able to purchase government debt from private banks within the system by simply adding to the electronic account at the central bank; it is therefore able instantaneously to create new money in the banking system. The central bank creates the money out of nothing by adding to the numeric value on the individual bank’s balance.

Traditionally, the banking system has served as the entity that redistributes money from a simple surplus on one account to a productive investment in another. This occurs through the lending process whereby banks make loans to individual households or firms and charge a given interest rate for the use of such money. Presumably, this arrangement is beneficial to both the bank and the household/firm in that it provides much needed money for investment in activities and assets that will gain in value or produce additional goods and services in an economy (while also providing some form of return for the bank). A loan is nothing more than the aggregation of individual credit-debts (in an American context, US dollars) into one larger credit to a borrower. Most importantly for this chapter, loans create additional money through the fractional reserve banking system, and, therefore, these loans form a complex system of newly created money. This creation of new credit-debts can fuel the economy toward greater productivity and health and has the potential to strengthen a given currency network. It can also become too intense and cause
unsustainable growth followed by an economic collapse. This process of monetary growth, specifically through lending, is a form of collective effervescence that closely mirrors the type of effervescence that Durkheim described in Elementary Forms.²

Banking and Effervescence

Before we move into a description of the specific ways that lending augments monetary effervescence, let us first reestablish specifically how collective effervescence functioned in Durkheim’s theory. Recall from chapter three that collective effervescence is the mechanism by which beliefs are called back to consciousness and revitalized. Within Elementary Forms, collective effervescence typically referred to the coming together of individuals in physical proximity to one another. This is familiar to us in the form of religious services or public events whereby people congregate in a defined space. This is the classic understanding of Durkheimian effervescence, which can be thought of as proximate effervescence. It is clear in the age of mass communication that effervescence can also occur in a distributed sense. Think of the multitude of various religious and public events which serve audiences that are distributed throughout the world and solely connected through radio, television, and the Internet. Therefore, there also exists the possibility

² Of particular relevance here is collective effervescence in the formation of social bonds. Durkheim articulated this as setting “collectivity in motion.” The social result is that we “multiply the contacts between [us], and make those contacts [connections] more intimate.” See Emile Durkheim, The Elementary Forms of Religious Life, trans. Karen E. Fields (New York: The Free Press, 1995), 352.
of a distributed effervescence which does not rely on the physical congregating of people.

While proximate and distributed effervescences are not explicit Durkheimian concepts, Durkheim does speak to the way in which effervescence functions cognitively within the individual; this he calls “mental effervescence.”\(^3\) By mental, Durkheim is describing the way in which our individual feelings become “fused” with a tangible object that is collectively held as sacred. I think this mental function is key to understanding the emergence of the distributed type of effervescence because it provides an explicit Durkheimian mechanism that accounts for technology changing the social nature of the world in ways that would have been unfamiliar to Durkheim in 1913. Therefore, as it pertains to this chapter, distributed effervescence is the primary form of effervescence with respect to banking, and this type is upheld by individual mental processes that provide a fusion of ideas between our sense of monetary sacrality and economic acting.

As we engage our religious studies lenses, we see here that a view of money as originating \textit{ex nihilo} from a banker’s ability to channel new credit-debts complicates an orthodox view of money. Money is not a \textit{thing with substance} but rather is a \textit{social entity defined by its relations}.\(^4\) Because of this shift in thinking, it is inadequate to think of money as an object with the properties of substance (volume,

\(^3\) Ibid., 238-39.

\(^4\) This shift in thinking about money mirrors postmodern approaches to philosophy and religion. One excellent example that has shaped my thinking can be found in F. LeRon Shults, \textit{Reforming Theological Anthropology: After the Philosophical Turn to Relationality} (Grand Rapids, MI: Wm. B. Eerdmans Publishing Co., 2003), 11-36.
weight, and dimensionality); instead, we should think of money as primarily relational. Therefore, a better way to think of money is as a complex set of relationships that is best evaluated in terms of the intensity of relations. This categorical shift better frames the sociological reality of money and accounts for its effervescent identity, since effervescence is also based in relationship, whether proximate or distributed.

When people think of effervescence, most envision a chemical reaction epitomized by an Alka-Seltzer tablet being dropped into water. This buzzing, bubbling effervescence is best understood in terms of the relational intensity of the constituent parts of the reaction. A chemical reaction is measured in terms of the energy output (such as heat or light) in addition to its substantive qualities. The energy-related aspects are measured in concepts like temperature and illumination, whereas the substantive aspects are measured in concepts like volume and weight. While all of these dimensions are connected, I have found the metaphysically substantive orientation of monetary economics to be linguistically limiting. The notion of monetary effervescence is potentially more insightful than the more mainstream views of money as a substantive reality.

Collective representations, in distributed or proximate form, are the primary mechanism through which a given society reinterprets and represents its collectivity back to itself.⁵ This dovetails with Durkheim’s larger point that a religious system is the religious network reinterpreted back to the adherents themselves. Stated in

⁵ See also Durkheim, The Elementary Forms of Religious Life, 210-12, 238.
simpler and more imprecise terms, in Durkheim’s sociological theory of religion, *society is god*. This continual re-presentation of the forces experienced by the religious group renews its confidence in its God, gods, or sacred postulates and forms the most important religious regenerative mechanism in Durkheim’s system. Effervescence and sacrality, then, renew the collective representations that are held within a given society, thus providing the mechanism for a religious entity to recharge the salience of a given religious network. This sacrality has nothing to do with the object itself, but instead is superadded to the object due to the collective feeling that it inspires in its adherents. This collective feeling forms the moral authority and respect that the group holds for a given object and compels its continued use and veneration in that society. We see here that effervescence and sacrality are two sides of the same coin. While sacredness is the linguistic identifier for the power that a religious object has amongst its adherents, effervescence is the description of primary collective action through which this superadded sacrality is maintained. The two are indivisible and unified in the religious system.

As we return to the function of banking in our society, we see that bank lending forms the effervescent backbone of support for the economy and monetary system. Through bank lending, money as a religious system is maintained and strengthened. Through bank lending the force of money, as felt by participants in a monetary union, is renewed. And through bank lending, sacrality and effervescence sustain money’s moral authority. Lending is the congregating function of the
monetary religion, and, without it, money would lose its religious salience and ultimately its power to impel economic acting.

The existence of bank lending in a developed society is one significant factor in maintaining an advanced economy, and without a reasonably healthy and well-developed financial system (which obviously includes bank lending) an economy cannot continue to grow, reinvest, and maintain itself. While there has been some debate about whether bank lending alone creates economic growth, the correlation between the two is undeniable. In other words, correlation between bank lending and economic development is clear, but causation is not. The awareness that banking plays an important role in economic activity goes back to some of the earliest economic writings of the modern period. In speaking to the role of bank lending, Adam Smith noted that the fruitful operations of banking enable the banker to convert unproductive money into productive capital, which produces something both for himself and his country. In other words, for Smith, the banker’s primary role is to take unproductive money sitting on someone’s balance sheet and put it to work toward productive ends. So banks serve society’s communal ends by mobilizing

\footnote{I explicitly outline this in order to avoid overstating my point. I am not saying that the effervescent quality imbued in bank lending is the sole (or even primary) driver of economic growth; there appears to be a multifaceted and complicated number of various factors. Yet the existence of bank lending in a developed society is a crucial factor in the growth and maintenance of an advanced economy. This mirrors my sense that a sociological theory of religion helps explain the religious functioning of money (while doing little to explain its origin). Stated more directly, the effervescent quality of money is correlated with an advanced economy, but is not necessarily causal. See also Peter L. Rousseau and Sylla Richard, “Financial Systems, Economic Growth, and Globalization,” ed. National Bureau of Economic Research (Cambridge, MA: NBER, 2001).}

money (in the form of lending) for uses that produce new goods and services, and this service is one of the undeniable and widely understood aspects of the banking system. Without banks lending to businesses and individuals, the wheels of commerce grind to a halt because productive endeavors often require large expenditures of money, especially in their early stages.8

Modern banking operates as a fractional reserve system. A basic model of this system entails a bank acquiring deposits from individuals and firms. Since these entities are unlikely to want or need all of their deposited funds back at a single time, the bank can lend these funds to others for (presumably) productive work somewhere else in the economy. The difference between what the bank pays the depositor and what it charges for the loan is the “spread” that forms the most basic mechanism for bank profits. Banks want to maximize the amount they lend versus what they need to hold to support their depositors’ basic banking needs and what they need to maintain their reserve requirements to ensure solvency. The ratio of deposits held versus what can be loaned out is the reserve ratio, and this is typically set by the banking regulator. As an example, if the reserve ratio is 10 percent, a bank must hold a minimum of ten cents of every dollar deposited back in “reserve” when it loans out

8 While being peripheral to the main argument in this chapter, the question of whether lending creates economic growth or whether it is merely an indicator of growth is one of the most important questions in international finance; Grossman has an excellent section on this question in the opening chapter of his book. Additionally, I have found Goldsmith’s book an interesting work on this topic. He found that (as of 1969) developed countries had a higher level of development of financial “interrelations” but that it is nearly impossible to establish causality versus simple correlation. Richard S. Grossman, Unsettled Account: The Evolution of Banking in the Industrialized World since 1800, The Princeton Economic History of the Western World (Princeton, NJ: Princeton University Press, 2010), 5-10. See also Raymond William Goldsmith, Financial Structure and Development, Studies in Comparative Economics, 9 (New Haven, CT: Yale University Press, 1969), 372-409.
deposited funds. This implies that the bank may lend as much as 90 percent of its reserves to other productive means, and the loan expands the assets that the bank holds. The compounding nature of the fractional reserve system has a profound effect on the economy in the form of expanding new money creation. This occurs because loaned funds from one bank immediately become deposits in another bank. This new deposit then stimulates the possibility of another loan, which, in turn, flows onto another bank’s balance sheet. This continues until the fractional reserve is fully employed. This process is complicated and begins with money being created by the monetary authority.

Consider the following example:9 The Federal Reserve decides that it wants to expand the money supply by “open market operations,” meaning that it buys U.S. Government securities from the banking system. Imagine that First Bank has a loan application from Alex to borrow $270,000 to buy a house. First Bank sells roughly $300,000 in securities to the Fed, intending to hold $30,000 in reserve and issue a check to Alex for $270,000. The Fed purchases the assets from First Bank with a check written against itself, effectively creating new money \textit{ex nihilo} that did not exist prior to this transaction. In terms of the balance sheet of First Bank, the $300,000 that it gained from the Fed now appears on its balance sheet as $300,000 in reserves plus Alex’s loan, equaling total assets of $570,000 ($300,000 + $270,000). Alex commits to paying the loan back at 6 percent interest and will owe First Bank

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9 This example is modified from one provided by Maureen Burton and Bruce Brown, \textit{The Financial System and the Economy: Principles of Money and Banking}, 5th ed. (Armonk, NY: M. E. Sharpe, 2009), 456-62.
$1,619 per month for 30 years (totaling $312,763 in interest over the life of the loan). Because of the interest rate spread between what the bank is paying its depositors versus what it will make from the loan, First Bank yields a positive margin that would not have existed apart from this loan. This margin, combined with all of First Bank’s lending minus the bank’s expenses and payments to shareholders, forms a monetary profit that can be lent elsewhere. Following the original money trail, Alex now takes the $270,000 check and buys the home from Betty (who owns her property outright), and the seller deposits the $270,000 in Second Bank. This sum now adds to the total account balance for Second Bank by $270,000 and becomes money that the bank has the ability to lend (fractionally) to other people. Second Bank can now lend $243,000 of the original $270,000 to a new person for a new endeavor. Imagine Charley borrows $243,000 from Second Bank to buy a new house. The $243,000 is immediately deposited in Third Bank along the same lines, and 90 percent of the money is available for additional loans. As seen through this example, once lending begins in a fractional reserve system, the balance sheets of banks expand from the original money created by the Fed, and new loans are originated throughout the system, which replicates itself along the factor determined by the ratio chosen by the central bank (or regulating body). Assuming the bank is required to hold 10 percent in reserve, the original $300,000 purchase of securities becomes loans that can rapidly expand. Assuming that the fractional reserve is fully employed and the minimum loan amount is $10,000, the original $300,000 could potentially be distributed among thirty-three loans and total a cumulative sum of
more than $2,600,000 (the sum of 270,000 + 243,000 + 218,700 . . . + 10,301).
Furthermore, each of the thirty-three loans (presumably) creates new profits for the
bank that stimulate further possible lending along lines that grow larger.

As we step back from the technicality above and think socially about what
occurs in the above example, we see that the infusion of money by the Fed
contributes to the ability of people to buy houses (as in the example here), and this
creates the economic incentive to construct houses, which will likely require
contractors to buy materials, employ workers, and borrow additional money. These
activities create actions within the system in the form of bankers making loans,
carpenters framing houses, real-estate agents facilitating transactions, buyers
purchasing new appliances, and a list that could continue on to a nearly endless
length. This creates real human acting within a monetary network that would not
have occurred had the original $300,000 infusion not been made.

Looking through our religious studies lenses, we see that the common act of
making a loan impels economic acting that would not have existed apart from this
specific lending. But the action itself is a completely socially constructed action of
channeling socially created credit-debts to other individuals or firms in society,
which, in turn, creates more of this same channeling of social credit-debt. Consider
the parallels to a form of religious revival or growth: A small group of people
congregate and experience something that is religiously compelling. The moral
authority that is generated out of the sacred experience compels them to act
differently in the world and share their passion with others. This, in turn, brings more
people into the congregation whereby an ever more powerful effervescent presence develops, further substantiating the original experience of the small group. This congregating is exported to different communities around the world, creating more of the same experience, and this rush of religious experience fuels further religious acting in increasing quantities.\textsuperscript{10} This religious studies observation can also be applied to bank lending. Bank lending is the key effervescent activity undergirding the religious nature of money. It is the collective act of congregating, and it amplifies monetary growth and salience.\textsuperscript{11}

Returning to a religious description of money, we see that the monetary network’s currency unit (which acts in part as a religious symbol) brings the monetary network together. Presumably, people come together via the need to borrow for the purposes of consumption or investment. The lending of money from a bank to an individual or firm can be seen through our religious studies lens as a religious act that sets up an amplified volume of exchange. As this money works its way through the economy, it expands and stimulates yet more activity. As we step back to view the economy as a whole, we see the tremendous effervescent quality that the lending incites in a monetary network. The economy is buzzing, humming,

\textsuperscript{10} A good example of this religious phenomenon is the expansion of Protestant Christianity in the American frontier in the first half of the nineteenth century. See Mark A. Noll, \textit{The Old Religion in a New World: The History of North American Christianity} (Grand Rapids, MI: Wm. B. Eerdmans Publishing Co., 2002), 62-65).

\textsuperscript{11} Durkheim outlines the “amplified” effervescent energy observed in the Australian indigenous groups: “The initial [effervescently charged] impulse is thereby amplified each time it is echoed, like an avalanche that grow as it goes along.” Furthermore, and parallel to potential economic bubbles and busts, activities that would often be prohibited are accepted at the most extreme intensities of effervescent acting. Relations like incest and the open exchanging of marital partners for copulation are provided as examples. Durkheim, \textit{The Elementary Forms of Religious Life}, 217-19.
booming, or whatever effervescent-like description one wishes to employ. This expansion did not primarily occur, as mainstream orthodox economists tend to assert, because of a fundamental shift in the economy related to productivity gains or new natural resource allocation. Rather, it occurred because of the monetary stimulus, in the form of bank lending, which was injected into the economy via the borrowing process. This stimulus is birthed *ex nihilo* from the banking system.

I should note here that money in the banking system does not solely originate from private banks making loans. The monetary network’s central bank may make funds available for other banks within the system to borrow and loan out to the public. But this does not change my theory; it only changes the mechanism of lending from bank-to-consumer lending to bank-to-bank lending, and the result is the same. Banks may raise funds to lend in other ways, such as selling bonds in the private sector or through the use of their retained profits from prior operations. Regardless of where the original funds come from (deposits, central bank borrowing, bond sales, or retained profits), the ultimate social outcome is the same: human economic acting due to lending.

**Organic Solidarity**

It is difficult to explain the animation of society through bank lending without first thinking about the nature of social solidarity in the modern industrialized world. While *Elementary Forms* articulates Durkheim’s most mature theory of religion, his work on solidarity is best expressed in *The Division of Labor*
in Society. In articulating the thrust of social solidarity, Durkheim’s basic point is that, in the transition to industrialized societies, new social and economic structures emerged which took the place of a more traditional form of group life. This new type of solidarity was termed organic, while the traditional type could be thought of as mechanical.

Mechanical solidarity originated as humans were in direct relational groups together and therefore shared collectively held beliefs and sentiments. The intensity of this collective sharing, along with the definitional clarity of these beliefs and practices, determined how effective mechanical solidarity was in holding the group together. But, according to Durkheim, this changed with the specialization of labor roles in the industrialized world, and a new type of societal solidarity emerged. Organic solidarity developed as differing human groups became economically interdependent through the development of cities and advanced markets. This enabled the formation of individualization and differentiation that the earlier form of solidarity would not have allowed, and the ultimate result was an abstracted sense of overarching morality to which individuals would adhere in relation to their particular conception of said morality. Stated a little differently, there was no question about the contours of morality in the age of mechanical solidarity because the social and legal codes would have been explicitly defined and upheld within the real relations.

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13 Ibid., 31-67.
of the group. Moving to a more diffuse organic solidarity, there is still a sense of human morality, but the definitional contours of such are not explicit and are adhered to by the individual’s interpretation of an abstracted, universalized ideal.\textsuperscript{14} So while both forms of solidarity have a legal code, in the mechanical it functioned as a penal system, while in the organic it functions primarily as a civil, commercial, or procedural law.

The delineation of Durkheimian mechanical and organic solidarity has some technical problems, including Durkheim’s under appreciation of the complex interconnection in the pre-industrialized world, an overly narrow sense that the nature of a given society’s legal code can elucidate its type of solidarity, and a theory of punishment that cannot be empirically substantiated.\textsuperscript{15} The most substantial of these problems relates to Durkheim’s too simple assertion that one could assess the type of solidarity present in a society by simply viewing the society’s legal codes.\textsuperscript{16} At the time of \textit{Division of Labor}’s writing, little was understood about pre-industrialized societies’ use of restitution, and this led Durkheim to overstate the influence of penal law on these societies. These societies did have reasonably well-defined mechanisms related to restitution for correcting the type of civil matters that


\textsuperscript{15} For an excellent summary of the major critiques of solidarity, see Ibid., 159-65.

\textsuperscript{16} “One needs only cast an eye over our legal codes to confirm the much diminished position occupied in them by repressive law in comparison with co-operative law. . . . All of those relationships that are subject to penal measures thus represent only the merest fraction of social life in general. Consequently the ties binding us to society, which spring from a commonality of beliefs and sentiments, are much fewer than those that result from the division of labour.” Durkheim, \textit{The Division of Labor in Society}, 101.
in the modern world tend to flow through civil or commercial legal systems.\textsuperscript{17} This would lead a critical reader to problematize a clearly delineated distinction between the mechanical and the organic, since many social mechanisms exist in the former that Durkheim believed were only present in the latter.

While solidarity might not have been as distinct between the pre- and post-industrialized worlds as Durkheim thought, organic solidarity forms a helpful distinction for showing the always interconnected nature of human functioning.\textsuperscript{18} Stated more specifically, solidarity has shifted from being explicitly based in our embodied interactions as small groups of humans attempting to survive in an underpopulated world, to one in which we are complexly intertwined in webs of mutual economic relations that are essential for our fundamental survival. As this expresses itself in the context of bank lending, we can imagine a time in human history when we could have produced all that we needed within our small grouping of kin. As the industrial revolution occurred and humans became more reliant on ever more complex technology, our ability to function apart from the larger (nearly universal) whole became severely impeded. This has led to a scenario in which individuals are bound to the rest of society in economic relations that are mediated by money and banking.

\textsuperscript{17} J. A. Barnes, “Durkheim’s Division of Labour in Society,” \textit{Man} 1, no. 2 (1966): 166-68.

\textsuperscript{18} Keep in mind that the use of mechanical solidarity does not change my core argument in this project. Organic solidarity addresses the need posed by our contemporary economic relations, which are often disembodied and disconnected from direct person-to-person (incarnate) transactions. Monetray effervescence and sacrality also would exist in an economy made up solely of incarnate (mechanical) transactions.
To establish further the above mentioned point, consider the following thought example. Let us assume that you decide to leave society behind and live “off the grid.” You move to the Alaskan wilderness and build a remote house that is far removed from other people. Setting aside the obvious economic reality that you would need money to purchase the land, buy materials to build your house, and acquire assistance in transporting all the necessary elements to the location, you would still be economically dependent on society. Living in a cold climate such as Alaska would necessitate advanced clothing and tools designed for basic functions. Furthermore, because of the ecological state of the Alaskan wilderness, you would need complex weaponry (such as a high-powered rifle and ammunition) to perform much of your hunting or other activities to sustain your physical needs. These tools wear out and would need to be replaced, thus requiring some form of money. Ultimately, despite your best attempts, you would still need to be engaged in a monetary network in order to gain essential tools and supplies required to survive. While one may argue that you could survive in a tropical area without such tools or clothing, it would be a challenge to name a single temperate or tropical place on Earth that is not already populated or directly claimed by someone or some entity. The point here is that it is impossible for any sole adult to escape our contemporary economic reality, and living within this reality requires the ability to transact with money. Moving from the Alaskan wilderness example, it is possible (but not plausible) that a group of people might have relatively greater success in maintaining
their independence from economic life; but, ultimately, they would not be able to completely escape it.\footnote{Despite the utter impossibility of living completely without some tie to money, there has been great interest in a partial separation from money in the popular press. See several articles on new interest in barter, such as Raymund Flandez, “Barter Fits the Bill for Strapped Firms,” The Wall Street Journal, February 17, 2008. See also Kevin Simpson, “Barter System Booms in Colo.,” Denver Post, May 21, 2009. For alternative payment such as IOUs, see Stephanie Simon, “Cash-Strapped California’s IOUs: Just the Latest Sub for Dollars,” The Wall Street Journal, July 25, 2009.}

Organic solidarity provides a theoretical category for how the monetary religion that I have been describing in this project functions. In a monetary network, people do not necessarily hold cultural markers in common. It is typically the case that there is a vast array of traditional religions, political philosophies, ethnic backgrounds, geographic distinctions, and significant differences in socio-economic strata involved in any single currency network. Furthermore, it is not necessary for people to be in physical proximity to engage in the exchange or lending processes. It is necessary, however, that all people be upheld by a common moral code related to money which creates some form of continuity in acting; otherwise, the social dynamics which preserve the implicit social contract of the monetary credit-debt would unravel and weaken. At the level of money (as an individual entity), this morality is upheld by the moral compulsion that is imbued by the sacrality of money. At the level of money as a collective entity, the moral compulsion is undergirded by bank lending. The continuity of this system is helped by a form of organic solidarity in which each individual aligns toward a moral code in an abstracted and self-interpreted sense. The point here is that society is held together by some type of
solidarity. In earlier times, humans functioned with mechanical solidarity, while now we are united within organic bonds mediated by money.  

The reality of our fundamental interconnectedness was felt in the financial crisis of 2008. At its core, the crisis was set off by a complex tapestry of distinct, yet interrelated, monetary relations. Banks were writing loans that they knew had a high likelihood of default, but did so because securitization enabled them to bundle bunches of loans and sell to another party. Buyers were purchasing houses that they knew they could not afford without significant assistance in terms of inflating property values that were historically unrealistic. Many individuals, firms, and local governments were over leveraged and indebted beyond sensible levels, and eventually the financial system reached a point where this aggregate over leverage could not be sustained. After the collapse of Lehman Brothers, the world financial system was in a state of panic that brought the social animation I spoke of earlier to a near halt. Yet, ironically, with the widespread wrongdoing, whether a person or firm

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20 It is also worth noting that our monetary and banking networks are supported by a complex legal code governing civil and contractual matters. This is precisely in line with the notion of organic solidarity as per Durkheim.

21 As a side note, Durkheim claims that “society never stops creating sacred things” and that sacrality is contagious between related objects. In light of the theory proposed in this larger project, it is accurate to see the securitization of mortgages as a unique new form of monetary sacrality. Durkheim, The Elementary Forms of Religious Life, 215.

was directly involved in any of the behavior above was irrelevant; they, like everyone else, were impacted. Innocent people lost jobs, uninvolved firms lost business and were forced into bankruptcy, and, in aggregate, the world became monetarily poorer in the process. Whether we wish to be or not, we are all interconnected in webs of mutual monetary relations that are impossible to escape. This is the reality of the monetary religion that pervades early twenty-first-century existence.

One would think that the financial crisis of 2008 would have elicited some doubt about the social construction of money, but, in fact, the crisis further strengthened its socially constructed efficacious nature. Instead of causing skepticism regarding the monetary foundation from which all of modern capitalism is built, money became the solution to the crisis. At the height of the social terror of a potential market meltdown (September 2008), Henry Paulson, the U.S. Secretary of the Treasury, succeeded in persuading Congress to pass the Emergency Economic Stability Act of 2008.23 This remarkably short bill enabled the Secretary and the Federal Reserve to embark on a campaign to spend up to $700 billion to “purchase

23 Andrew Ross Sorkin, “The Bush Administration’s $700 Billion Rescue Plan,” New York Times, September 20, 2008. The entire bill can easily fit on three pages, and each of its twelve sections includes just a few sentences each. This is remarkable, given that the bill entitled the Secretary to spend up to $700 billion. To put this in perspective, that sum is roughly the annual pre-tax household earnings for 13.6 million American families (assuming average earnings of roughly $51.8K per year in 2008) and is more than the entire non-defense related discretionary spending of the federal government in 2008, which, according to the Congressional Budget Office, was $522 billion. That said, contrary to much agitation in the popular media, the vast majority of this rescue package was paid back with interest. “Historical Budget Data,” accessed May 20, 2013, http://www.cbo.gov/topics/budget/historical-budget-data. Carmen DeNavas-Walt, Bernadette D. Proctor, and Jessica C. Smith, Income, Poverty, and Health Insurance Coverage in the United States: 2011, ed. U.S. Department of Commerce, U.S. Census Bureau (Washington, DC: U.S. Government Printing Office, 2012), 5.
mortgage-related assets from any financial institution having its headquarters in the United States” and allow the Secretary to take actions deemed necessary with little direct oversight. In other words, the most immediate solution to the financial crisis was more money. To economists and bankers, this observation would most likely elicit a “so what?” but, as we view this through our religious studies lenses, we recognize the degree to which this whole process operates religiously. When societal relations weaken and something significant has been lost, the religious specialists must intervene to rejuvenate the social bonds that are failing. In Elementary Forms, this closely tracks with funeral rites, which enable the community to recapture and rejuvenate the communal bonds lost through the real diminishment of having lost a member.24 So while the infusion of $700 billion provided a mechanism for the Secretary to support potentially bad loans in the banking system, it can also be seen as a ritual action which was an attempt to boost the religious salience of the US dollar, thus reinforcing its sacrality and inducing further effervescence through lending.

In the modern financial system, the delineation between money that I have earned and money I have borrowed has merged. As we have seen, money that I hold as a balance in a banking account and money that is extended to me as a line of credit is not significantly distinct in terms of access and spendability. They both exist

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24 Durkheim classifies a funeral as being a piacular rite. These rituals seek to assist the community in dealing with its social group when it has been diminished. Without these types of ritual actions, the community would “lack the moral unity and cohesiveness” from which it holds together. Durkheim, The Elementary Forms of Religious Life, 400-6. See also Lukes, Emile Durkheim, His Life and Work, 469-70.
in digital form as balances or credit lines in my bank, and there is not a hard
delineation between my spending from a credit card and my spending from my
checking account. This financial innovation has made it more difficult to disentangle
bank lending for consumption from personal financial assets. Prior to the twentieth
century, it would have been possible to talk about most people’s day-to-day
existence without bank lending. In just a few decades, the average person in the
developed world went from rarely (if ever) borrowing from a bank to walking around
with credit cards and lines of credit that can be used on-demand with no immediate
approval by the bank. But with this expansion of finance and the increasingly fluid
transfer of money electronically, the last few decades have seen a greater obfuscation
of the distinction between cash and bank credit. As I mentioned in chapter four,
many economic journalists miss the key point here that the significance of the last
few decades is not the switch from physically mediated cash to electronic payments,
but rather the blurring of the lines between money held in an account as a debit
versus a line of credit from my bank. Since both spend in exactly the same way,
people are more able to use loans to subsidize their consumption of goods and
services. Like the mortgage example earlier in the chapter, servicing these consumer
loans has the same economic significance as a mortgage in that it expands the money
supply through the creation of new money; but unlike mortgages, the purchases do
not necessarily correspond to an asset (like a house) that can offset the loan. The rise
of the credit card in daily life did not change the fundamental nature of money, but it
did broaden the use of credit from being something historically used for acquiring
the means of production (such as tools or machinery) or major personal assets (houses or land) to a more day-to-day consumptive mechanism.

This discussion comes full circle as we connect Durkheimian organic solidarity with the blurring of the credit and cash distinction. We are monetarily entangled in a solidarity that we cannot escape and therefore share a common monetary destiny whether we wish to or not. Yet, within this entanglement, we are no longer merely producing goods and services and then consuming our earnings; we are instead involved in liminal space between our classically understood “earned” money and “unearned” borrowed money. While there has always been a monetary authority involved in any use of money, the authority today has taken on a more intense significance as both the backer of money and also the stimulator of a significant portion of our consumption, investment, and stability. Put in religious terms, while banking has always been essential for a functioning currency, and therefore bankers have always functioned as some type of religious specialists serving priest-like functions, banking’s religious role is super-charged not just to include the mediation of the monetary network but also its stimulation and growth (or erosion and decay). This is an important aspect of the effervescent quality of banking.

**Social Animation**

The major point of this project is to show the religious nature of money. Recall that, for Durkheim, the idea of religious force is central to his notion of how religion functions and upholds itself. In chapter five, I showed how monetary
sacrality creates and maintains a sense of moral authority within a given currency network. This authority compels people to uphold the social agreement that is the monetary relationship itself. Stated in another way, I have demonstrated that money is fundamentally a socially mediated credit-debt, with the latter hyphen indicating that money is always being held by someone as a social credit connected with an impersonal debt that society owes. My argument here, at least in part, is that (figuratively speaking) the hyphen is upheld by the moral compulsion that emanates from the religious nature of money.

The compelling nature of money is rooted in its religious aspects, channeled through a given currency network, and forced upon the individual as an active monetary agent in our modern economy. In this way, money compels individuals to uphold it as a social construction. But, as I have argued in this chapter, modern money would not be the social force that it is without the fractional reserve banking system. As I explained in the banking and effervescence section above, bank lending creates additional money that has the ability to stimulate further human acting; one aspect of fractional reserve banking, then, is that it impels economic activity. Money as a concept is compelling, and the fractional reserve banking is impelling.

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25 As was explained in chapter three, in Durkheim’s theory religious forces are real forces. He is not using the term as a metaphor, but rather to indicate the tangible form for which religious compulsion is enacted within religious communities. Following that same thought, I am not saying that the banking system animates society metaphorically, but rather in real and observable ways. For the references to real forces, see Durkheim, *The Elementary Forms of Religious Life*, 192.
Imagine for a moment that fractional reserve banking did not exist, and, instead, society used a simple banking system in which you deposit your funds with a bank and it holds your reserves in relative safety. In a system such as this, you would probably pay the bank some sort of fee for safekeeping, similar to the way personal storage units work for physical items. In a banking regime such as this, money would still be compelling and would operate with the same sort of moral authority that it does in our current system. Nothing has substantially changed about its core religious identity, and the currency network basically operates in a similar fashion. Here, banking is a fairly neutral entity with respect to the overarching economy; its basic function is to be a safe storage facility for your physical cash or bank balances, but it has no way to create new money and stimulate economic acting and, therefore, impels no additional economic action.

Now shift ahead to our contemporary banking system with a fully developed fractional reserve; here we see the stimulative qualities that enable social animation. Banking, via the fractional reserve system, has become super-charged. As per the example earlier in the chapter, the original $300,000 becomes $2,600,000 in direct lending. The fractional reserve system amplifies that “working” money by a factor of more than eight. Money and banking would maintain the same religious theory I am expounding without the fractional reserve system. The key difference is the amplification power. The fractional reserve system has the capacity to over-stimulate the monetary network, and this can lead to economic booms and subsequent busts. Consider the financial crisis of 2008, in which lending expanded dramatically to
fulfill demand for houses and other assets. In a simpler banking system, growth would have been constrained by virtue of the limited nature of loanable funds, but, in a fractional reserve system, the money supply was able to rapidly expand to meet consumers’ desires for more loans. This expansion fueled further demand, and the economy boomed as a result, which set up the possibility of the subsequent bust.26

The financial boom of the mid 2000s, and the subsequent bust of 2008, can serve as an excellent example of the complexity of the “solidarity” in a monetary network. You generally cannot escape using money because, in our contemporary world, it is nearly impossible to function without it. Furthermore, in booms and busts, people gain advantages and suffer losses in unequal fashion. For example, one of the driving factors of the financial crisis was the origination and securitization of mortgages that were led by bankers who created mortgages and then bundled them together in mortgage-backed securities for sale in the international markets. These people were central to the economic boom and subsequent bust and personally made significant sums of money in the formation of these securities. In other words, the fact that the economy was expanding at an unsustainable level meant that certain people in society were benefiting greatly from the expansion, while everyone else benefited to a significantly lesser degree. In the bust, many of the people who

26 This religious orientation toward booms and busts holds several things in common with a similar process outlined by Harvey Whitehouse, *Inside the Cult: Religious Innovation and Transmission in Papua New Guinea*, Oxford Studies in Social and Cultural Anthropology (New York: Clarendon Press, 1995), 129-73. Among the similarities are a drawn-out run-up to the apex of ritual excitement (drawn-out boom), and then a major breakdown after the failure of the predictions to come to life (bust). The aftermath of this breakdown created serious economic issues for the native participants but, more importantly for this project, shows a tight correlation between the economic phenomenon of the boom/bust cycle and more classically understood religious cycles.
benefited most did not lose what they had gained; rather, the economic losses were passed on to a wide variety of people who had poorly timed home purchases, as well as employees in a variety of businesses who lost their jobs due to no direct fault of their own.27

Viewed through a religious studies lens, this inequality should not surprise us. While the history of religious traditions includes many benevolent social initiatives, it also includes gross inequity, violence, and destruction. Even within specific religious traditions like Christianity and Islam, we see both the fruit of life, love, and equality as well as death, hate, and injustice.28 Monetary religion is no different; economic inequality is alive and well, and monetary relations are responsible for both increased wealth and living standards and growing economic injustice. Organic solidarity is not the same as equality.

Finally, as a sort of macro-level footnote for this entire project, it is worth noting that, while some orthodox economists (particularly in business schools) continue to perpetuate the “myth of barter,” the anthropological data indicate that money and religion have been intertwined throughout all of recorded history.29 As


28 Consider that the vast majority of social institutions designed for the care of people have been founded by religious orders. Hospitals, universities, and social service organizations are just a few of the myriad of examples of religious groups providing beneficent human services. Simultaneously, these very same religious traditions have tended toward violence in their explicit interactions; consider the Crusades and more recent warring violence between religiously affiliated actors. Beyond these examples of religious malpractice, we can also find numerous examples of the marginalization of people based on gender, religious affiliation, or social standing.

29 This point deserves a whole project unto itself. Further analysis on Babylonian, Egyptian, and Chinese monetary systems in the fourth and third centuries BCE is warranted. That said, I did not
David Graeber has explained, the earliest archeological evidence related to ancient monetary systems comes from the translation of Mesopotamian cuneiform dating to roughly 3500 BCE.  

In this early period, the Sumerian economy was dominated by vast temple complexes in which thousands of priests and officials worked in administrating (among other things) trade. Interestingly, despite the fact that the Sumerians had both the technology and materials on hand to produce coins, trade was largely conducted in credit via units-of-account often quoted in copper, silver, or barley. If we consider that the earliest monetary networks were made up of credit-based systems mediated by priests in the central religious temples, could it be that money’s fundamental identity has always been religious?

In this chapter, I have sought to do something previously avoided by others in the religious studies guild as they wrote about religion and economics: take a highly specific phenomenon and show how it functions religiously. In the whole of the project, I have focused on the strict category of money, but in this chapter I have zoomed in even more tightly on the way in which bank lending contributes to maintaining the religious nature of money. I have expanded on work from prior chapters showing that the fractional reserve banking system super-charges the creation of money, which is the effervescent mechanism in the religious system; I want to hinge the religious nature of money on an anthropologic theory because this project was fundamentally intended to be based in our contemporary world.


have argued that Durkheimian organic solidarity provides for a common orientation toward the moral authority of money but does so with gross inequity that often further exacerbates the obfuscating nature of money; and I have argued that bank lending impels the economy forward and animates collective experience in powerful ways. In whole, this chapter has shown that a key component of a sociological theory of religion (effervescence) can be identified within the contemporary economic system. The existence of bank lending, and specifically our contemporary fractional reserve type, forms the primary mode through which people come together monetarily. On the surface, this is counter-intuitive because one would think that simple exchange would be the basic congregating factor. But, as I have shown, the actual mechanism for the modern stimulation of our monetary world is lending, and this corresponds with the effervescence in Durkheim’s theory of religion.
Chapter Seven: Conclusion

Recounting the General Argument

Money is one of the most complex entities in our lives today. On the one hand, we obsess about it, and, on the other, we do not understand much about its fundamental nature. We spend a lot of time thinking about how we might gain more, sustain what we have, and where we might put it to use. Ironically, as a category, we rarely stop to question what money is, how it is maintained in society, and what the implications of money might be for our present and future. It is simultaneously both ubiquitous and invisible.

This project has sought to answer one important question related to money within our contemporary world. Well-informed people agree that money is entirely a social construction that is upheld by little more than an unstated agreement between the holder of money and the rest of the monetary network. While there are legal tender laws and a complex array of civil, procedural, and contractual laws standing behind contemporary money, it does not seem to need this legal backing. Money functions nearly perfectly in a myriad of situations solely by the respect that it commands amongst society. But, at a fundamental human level, what holds this social agreement together? *Why is it that money as a concept never seems to fail?*
In offering an answer to this question, I have used a distinct approach from those deployed in either monetary economics or sociology, which are the two academic fields that tend toward these types of questions. My method in this project has been to use a tightly honed theory of religion to view money in its specifically religious complexity. I have referred to this method as looking at money through the “lens” of religious studies. To be absolutely clear here, I am not saying that religion is some type of metaphor for what money is in society; I am saying that money functions religiously in the same way that other known religions function.¹ As I outlined in chapter three, religion is the way in which scholars identify and name the disciplinary contours of the field of religious studies.² In light of this, I think that, with the passage of time, it may be clear in retrospect that money has operated as a significant religious force in our contemporary era.

I have concluded that money, as a socially mediated credit-debt, is held together through a moral compulsion that is maintained by money’s sacredness and the collective effervescence augmented within contemporary banking. This statement implies that money operates religiously in the world similarly to other well-understood religious traditions. Put a little differently, the type of moral compulsion

¹ The usage of “known religions” here is basically shorthand for evoking religious traditions like Christianity, Islam, Judaism, Hinduism, Buddhism, etc. That said, the traditions are not “things” in and of themselves. They are conceptual constructs that we use to describe an array of cultural configurations, beliefs, and actions which delineate the particular tradition itself.

² J. Z. Smith describes the history of usage of the term in his essay “Religion, Religions, Religious”: “‘Religion’ is not a native term; it is a term created by scholars for their intellectual purposes and therefore is theirs to define. It is a second-order, generic concept that plays the same role in establishing a disciplinary horizon that a concept such as ‘language’ plays in linguistics or ‘culture’ plays in anthropology.” Jonathan Z. Smith, “Religion, Religions, Religious,” in Critical Terms for Religious Studies, ed. Mark C. Taylor (Chicago: University of Chicago Press, 1998), 193-94.
that leads a faithful Christian to follow his or her sense of the Christian God’s decrees is the same human inclination that enables money to function smoothly in society. Because money operates with a powerful form of social respect, we are compelled to uphold it without thinking about our own self-interests. While there are many historical threads that could be developed related to this project, I have been generally disinterested in pursuing the human origins of money and have instead focused solely on how this complex social technology is maintained in our contemporary context.

This project is indebted to a theory of religion published one hundred years ago by the great French philosopher and sociologist Emile Durkheim. *The Elementary Forms of Religious Life* sought, among other things, to explain how a religious tradition continued to maintain its own saliency through both the beliefs and practices of its adherents. In a very rudimentary and imprecise sense, Durkheim’s theory generally boils down to a fairly simple notion: *society is God*. As I explained in chapter three, Durkheim built his theory from the philosophical ground up by showing how all knowledge is determined by the collective relations of society. Stated differently, our mental categories are socially determined through an ongoing linguistic process whereby we collectively share socially determined delineations of given concepts. The concepts are continually reinforced by collective representations that form the core basis of our thought and action.

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As I argued in chapter five, society takes the category of money and operates with three distinctive and increasingly complicated orders of monetary understanding. Second-order money is the basic category that all people, even little kids, hold of money itself. This is the most basic conceptual level in which money exists (an example being play money). At a third-order construction, money is economically valuable as it becomes the lynchpin that holds together a given monetary and economic network; at this level, money simultaneously interprets and obfuscates our economic relations. An example of this type of money is any recognizable currency currently working in the world today (an example is a Mexican peso for everyone outside Mexico). Fourth-order money is one’s particular third-order money, or, in other words, the designated currency of one’s particular monetary network (US dollar for American citizens).

Money is the interpretive grid by which we intrinsically measure value: what something costs, how much our labor is worth, and how one good or service is compared with another. These price signals form a powerful interpretive mechanism for our daily acting, yet, on another level, money obfuscates social power relations. While the price of a given good or service seems to be objectively determined by the market, my argument has been that money (like known religions) obscures relations of power and privilege by making them seem naturally occurring and unchangeable. Just as religion is a framework through which our whole world is interpreted and made to seem beyond naturalistic control, money (operating religiously) provides us with an interpretation of our economic acting. It determines meaning both as an
interpretive and obscuring framework. But how does money maintain this religious salience in our contemporary world?

Money compels us because it is sacred for us. This is not to say that “for some people money is sacred,” as in, “some people are fixated on money.” My argument is that money is sacred for everyone, for the Wall Street trader who is attuned to every tiny movement of the financial markets to a hermit living in the Alaskan wilderness. In other words, regardless of station in life, money is sacred for everyone, and it is impossible to be a monetary atheist. But, as I explained in chapters four and five, seeing this sacrality requires us to understand sacredness the way Durkheim did. Sacredness has nothing to do with the object itself; it is totally and completely “superadded” to the object due to the collective feeling that it incites in its adherents.

Monetary sacrality is not the only mechanism at work undergirding the religious nature of money; our contemporary banking system also creates a sense of collective effervescence which undergirds the monetary system. Fractional reserve banking makes it possible for money to expand rapidly to create new loans and, thus, to animate society. When coupled with the observation that money is not a “thing,” but rather an entity which is constituted by collective relations, we see that the banking system holds a sort of priestly function within society as bankers act as religious specialists by issuing loans to (presumably) deserving individuals and firms. This action of “coming together” (congregating) via bank lending constitutes a key mechanism within the religious system by recharging the particular religious
salience of the monetary network. Just as rituals and congregating maintain and renew communities of faith, the lending process does the same for the monetary religion. In short, sacrality and effervescence uphold money’s religious nature.

**Implications for Scholars of Religion**

**Not Just a Metaphor**

In the vast majority of published work on the broad subject related to this project, scholars have relied on using religion as merely a metaphor. Implied in these writings is the sense that “money is very important” and is *like* a god or *is like* a sacred religious force. These types of pieces typically argue along the lines that money is (or at least should be) subordinate to the truer religious reality of classically held sacred postulates or the God of monotheism. This project has taken a decisively different approach in that it has used a well-established theory of religion to look at money through a highly focused religious studies lens. I have attempted to show that, instead of a metaphor, money operates religiously in precisely the same ways that organized religions do. This monetary force, like that of classically held religions, is indeed a real force that influences and animates society. Ironically, my project has shown that the intuition of most scholars of religion writing on this topic, as well as a multitude of non-scholars who approach it, is more correct than we might have initially thought. Money is actually religious in a technical sense. Referring to it metaphorically sells short its actual significance in the world.
Money Viewed through Durkheim

A second implication for scholars of religion is this project’s demonstration that Durkheim’s theory of religion continues to be useful, particularly as it applies to the function, rather than historical origins, of religion. Durkheim can explain the complicated mooring of society which revolves around concretized symbols. These symbols are imagined and maintained by a complex set of collective representations that constitute our social reality. As we step back and view money as the socially constructed credit-debt that it is, we see just how well money (as a major social symbol) fits with the Durkheimian notion of religion. This should be of interest to a broad array of scholars of religion as well as a narrower set of sociologists and economists.⁴

The status of universally explanatory theories of religion in the postmodern world is tenuous for good reason. However, a theory like Durkheim’s is worth continued pursuit in part because it simultaneously asserts a unique epistemology that is internally coherent yet reaches beyond our normal epistemic sensibilities. Stated a little differently, Durkheim’s system is social all the way down to its fundamental elemental constructions, and this provides advantages over many other types of theories of religion which fail to build on a thoroughly consistent base for higher-order theoretical inquiry. If we abolish the notion that Durkheim’s theory will

⁴ There is no doubt that Durkheim held a more monolithic view of “society” than we do. But if we move from thinking of his theory as pertaining to “society” (in the way we use the term today) to thinking about it in terms of something like a monetary network (a defined community), the theory takes on renewed explanatory usefulness.
explain the origin of religion and instead assert that it only speaks to the imagination and maintenance of religion, we will find that his theory continues to be of relevance today.

Bi-Religiosity

On the surface, contemporary culture seems to be growing more irreligious. But this project shows that we are as religious today as we have ever been. The supposed rise of the “nones,” those who have no religious affiliation, is actually a result of mislabeling; they are actually “ones.”5 Furthermore, the majority of people living today who do claim a religious tradition are in fact bi-religious, with the tradition that they explicitly think of as their religion being synchronous with their monetary one.

But this argument is not quite nuanced enough, and (as I articulated in chapter two) this is where prior work in religious studies was intuitively correct but methodologically flawed. My argument in this project has been that money operates with a religious nature, which serves to reinforce it as a social contract through the moral compulsion imbued in monetary sacrality and the effervescent impulsion created by the contemporary banking system. In other words, money is held together through the same compulsion that people feel in obeying their god; thought of in this way, money functions religiously more as a god than as the religious tradition itself.

\[footnote{5}{For a summary of “American Nones,” see Barry A. Kosmin et al., American Nones: The Profile of the No Religion Population (Hartford, CT: Institute for the Study of Secularism in Society and Culture, 2009).} \]
This tracks tightly with Durkheim’s sense that the gods need their followers as much as their followers need their gods:

> We now glimpse the profound reason why the gods can no more do without their faithful than the faithful can do without their gods. It is that society, of which the gods are only the symbolic expression, can no more do without individuals than individuals can do without society.”

Similarly, money cannot exist without its faithful, and we cannot exist without money.

In chapter three, I asserted that a religion is a system of collective beliefs and practices, relating to things deemed sacred, which enable the imagination and maintenance of a community. This definition of religion is a close derivative of Durkheim’s, and I think it works quite well in thinking about our contemporary economic existence. The contemporary religious studies guild has often attempted projects to view modern capitalism as being like a religious tradition. What has gone underinvestigated is the more foundational religious nature of money on which the capitalistic system (or the more communistic one of the former Soviet Union) operates. Religion scholars and non-specialists alike have been intuitively correct to assert capitalism (or markets) as being religious, but were missing the more fundamental target. Modern money, with a strong heterodox viewpoint, is the base social phenomenon which deserves careful scholarly attention. Once it is better

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7 A definition is neither true nor false; definitions provide more helpful and less helpful terse descriptions through which to understand our socially constructed categories. I have found this definition to be the most useful description I could develop to understand the thoroughly sociological nature of religion.
delineated, the religious traditions of capitalism or modern markets can be more coherently understood.

**Speculations**

*Improved Economic Models and More Robust Theories of Money?*

There are some additional speculations that this project evokes. Economics often uses simplified models of human acting, and the discipline’s assumptions pertaining to our philosophical anthropology tend to significantly reduce the real complexity of actual human decision making. Stated more simply, economists often operate as if humans consistently function as rational, utilitarian, and self-interested individuals, when, in reality, any sufficiently complex study of human groupings (or human psychology) reveals a much more complex humanity. When one considers that religion has been, and continues to be, the most powerful meaning-making and interpretive force in the world, it seems plausible that it also influences economic acting. This project provides an example (written from the perspective of religious studies) of how a more sophisticated account for human interacting might illuminate complicated economic elements such as money.

An additional point of relevancy for economics relates to alternative theories of money. Economics has prioritized the view that money is primarily a means-of-exchange born out of (the myth of) barter. As I articulated in chapter four, there are many economists (and sociologists) who currently support heterodox views of money, and this project could serve to further encourage these alternative views by working to explain more deeply the implicit social contract that undergirds money.
This is important because money has not received enough widespread attention in economics, and, even today, many professional economists continue to treat money as a neutral entity, thinking that it has little impact of its own on modern economies. This is highly ironic, given that many monetary practitioners (bankers, financial traders, investors, etc.) clearly understand that money plays a critical role in the animation of markets.\(^8\) At the minimum, a well-articulated heterodox theory of money will provide a usefully distinct way to view economic relations that may stimulate innovation in other subfields within the broader discipline of economics.

*Currency Saliency and an Improved Money Multiplier?*

For central bankers, this project may serve as a helpful example of thinking about the complexity of the social relationality undergirding money. For instance, if we think of a currency crisis as a failure of a particular denomination of the monetary religion, it is coherent to consider what tangible actions could be taken to boost the religious saliency of the currency unit. Following Durkheim’s sense of effervescence, this would obviously imply attempting to expand bank lending but may also take on implications for facilitating people ramping up their monetary spending.

If one were attempting to provide stimulus to a failing economy, it would make more sense to issue some special form of money or credit that had to be spent

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\(^8\) To substantiate this point, one needs only to view the radical effect that monetary policy has on financial markets. One of the single greatest influencers on the prices of stocks, bonds, and other financial assets is the projected trajectory of central bank interest rates and other types of interventions by the central monetary authority. See Charles D. Kirkpatrick and Julie R. Dahlquist, *Technical Analysis: The Complete Resource for Financial Market Technicians* (Upper Saddle River, NJ: FT Press Financial Times, 2007), 180-87.
in a constrained time frame. Instead, blanket checks from the government (or simple immediate tax breaks) are often issued, which does little to stimulate economic acting, since they often are used to pay down debt or (in the case of a weakening currency) flow out of the currency network altogether. Time sensitive money would stimulate spending and induce the type of collective effervescence that contributes to the saliency of the particular currency unit. The application of *Elementary Forms*, and further research in religious studies itself, may yield useful new insights for monetary authorities in quelling some currency failures.

There is also significant possibility for rethinking some of the micro components of the *money multiplier* used in monetary policy. The multiplier is the

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9 A good example is the “stamped money” system proposed by Silvio Gesell (1862-1930) and highlighted by Keynes in *The General Theory*. In this system, money would require stamps purchased by the holder of a particular reserve note for use in a specific time frame. This incentivizes users to spend rather than hold money but, as Keynes explains, also creates its own set of challenges. The point here is that further research related to monetary effervescence could improve ideas like Gesell’s. See John Maynard Keynes, *The General Theory of Employment, Interest, and Money*. 1st Harvest/HBJ ed. San Diego: Harcourt, Brace, Jovanovich, 1964, 353-8.

10 For this particular point, I have in mind smaller currency networks rather than massive ones like the US dollar or euro. That said, consider, as an example, the Bush Administration’s $600 tax rebate in 2001, which was clearly not the most effective way to stimulate the economy or create effervescence. If the Administration wanted to simply rebate taxes, then why not just provide the credit on the following year’s tax filings, saving the expense of cutting and mailing millions of checks (although the better explanation for the rebate was as a political tool rather than an actual stimulus)? Now imagine the power of spending the same amount of money but providing it via a mechanism that required it to be spent in a given time frame. While some people would substitute things they would have purchased otherwise, the money spent in this situation is far more likely to actually impact an economy in the near term. Furthermore, this strategy could be used locally, within a larger currency network, if the target of the stimulus and effervescence was a struggling sector or geographic area.

11 I am aware that many economists and bankers may find this comment naïve, but I think economics on the whole (and central banking, in particular) could much improve economic functioning by attempting to diversify the array of tools at their disposal designed to boost social confidence in a currency. While a currency cannot be disconnected (at least for a long period of time) from the fundamental economic realities that determine the health of an economy, currencies also thrive or die based on the psychological confidence of their users. More research and pragmatic experimentation are warranted toward this end.
term developed in monetary economics which mathematically describes the fractional reserve banking process. Fully expanded, the multiplier takes into account both excess reserves that banks and the public hold. As it relates to the public, there are potentially endless variables related to why people (within a defined currency network) may choose to retain, or rid themselves, of excess cash. Further research related to monetary sacrality could prove to be a valuable tool for understanding the complex sociological relationship between people and their designated money.

Global Public Religion?

The status of classic religious traditions has changed in the modern world. In medieval Europe, it is clear that the Latin Church of Western Europe generally controlled all spheres of life for people of the era. The religious affiliation of the vast majority of people was mediated by the Church, which served as the link between “this world” (which was further distinguished as having “religious” and “secular” spheres) and the “other world” (heaven/hell). The Church was the hub of all activity, and it was within the social imaginary of European Christianity that all other subordinate spheres existed. In this era, arenas like politics, commerce, education, and other collective elements of life existed “within” this larger Church sphere..

With the development of the modern world (beginning in the sixteenth century), social organization began to change, and the religious sphere was displaced

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12 José Casanova describes “secularization” as a concept that refers to “the actual historical process whereby (the) dualist system within ‘this world’ and the sacramental structures of mediation between this world and the other world progressively break down until the entire medieval system of classification disappears, to be replaced by new systems of spatial structuration of the spheres.” José Casanova, Public Religions in the Modern World (Chicago: University of Chicago Press, 1994), 15.
by a more complicated social reality where the religious and secular spheres were, to use José Casanova’s term, “differentiated.” This is the world that is familiar to us today as modern people. Now religion is but one category among many others like politics, commerce, education, etc., and this is the general framework that we hold for life today.

In order to grasp the religious nature of money, we need to think along the lines of the more medieval example because our adherence to money is not a religious choice in the way that being a Christian, Hindu, or Muslim is a choice today. Instead, much like medieval Europe, we are religiously engaged with money, and this is not volitional on an individual level. This is a critical distinction, for I am not claiming that money, as a religious entity, is one of many possible religious options which a person could make, but rather that it is likely that money makes up a significant portion of the bubble that we live within. In medieval Europe it was (Latin) Christianity; today it is money. As I argued in chapters four and five, it is impossible to escape money because the passage to modernity has thoroughly entrenched it as our primary mechanism for the working out of our complicated social relationality.

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13 Ibid., 18-19.
Epilogue

This project has sought to illuminate the religious nature of money by looking at money through the lens of religious studies. Money’s religious quality begs the question, “Is money the God of our age?”14 Could it be that, in the distant future, people will look back at our contemporary period and see money as being the dominant religious framework of the entire world? If this assertion rings true, then “money as God” is an accurate articulation of our fundamental reality. Ultimately, not much has religiously changed over the past several hundred years: we are similar to our premodern ancestors who lived in thoroughly religious bubbles of which they were not fully aware.

In the end, if we are to be nuanced and careful about our application of Elementary Forms, money as God is not exactly what it may seem. Remember that, for Durkheim, religion is the primary way in which people interpret and understand the reality in which they find themselves. Since we are completely constituted by our social relations (society), our God can never be anything other than our collective grouping; this is what is meant by “society being God” for Durkheim. So we return to where we started: modern money is the way in which our society (or, more precisely, our monetary network) maintains and continually re-imagines itself through a complicated set of beliefs and actions best understood within a religious framework.

14 I use “God” here instead of “god” or “sacred postulate” because, by virtue of living in the western world, my readers will be primarily associated with (or at least most familiar with) monotheistic traditions.
I have made the case that we cannot escape the religious nature of money; with this in mind, what are the ramifications for us today? First, we should not live our lives ignorant of the complex monetary reality that undergirds our daily existence. Money facilitates our exchange of goods and services, provides us with a way to store economic value, and delineates our monetary network. This functional description of money only scratches the surface of the more complex human meaning-making (religious) system which upholds this social technology. Second, we should recognize that we operate religiously in ways in which we are not fully aware. As moneyed humans, we benefit from, and contribute to, money’s sacrality and effervescence; these elements maintain the saliency of the monetary religion. Finally, we should see the discipline of religious studies as being far more significant to contemporary life than it is often perceived to be. This project shows that even in the (seemingly) most secular arenas, people continue to be thoroughly religious. We need more scholarship devoted to providing descriptive insight into elements of our complex humanity that are not clearly understood: through interdisciplinary lenses, we place ourselves in a better position to clarify what is obfuscated within society’s structures.
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