

# Capitalism - is greed its creed?

*As T-shirts and baseball caps declaring 'capitalism promotes greed' proliferate, so do arguments defending capitalism on the basis of its appeal to greed. Against this background, **Peter Heslam** seeks to provide some perspective informed by scripture, history and Transforming Business' research.*

New York is famous for many things. Above all it is renowned for being, over many generations, a beacon of *virtue*. It has offered hope and freedom to disadvantaged people from all over the world. That association is still very real and is part of what makes it a great city.

But in recent decades New York has also been associated, along with other financial centres such as London, with *vice* - principally with greed. This is largely due to a media

fixation on wealth. It is generally easier to identify greed in terms of money than with other things human beings grasp after, such as a successful career, public recognition, or academic esteem.

One such media portrayal contains these words: 'Greed...is good. Greed is right. Greed works.' The speaker is Gordon Gekko, played by Michael Douglas, in the 1987 film *Wall Street*. In his portrayal of Gekko as a wealthy but ruthless corporate raider, producer Oliver Stone hoped his film

would serve as a warning against the greed and excess of the 1980s.

Ironically, however, it had the opposite effect, perhaps because of Douglas' brilliant portrayal of Gekko's oozing machismo, charm and wit. Ambitious young workers began taking Gekko as an inspirational role model for a career in financial markets. A steady stream of them have approached Douglas to let him know that their decision to enter that world was triggered by his role in this film.



Gordon Gekko

This outcome suggests that, while perhaps less powerful than positive role models, negative ones clearly have pulling power, even when they are fictitious. But in the biblical accounts of Jesus Christ lies a role model that has powerfully influenced economic behaviour for centuries, and – our research demonstrates – still does so today.

Those accounts suggest that Jesus had little money and few possessions but that the right handling of wealth featured more in his teaching than any other moral issue. They also reveal a character in sharp contrast to Gekko. Indeed, Jesus appears to regard greed not as a good but as a god. In his famous phrase 'You cannot serve God and money' (Mt 6.24), for instance, he uses the term 'Mammon' to personify and deify greed.

This saying resonates with a claim found in the Epistles that 'greed is idolatry' (Col 3.5; Eph 5.5). Here, with a few strokes of the pen, the New Testament highlights the universal relevance of Judaism's Second Commandment, which prohibits idolatry (Ex 20.4). This is because, however many people may confess to being guilty of idolatry, far more are likely to admit they have been guilty of greed.

Does all this imply that capitalism's proponents and opponents are both right when they agree with Gekko that this system is based on greed? While this short article cannot suggest any answers, it can provide some perspective, as the question long predates Gekko.

In his 1714 book *The Fable of the Bees*, the Dutch philosopher

Bernhard de Mandeville sought to show that, although the actions of human beings are ruled by vice, those same actions serve the public good. His analogy was bees in a hive – their behaviour, though vicious, produced a thriving community rich in honey.

This kind of argument is normally associated with the Scottish philosopher Adam Smith, who famously wrote in *The Wealth of Nations* of 1776 that 'it is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest'. Nevertheless, the Scot took issue with the Dutchman, insisting that greed remained a vice, even though human beings are inevitably self-interested.

The widespread association of Adam Smith with the 'greed is good' hypothesis is largely the legacy of the Russian-born writer Ayn Rand. Her belief that capitalism is based on radical individualism inspired not her aversion to capitalism but her endorsement of it, as reflected in the title of her book *The Virtue of Selfishness* of 1964. Her hostility to the socialism that had brought such misery to her mother country drove her to portray and embrace a Gekko-like caricature of capitalism. 'Capitalism and altruism are incompatible', she wrote, 'they cannot exist in the same man or in the same society'.



Whatever we make of such views, it may be worth bearing in mind that markets, when based on free exchange, are inevitably social, supported as they are by relationships, communities, contracts, and virtues such as trust. They flourish only when those who

operate within them seek to serve others by meeting their needs and desires. Successful entrepreneurs, our research suggests, tend to be good at such service.

Moreover, what distinguishes capitalism cannot be greed, as this is a vice open to all comers, not just capitalists. As alluded to earlier, it is the genius of scripture that it universalises the

flawed nature (as well as the ultimate dignity), of the human person. It regards greed not merely as an *economic* matter but as a *religious* matter because it sets up within the human heart a rival against the God in whose image all human beings are made.

This helps explain why the Bible is unequivocal about the ubiquity and moral depravity of greed and its destructive impact on the relationships human beings have with each other and with God. We also learn from its teachings that God is the true owner of all material things; that greed arises from a miscalculation of the value of money; that material self-indulgence can encourage a lack of gratitude and generosity; that the allure of wealth is a threat to true religion; and that abundance and justice will eventually come to the oppressed.

All this suggests that greed is not good, it is not right, and it does not work, and that all activity based on it should take heed.  

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**Dr Peter Heslam** is Director of Transforming Business, University of Cambridge, and of the Entrepreneurial Leadership Initiative, University of Oxford (psh20@cam.ac.uk).