

False Profits: A Jewish Response to Our Financial Crisis

“An Era of Responsibility”

By Rabbi David Hoffman

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These are historic times. Never in recent memory have so many of us felt our emotions pulled in such different directions. On the one hand, these are days of profound anxiety and fear. The economic problems that began with an implosion of the housing bubble have spread. The banking system has all but collapsed; credit is frozen. People can't begin to think about buying homes or financing new businesses. So much wealth has been destroyed; so many retirements must now be postponed for the foreseeable future, as we watch our 401k's being cut almost in half. People, in both the profit and not-for-profit parts of the economy, fear for their jobs. Forecasters have begun to whisper concerns of double-digit unemployment.

The loss of Lehman Brothers created shock not only because of the loss of thousands of jobs., but because the collapse heralded in the unwanted reality that these were new times with new rules. Trust and faith in the free-market system had been shattered. How could there be so much greed and so many irresponsible business practices? What happened to the notion of personal accountability? Where were the boards of directors of these companies that were supposed to manage and oversee risk? Where were the governmental agencies that were supposed to protect us? Bernie Madoff and his kind represent the most pernicious consequences of an unchecked free-market system, characterized by greed and wildly inappropriate expectations of financial returns.

A Time of Hope for the Future

Yet with all of this like no other moment in my lifetime I have great hope in the future and I believe these feelings are shared by many Americans. This hope is more than the sentiment that, in relation to the present, tomorrow will have to be better. Something special is occurring on our national stage. Irrespective of partisan commitments, I believe there is a sense of pride that our country

elected a Black man to the highest office of government in our nation. The civil rights struggles of the 60s birthed real (however incomplete) progress. It was America and our democracy, not Britain or France or Germany, that elected a man of color to the highest office in the land. After the last couple of months “Yes, we can” has real meaning, for all Americans, Black and White, Republican and Democrat.

While Capitalism is surely not dead, the foundational language of the free market and the civic society it has produced must change. After the collapse of Fannie Mae and the widespread abuse of sub prime lending and

אמר ר' חנינא: גדול
המצווה ועושה יותר
משאינו מצווה ועושה.

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Talmud, Avodah Zarah 3b

borrowing, can we really speak about free markets in the same way? The right to “life, liberty, and the pursuit of happiness” that our Declaration of Independence extends to all Americans has been misconstrued and misused to create a culture of greed and entitlements.

Would most Americans accept the notion that “maximizing freedom” should be at the center of our national agenda at this moment in our history?

The Relevant Voice of Jewish Tradition

If we are to take our Judaism seriously, we must expect and demand that our tradition respond to some of the greatest challenges in generations. In response to these economic and social crises, what might Judaism have to say to us?

Back in the 1980's, as Wall Street began to usher in such prosperity and affluence, Robert Cover, a legal theorist at Yale Law School reflected upon the American civic experience. Cover noted that one of the central ways we as Americans conceptualize our relationship to our government and to one another is by means of the language of “rights.” The language of rights helps construct our identity as Americans.

As our Declaration of Independence tells us, the foundational unit of society is the individual, who is born with “inalienable rights.” God grants us these rights and it is the role of government to secure and provide for these rights. If ever the government no longer allows

for the realization of our natural and inalienable rights, it is “the right of the people” to alter or abolish this government. From our youth, we are taught to understand our relationship to others in these terms; consequently, this language permeates our public discourse. For example “civil rights,” “the right to freedom of expression,” “workers rights,” and “the Right to Life movement,” etc.

While not denying the importance and this gift of the American experience, Cover argues that the language of rights is insufficient to provide for the dignity and material well-being of people in our society.

Rights and Responsibilities

Interestingly, while a notion of rights is central to the American experience, we have no parallel to this word in all of biblical and rabbinic literature. In Judaism, as Cover indicates, the central word for our way of conceptualizing a relationship with God and community is *mitzvah*, obligation or commandment, an idea that moves the focus away from the individual and constitutes the most basic building block of Judaism.

Indeed, the rabbis teach us a seemingly deeply counter intuitive idea: “One who is obligated and does is greater than one who is not obligated and does.” One would think that performing an act out of a sense of one’s own commitment for what is right would be more admirable than doing something out of a sense of obligation. But there is more to this story.

When the Conservative Movement wanted to ordain women rabbis and create more fully egalitarian communities in order to make women “equal” with their male colleagues, our legal scholars reversed the historical exemptions women had for certain categories of *mitzvot*. Moving forward, women would be obligated for all the categories of *mitzvot* from which they historically had been exempt. In Conservative Judaism, the means to women’s ordination was not made through the language of “equal rights.” We made the argument for women rabbis by granting equal obligations.

Our language of relating to community is one of *mitzvah*, obligation, commitment, and responsibility. This is the most fundamental lens through which we constitute the human experience. So when we consider the question

What it is that Judaism may offer our world at this critical moment, it seems to me it is the language of *mitzvah*, the language of responsibility and relationship. Placing questions regarding personal and communal *responsibilities* at the center of our national consciousness seems to me to constitute a paradigm shift for a culture preoccupied with the language of individual rights which has recently degenerated into a language of individual entitlements.

The language of free markets and the language of individual rights have proven insufficient in order to provide for human dignity and the creation of holy communities. Our national discourse needs to change. We need to facilitate conversations around such questions as:

1. How do we maximize the individual’s freedom while also creating a sense of community and a just and equitable society?
2. What is the right balance between self-interest and social responsibility?
3. How can we cultivate a sense of social responsibility and generate an economic revival?

But here again there is reason to hope. If the millions of Americans who gathered to watch the peaceful transfer of power from one administration to the next are any indication, we are ready to transform our national conversations. President Obama in his inaugural address called for a “new era of responsibility.” I believe many Americans of every color, sexual orientation, and political inclination are eager to engage the hard questions and reintroduce the language of *mitzvah* into our national discourse.

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Presently, Rabbi Hoffman is completing his PhD in Talmud, writing on notions of honor in rabbinic literature. His research also explores the development of early Rabbinic Judaism. Rabbi Hoffman was recently appointed to serve on the Committee on Jewish Law and Standards of the Rabbinical Assembly. He can be reached at dahoffman@jtsa.edu.

“How Much Is Enough?”

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How much is enough? A famous mishnah (*Pirke Avot* 4:1) tells us that the rich person is one who is *sameach b'helko* happy with his portion. This suggests that whatever one has, whatever one's proper portion is, should suffice. Indeed, one should consider oneself to be rich. The acceptance of one's portion, which is to say the abandonment of the restless striving to augment it, leads to happiness. The mishnah strikes a stoic pose here. What one has is all one needs. The quest for wealth is debilitating. Contentment with a tolerable status quo is enough.

Rabbinic Wisdom

This deflationary assessment of wealth accords with other insights of rabbinic wisdom. It is, however, strikingly out of accord with the conventional wisdom of our contemporary capitalist society. As for the Rabbis, they do not condemn wealth in an ascetic manner but neither do they accept it as an end in itself. Wealth has value only insofar as one can put it toward holy purposes, hence the enduring Jewish

commitment to both well-being and tzedakah. The Jews have always prized personal wealth in the service of communal welfare. But the compulsive acquisition of wealth divorced from such proper ends is malignant. Hillel taught “the more possessions, the more worry, the more servants, the more thievery” (*Pirke Avot* 2:8). Hillel is not saying, in a monkish way, that possessions or servants per se are bad, but that the indefinite pursuit of such goods is injurious. The moral assessment of wealth *as a means* must not be ripped out of a context of ultimate ends.

Jewish thought as a whole strove both to validate economic life and to constrain its reach. It envisioned the human person as more than the etiolated “utility maximizer” of contemporary economics. Nobel Prize recipient Amartya Sen's work on restoring ethical balance to economic analysis would have made

sense, *mutatis mutandis*, to the Rabbis. The rabbinic development of Shabbat—a day without economic activity of any form—for example, drew a bright line around the legitimate range of *homo oeconomicus*. The punctuation of the work day with prayer, as well as the requirement to set aside regular time for Torah study, without the excuse of being too busy with commercial entanglements, subordinated economic activity to higher order concerns. And yet, insisting on balance, the Rabbis taught that there is no Torah without bread (*kemach*)—one cannot flourish as a scholar on an empty stomach (*Pirke Avot* 3:21). Moreover, when one becomes indigent, his support from the communal welfare chest must sustain him at

איזהו עשיר השמח בחלקו. שנאמר (תהלים קכח). יגיע כפיך כי תאכל אשריך וטוב לך.

his former pre-poverty level (Deut. 15:8, as understood by rabbinic sources). What is enough is scaled to the socio-economic status of the person in need.

Ben Zoma said: “Who is rich, the one who rejoices in his lot, as it is said (Ps. 78:2) When you eat of the labor of your hands, you will be happy and all will be well.”

Mishnah, Avot 4:1

What is Enough?

“Enough” does not mean the minimum, but what is requisite. To determine what is requisite requires a morally sober sense of limits.

The linkage of acquisitiveness with the rise and decline of social orders is a well

rehearsed theme in the history of political economy. One finds the story in classics such as Daniel Bell's, *The Cultural Contradictions of Capitalism* or Thomas Mann's great novel, *Buddenbrooks: The Decline of a Family*. The story is relevant to our current economic and moral circumstances. It is a story not just of greed but of the rise and decline of virtue. Initially, hard work, drive, ambition, and luck fuel economic dynamism and growth. The hope for private gain, aggregated to become the animating spirit of a public culture, leads, by way of Adam Smith's invisible hand, to a gain in the common good. A dynamic capitalist economy generates wealth for all, which, even if it is unevenly distributed, raises the level of almost everyone. But as affluence begins to prevail, so too does a loss of virtue. The capitalist project got off the ground not just due to an ancient lust for gold, but through the

marshalling of distinctively modern bourgeois virtues. Describing the virtues requisite to early capitalism, the German economist Wilhelm Röpke writes:

Self-discipline, a sense of justice, honesty, fairness, chivalry, moderation, public spirit, respect for human dignity, firm ethical norms—all of these are things which people must possess before they go to market and compete with each other. These are the indispensable supports which preserve both market and competition from degeneration.

Learning to Say Enough

In Thomas Mann's novel, the ancestors of the Buddenbrooks family, north German capitalists, work hard, invest prudently, save diligently, and reproduce their values in the next generation. With increasing affluence, however, the old virtues of self-discipline and delayed gratification give way. Enjoying their affluence, the Buddenbrooks give up on delayed gratification and self-restraint. What does them in is not vice as such, but the abandonment of the bourgeois virtues for other enthusiasms. We are no different. Our problem is not that we became greedy but that we lost our hold on the old virtues. Affluence inspires the illusion that these virtues are irrelevant or mistaken. Self-discipline and moderation, for example, virtues that are firmly ensconced in the rabbinic sayings noted above, are early casualties. A great deal of our current economy (about two thirds of GDP is comprised by personal consumption expenditures) depends on retail spending, often for things that we don't really need and at a level of compulsive purchasing that we cannot afford. We have dropped any pretense of being *sameach b'helko*, persuaded as we are that continued affluence requires ever greater consumption. We are unable to say "enough." Enough is for losers.

Without the ability to learn to say enough we are lost, both as individuals and as a society. We must decide, again in both a personal way and as a nation, what degree of gain or growth is sustainable. We need to rescale our values and liberate ourselves from pegging our worth to our wealth. Above all, we must discover sources of moral wisdom in our tradition that

reconcile us to hardship, financial and otherwise. The affluent society bewitches us into believing that suffering is always anomalous or temporary, rather than a permanent feature of the human condition that fortitude and dignity require us to accept and, as we can, relieve. Creating an "ethics of enough" is an important desideratum for contemporary Jewish religious and moral thought. God, a midrash tells us, probing the meaning of the divine name Shaddai, created the world through saying to the watery chaos, "Enough! (*Da!*)" Creation, which we are charged to protect, is about limits. So too is human moral and spiritual well-being.

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