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Confidence in Crisis

A crisis is a critical point of decision. It is a moment of truth. It is a precipice where a tragic fall could happen or where a graceful and nimble move could bring the situation back from the edge to a place of safety. What makes the difference? Today, we face an economic crisis brought about by a crisis of confidence in the world financial markets. Overvalued houses lost value, the housing bubble burst. At the same time, banks gave complicated and sometimes deceptive loans to people who could not afford them, then sold the loans to investment banks that repackaged them and sold them again on the world financial markets. People could not repay the loans; housing values declined meaning they owed more than the house was worth. Investment banks lost the bet they had made on these transactions, thus losing money. Standing on the precipice of failure, they looked for someone willing to invest money. The United States treasury stepped forward in several cases. At least one investment bank failed, causing a crisis. Commercial banks bought investment banks. But the crisis of confidence in the system had begun. The U.S. government stepped in again and passed a law to infuse capital into the credit markets so that credit would not freeze. European countries bought stock in several banks in their own countries and called major world leaders together to think through the crisis.

Meanwhile, nervous stock markets are on a roller coaster ride. Billions of dollars of value is lost. People are looking on in fear as their 401K retirement investments lose value, their houses lose value, unemployment rises, and their financial futures look more and more uncertain. Economic experts say that the nation and the world are in an economic recession as serious as any since the Great Depression. And no one knows how deep and how long it will last. How can we maintain our personal peace in the midst of this crisis? How can we keep from falling from the economic precipice?

Just peace theory understands that personal peace, our own peace of mind, is the first step to peace in the world. Economic hard times breed uncertainty. Uncertainty breeds fear. Fear breeds violence. How do we live with economic uncertainty, maintain our grace and balance, and turn from the precipice? How do we, where do we find confidence in this crisis? I say we ought to place our confidence in Divine Love and in each other; we ought to create microeconomic solutions.

Confidence is at once ubiquitous and fragile. Once it is broken, it is difficult to restore, yet life would be impossible without confidence, without trust. We wake up in the morning and do our work trusting that we will be paid. The money will be in our accounts when it is supposed to be there. When we shop with our credit cards, or take out a car loan or mortgage, lenders have faith that we will pay at least the minimum payments by the due date. We purchase goods and services based upon a certain value not always thinking about whether or how the value of this or that will change from day to day. When we invest in the stock market, we have faith that the value of our investments will rise and when they do not, we lose faith. The question now becomes: in what did we place our faith? Upon what knowledge did we base our faith?

Financier George Soros argues that when we consider how we understand the world that we consider the principle of reflexivity and radical fallibility.ⁱ First reflexivity. In Soros' theory of reflexivity, we can never understand the world in its entirety because we are part of the world. Understanding the world works through both a cognitive function – our will to understand—and a manipulative function—our will to change the world. These two functions often become entangled in ways that lead to mis/understanding. “Reflexive situations are characterized by a lack of correspondence between the participants' views and the actual state of affairs” (5). Thus, there is always “an element of uncertainty or indeterminacy” in both the cognitive and the manipulative function of understanding.

We decide based on our interpretation of reality. We act. Our actions then change the situation.

Radical fallibility. Knowledge is always imperfect, and imperfect knowledge begets fallibility. We compensate for imperfect knowledge in several ways: “generalizations, similes, metaphors, habits, rituals, and other routines” (26). Our reason and emotions become intertwined, inseparable, thus” we are bound to be wrong “(47). This is radical fallibility.

Reflexivity opens the door to indeterminacy thus causing situations to be unpredictable. Soros turns to the thought of philosopher Karl Popper to think about ways to verify the truth of one's thinking. According to Soros, Popper says that scientific claims cannot be proved, only disproved, and "the more severe the testing, the greater the value of the generalization that survives it" (37). Yet, reflexivity, fallibility and indeterminacy notwithstanding, it is still important to try to know the truth. It is important to know these concepts because they help us to resist manipulation by people who want to gain and to maintain power. Further, the pursuit of truth is necessary to an open society and an open society is necessary to the pursuit of truth. Recognizing our own limitations, in an open society it is important to hear many voices, knowing that each speaks from both cognitive and manipulative functions. Remember reflexivity. Remember radical fallibility. This indeterminacy and uncertainty opens the space for religious faith.

Religion is dangerous. Blind faith in doctrines handed down by this or that religious tradition can be dangerous, especially when it separates us from Others, when it causes us to see ourselves as particularly blessed by God and the Other not. Religion is dangerous when it teaches us that the evidence of our right relationship with God is the size of our bank account or our house or our car or our salary. Religion is dangerous when it turns God into Santa Claus who exists only to give us what we want.

However, there is another aspect of religious faith that gives us confidence in crisis. It tells us that in the midst of partial knowledge, of reflexive knowledge, of radical fallibility there is one thing of which we can be certain, and that is that there is a higher power and purpose operating in what seems to us chaos and meaninglessness. Religious faith reminds us that we are not alone. We are connected to each other and to creation. Faith is its own evidence. It is a transrational logic that proves itself. The proof is found in our peace. Religious faith helps us to move from the uncertainty of a crisis of confidence to confidence in crisis. This happens when religion reminds us of our obligations to each other.

Most religious traditions require generosity and charity. They require that we give tithes, charity or alms to the poor, that we give some portion of what we earn to make certain that others less fortunate can have what they need. They require that we do not loan money to earn money. I say that this current economic crisis ought to cause us to take another look at the economic relationships that radical love, the human manifestation of Divine Love demands. And we can do this on a local, community, faith community, micro level. This does not require Congress to pass any laws, but it does require trust. It requires new levels of trust in each other and responsibility to each other. It requires flexibility and grace. This, in my opinion, is the primary challenge of this moment.

ⁱ George Soros, The New Paradigm for Financial Markets: the Credit Crisis of 2008 and What It Means, (New York: Public Affairs Perseus Book Group, 2008).