Covid-19 is exposing market fundamentalism’s many moral and practical flaws
The philosophy plaguing the Trump administration’s pandemic response

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In a time of global pandemic and national crisis, market fundamentalism — the unshakable faith that pure capitalism, private enterprise and market forces have almost spiritual power to remedy any situation — represents a grave threat to our nation.

The term “fundamentalism” gained prominence in the United States to describe reactionary religious groups in the late 19th and early 20th centuries, during a period of rapid cultural and technological change. Since then, it has been applied to a variety of religious and ideologically driven movements. The term has come to connote intractability, resistance to progress, unreasonable or blind-faith commitment and sectarian or even anti-social behavior.

Like religious variants, market fundamentalism exhibits a rigid commitment to a basic set of principles, in this case, economic ones that resist social scientific evidence to the contrary. Its dogmas are not permitted to evolve despite new historical situations. Its adherents eschew reasonable dialogue and debate, call for unswerving devotion to the belief system, and ask for the highest sacrifices to defend their version of the truth.
Ultimately, like many religious fundamentalists, the market kind is dangerous, at this moment more than ever.

Despite its broad and varied usage, “fundamentalism” has a particular genealogy. Between 1910 and 1916, a group of theologically and socially conservative American Christians published a series of pamphlets entitled “The Fundamentals” to express their core beliefs. They were particularly concerned about recent scientific advances, newly popularized evolutionary theories and historical interpretations of the Bible that appeared to challenge its inerrancy.

They dug their heels in on a literal interpretation of scripture. They resisted the input of scientific discoveries and viewpoints that undermined what they deemed a “biblical” worldview. Southern Baptist pastor Curtis Lee Laws invoked the term positively in 1922 to define what he considered “traditional” Christian beliefs pitted against “progressive” or “modernist” heresies.
The term became a derisive marker for unreasonable resistance to progress thanks to the 1925 Scopes trial. Tennessee biology teacher J.T. Scopes landed in court for teaching evolutionary theory that threatened creationist doctrines. Although the conservative plaintiffs won, the verdict generated scorn and deepened a growing cultural divide that remains to this day.

While fundamentalism continued to mark a strand of conservative Christianity, it was extended to other religious and political groups in the second half of the 20th century.

Although it remains unclear who coined it, “market fundamentalism” surfaced at least as early as 1991 in an editorial in Anthropology Today by Jonathan Benthall, describing it as “perhaps the most widely shared secular belief in the world today.” A number of economists, sociologists and social observers invoked the term at the end of the 20th century.

But if the term emerged in the 1990s, it characterized a movement much older. The roots of market fundamentalism lay in resistance to the growth of government social assistance programs beginning with the New Deal in the 1930s. Thanks to the popularity of President Franklin D. Roosevelt’s programs, the movement remained at the fringes for decades.

But these views gained new adherents, especially Republicans, in the 1970s during a significant global economic downturn that government policies appeared powerless to stop.
Market fundamentalism decisively entered the mainstream in the 1980s during Ronald Reagan’s presidency. Reagan’s economic policy advisers and associated pundits distilled complex economic debates into a lean and simplistic set of principles. They advocated, among other things, the centrality of markets, the belief that such markets self-regulate, the reduction of government assistance programs, and the beauties of individualistic enterprise and bootstrap entrepreneurship.

Despite the non-interventionist guise, market fundamentalism actually used government power to ensure specific market ends, such as setting preferential corporate and capital gains tax rates, revising bankruptcy law to grant even more favor to creditors and reducing enforcement of antitrust legislation, allowing consolidation of corporate power.

Market fundamentalism also shaped business philosophy and corporate prioritization of profits and shareholder value over long-term and social goods.

While economic science has moved on, calling into question many of the principles touted as truth by its adherents, market fundamentalism remained firmly rooted in political centers of power and among the business elite.
As the 1990s and 2000s saw an expansion in global trade and interconnection, market fundamentalism shaped treaties such as NAFTA that favored multinational corporations and eroded states’ abilities to regulate. The effects of such fundamentalism reared their head in 2007 and 2008, during a financial crisis felt worldwide that was fueled in part by faith in market self-regulation. Moves by market fundamentalists over three decades to cut the social safety net and public support compounded the damage.

While Washington’s commitment to market fundamentalism has ebbed and flowed, President Trump has resurrected it, perhaps unsurprisingly since his business sense was formed in the 1980s during market fundamentalism’s heyday. Politically, this philosophy has fueled his prioritization of the corporate elite. Many of the men who helped bring market fundamentalism to government in the 1980s, including Stephen Moore, Art Laffer and Larry Kudlow, play key roles in shaping Trump’s economic policy.

It is no coincidence that market fundamentalism and Christian fundamentalism have seamlessly fit together in Trump’s coalition. While differences remain, there are striking similarities in rhetorical style, dogmatic rigidity and fervent devotion — a byproduct of the intermingling of fundamentalist Christians with groups espousing doctrinaire faith in capitalism, from Christian businessmen’s associations of the 1950s that gather to this day, to Prosperity Gospel pastors including Paula White who prayed at Trump’s inauguration, to conservative think tanks openly fusing the gospel of Jesus Christ with the gospel of free markets. Bound by at least a theoretical commitment to less government, both groups have been courted and mobilized by the political right — including Trump.
Given this market fundamentalist background, we should not be surprised to see that the Trump administration has preferred to rely on private business and market mechanisms to address the coronavirus pandemic.

This includes directing states to purchase masks on the open market rather than providing supplies in the form of aid, not to mention then outbidding states and inhibiting their ability to procure masks. We also see it in the administration’s reticence to invoke the Defense Production Act (though it finally did so to compel production of ventilators) to ensure manufacturing of critical medical supplies, hoping instead that market forces and the profit motive will incentivize private enterprises to produce these urgently needed goods.

Market fundamentalism also drives the increasing calls on the right to prioritize the economy over the lives of the vulnerable. Conservative pundit Glenn Beck called for sacrificing the elderly, remarkably equating the country itself with the nation’s economy rather than with its people. Trump also traveled down this path, commenting that an economic slowdown may be more dangerous than virus deaths, before backtracking.

But Trump must ignore market fundamentalists and understand that such ideas are groundless and destructive. As noted by a bipartisan group of distinguished economists: “Saving lives and saving the economy are not in conflict.”
Instead, Trump must recall that the clear mandate of the state is to care for all its citizens. That demands getting money into the hands of regular people and medical supplies into the hands of state and local agencies that are actually on the front lines fighting this epidemic. The government must act to preserve the public good, which includes but vastly surpasses propping up the economy.

Trump must eschew blind faith in principles like “market forces” or the vain hope that private enterprise will benefit the common good simply through business-as-usual profit-seeking and instead direct the government of the people, by the people, to serve as its caretaker and defender in our hour of great need.