

Trust and Capitalism



There are always certain things that we trust in, for everyone puts their trust in something. And the thing we put our trust in determines whether we will be disappointed or not. As long as we place our confidence in people, we are sure to be disappointed. Only God is capable of keeping our trust from being disappointed.

“It is better to trust in the Lord than to put confidence in man.”

Psalm 118:8.

Nothing works without trust

Our capitalist system works on the basis of trust. This is evident even in our private transactions. When paying a deposit or bond for an apartment or a hired car, I have to trust that I will get the money back that I have paid out. And if I pay for a product by installments, the retailer has confidence that he will receive the full sum in the time agreed. If I save my money in a bank, I trust that the bank will not crash, or that in an emergency I would not lose my money because I expect another financial institution or the central bank to step in.





Trust and Capitalism

Although there are plenty of safeguards and safety mechanisms which are designed to ensure that contracts will be kept, yet, despite all these regulations, behind them there is always a certain amount of trust involved.

But then we are disappointed. Circumstances or fraudulent machinations destroy our trust. And what happens then?

Newspaper reports confirm that the American financial institution “Lehman Brothers” has become bankrupt. And now I hear rumors that the bank where I have my savings deposited is facing a similar crisis. How do I react? Do I quickly transfer my money to another, more trustworthy, bank, just in case ...? But what will I do when this bank is also faced by ruin? Where will my money be safe? The diminishing trust and a general feeling of insecurity are largely responsible for the present financial crisis.

Trust and Capitalism

When confidence is increasingly lost, no one lends their money any more; no one pays in advance, no one puts their money into banks, no one pays deposits, and the banks don't give any more credit.

And what is the result? There is a powerful brake on the economy, which could even reduce it to a standstill. Everyone holds their money back, and hardly anyone is willing to make an investment in such an insecure situation. The result is a reduction in work and a corresponding loss of jobs. It is a downward, ever narrowing spiral.



How can the lost confidence be restored?

The state, or some other institution which still has the people's trust, tries to save the situation and takes over control. The government is trying to change the course of things by a strong financial injection, and so restore confidence. We have just experienced this in America, Great Britain, France, Holland, and Germany.



80 years ago

The world has already experienced a similar situation. The German economy had recovered somewhat after the First World War and the inflation of 1918–23 had just been overcome, when the American stock exchange collapsed on October 24, 1929. This crash is considered to be the cause of the worldwide economic crisis that ensued. There was an enormous loss of value and huge unemployment. In Germany there was a general feeling of dejection. But then the people took courage—the building of new motorways created plenty of work and boosted the national economy. A strong leader exuded trust and the populace was encouraged by the prospect of a positive outcome to the crisis.

Trust and Capitalism

We can draw a parallel between the financial crisis of the 1920's, the collapse of the stock market, and the threat to the economy from zero growth, with the situation of today. And, like the generation before us, our society is in danger of accepting a false solution to the problem. But by no means should we permit ourselves to run after another strong leader—whether in politics or religion—who would lead us in a wrong direction. The problem cannot be solved by intervention from the outside.



Black Thursday (24 October, 1929)

Trust and Capitalism



The foundation of our capitalistic system is egoism. And altruism, or selflessness, is considered to be an enemy of the system. Greediness is counted upon, and competition is necessary, in order for things to run. Maximizing one's own profit is considered to be the driving force of commerce. Keeping things secret is as much a part of successful business as a certain degree of deception. Can we be surprised when the trust which is based on this selfish foundation, is increasingly breaking down?

Trust and Capitalism

The solution is a change in our own inward attitude. But only a supernatural power can bring about selfless thoughts and actions, for selflessness is foreign to our human nature. Yet this is the very change within us that God offers us freely.



Trust and Capitalism



“And I will give you a new heart—I will give you new and right desires—and put a new spirit within you. I will take out your stony hearts of sin and give you new hearts of love. And I will put my Spirit within you so that you will obey my laws and do whatever I command.”

Ezekiel 36:26, 27 (The Living Bible).

“Bear one another's burdens, and so fulfill the law of Christ.”

Galatians 6:2.

Trust and Capitalism

Published by:



Sabbath Rest Advent Church
Waldstraße 37
57520 Dickendorf
Germany

E-Mail: sabbath@srac.de
Website: www.srac.de
November 2008

If you would like to know more about this topic, we have a DVD about the Financial Crisis titled "Creating Trust – But How?".

Picture Source: www.fotolia.de