

## Reforming the Social Gospel in the New Gilded Age

- The Case of Extreme Economic Inequality and the  
Church's Responsibility for Macroeconomic Justice\*

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## 신도금 시대에서 사회 복음 운동의 개혁

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1970년대 후반부터 미국은 경제와 정치뿐만 아니라 사회, 문화, 심지어 종교 생활까지도 포함하는 신자유주의 이념을 채택하고 실천하기 시작했다. 이러한 전반적인 정치-경제적 실험의 결과로, 세계는 이제 상류층과 하류층, 상위 1%와 하위 50% 사이의 전례 없는 수준의 경제/부의 불평등을 목격하게 되었다. 끝없는 경쟁의 이념과 함께 불평등은 신자유주의 세계의 부정할 수 없는 특성이 되었다. 또한 경제학자 조지프 스티글리츠가 2012년 그의 저서 《불평등의 대기》에서 올바르게 경고한 바와 같이, 경제 및 부의 격차 확대는 미국 민주주의에 엄청난 위협을 가하게 되었다.

이 논문의 목적은 21세기 세계 경제의 신자유주의적 지배가 초래한 사회적 병폐에 대한 신학적 해결책을 탐구하는 것이다. 저자는 특히 신자유주의적 지배로 인해 발생한 경제 및 부의 불평등의 글로벌 현상에 초점을 맞추고 있다. 이를 위해 저자는 두 시기의 비교 역사 분석을 활용한다: “도금시대”(1870년대부터 1890년대 후반까지)와 “신도금시대”(1970년대 후반부터 현재까지). 이 역사적 시기들은 많은 특성 차이에도 불구하고 부자와 가난한 자 사이의 극단적인 경제적 불평등으로 특징지어진다. 이 비교 역사 분석과 비판을 통해 저자는 두 가지 목표를 달성하려 한다: 첫째, 교회의 신자유주의에 대응하기 위한 새로운 교회적 정의 원칙을 제시하는 것; 둘째, 신자유주의 시대에 있어서 거시 경제 정의를 증진하기 위한 교회의 교회적 역할을 구체화하는 것. 이 탐구의 목적은 교회가 신도금시대의 도전에 더 책임 있는 주체로서 역할을 할 수 있도록 돕는 것이다.

주제어: 도금시대, 신도금시대, 사회 복음 운동, 사회자본, 금융자본, 거시경제 정의, 대자본분리

## I. Introduction

In her 2016 paper, “Economics Still Needs Philosophy,” Martha Nussbaum contends that although economics was born out of philosophy, today, it largely ignores philosophical questions by treating them as of no account.<sup>1)</sup> According to her, this trend demonstrates that while economics has enormous prestige in the public and political arena, philosophy (along with the humanities more generally), has relatively low prestige in contrast.<sup>2)</sup> Against this worrisome changing trend, Nussbaum develops a counterargument that economics should pursue the thought of the major historical philosophical texts because “the study of human development needs continual input from philosophy.”<sup>3)</sup> The idea of justice is one of the key inputs that economics should learn from philosophy. In this paper, I present a rather different argument that economics should learn from theology without necessarily disrupting Nussbaum’s thesis.

First, we should note that in the Western World, religion and theology were indispensable elements that characterized its worldview, especially the worldview related to political economy. Harvard economist Benjamin Friedman writes in his 2021 *Religion and the Rise of Capitalism* that religion was a central element of the worldview of the Scottish Enlightenment thinkers, especially Adam Smith, who laid the ground

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1) Martha C. Nussbaum, “Economics still needs philosophy,” *Review of Social Economy*, 74.3 (2016:229-247), 244.

2) *Ibid.*, 229.

3) *Ibid.*, 234.

for modern capitalism. Friedman writes, “Religious thinking held a significant place in the ongoing social and intellectual interaction around which the Scottish Enlightenment revolved.”<sup>4)</sup> It is telling that when the Select Society was established in 1754 as Edinburgh’s most intellectually distinguished dining club, its original membership included five Church of Scotland ministers along with four university professors (Smith was one of them), three medical doctors, and two military officers, as well as one merchant, one independent man of letters (David Hume), and one painter.<sup>5)</sup>

According to Friedman, during the days of Smith and Hume, there were two groups of Protestant theologians—the “Moderates” and “evangelicals”—both identifying themselves as followers of the French-Swiss reformer John Calvin. The Moderates were theologically more liberal on matters of doctrine and observance, evangelicals were on the more conservative side. Although Smith and Hume were not “religious” persons, they “were very much part of the ‘Moderate literati’ circle.”<sup>6)</sup> As Friedman emphasizes, because of their continuous association with the Moderates being a part of the society and culture to which they belonged, Smith and Hume and other intellectuals outside the clergy were continually influenced by the theological views of their clerical friends such as the “notions of divine benevolence and their benign view of human character.” For instance, Friedman argues that we can

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4) Benjamin M. Friedman, *Religion and the Rise of Capitalism*, (New York: Knopf, 2021), 16.

5) *Ibid.*, 13.

6) *Ibid.*, 23.

trace this influence in Smith's *The Wealth of Nations*. Friedman writes, "The content of Smith's economic thinking as set forth in *The Wealth of Nations*—specifically, his insights concerning the beneficial consequences of behavior motivated by individual self-interest, and the role of market competition in bringing those consequences about—was strikingly congruent with the Moderates' theology."<sup>7)</sup>

Taking a cue from Friedman's critical thesis on religion and economy as well as from many theological critiques of neoliberal governance, I develop a Christian ethical roadmap regarding the church's ecclesial role and engagement in the social ills of today's neoliberal global economy. I especially focus on the global phenomenon of the rising economic and wealth inequality caused by neoliberal governance. In so doing, I employ a comparative historical analysis of two ages: the Gilded Age (from the 1870s to the late 1890s) and the New Gilded Age (from the late 1970s to today). These historical periods are marked by extreme economic and wealth inequality between the rich and poor despite many characteristic differences between these two ages. Through this comparative historical analysis and critique, I will attempt to achieve two goals: first, to lay out a new ecclesial principle of justice for the church's engagement in neoliberalism; second, to specify the church's ecclesial roles for advancing macroeconomic justice in an age of neoliberalism. The purpose of this exploration is to help the church become a more responsible agent in meeting the challenges of the New Gilded Age.

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7) Ibid., 24.

## II. The Gilded Age (from the 1870s to the late 1890s) and the Social Gospel Movement

What is the reason for engaging in historical investigation of the socio-economic contours of the Gilded Age? Why should we pick the Gilded Age as we launch a comparative historical analysis and critique? First of all, coined by Mark Twain and Charles Dudley Warner's 1873 book, *The Gilded Age: A Tale of Today*, the term (Gilded Age) refers to a historical period from the 1870s to the late 1890s in the U.S. history, which is generally known to be an era of incredible economic growth, industrialization, significant technological innovation alongside the emergence of robber barons and the expansion of the railroad network. U.S. historian Noam Maggor calls this period "the linchpin of economic, business, and labor histories of the United States."<sup>8)</sup> Despite its historical significance, the Gilded Age is also known to be a time that was marked by the exploitation of labor, poor working conditions, child labor, political corruption, and extreme economic inequality. For these reasons, historian Nell Irvin Painter holds that "'Gilded' is not golden. 'Gilded' has the sense of patina covering something else. It's the shiny exterior and the rot underneath."<sup>9)</sup>

In his 2014 *Capital in the Twenty-First Century*, French economist

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8) Noam Maggor, "The Great Inequalizer: American Capitalism in the Gilded Age and Progressive Era," *The Journal of the Gilded Age and Progressive Era*, 15 (2016): 241-245, 241.

9) Cited in Lily Rothman, "How American Inequality in the Gilded Age Compares to Today," *Time* (Feb. 5, 2018). <https://time.com/5122375/american-inequality-gilded-age/> (accessed on Apr. 23, 2024).

Thomas Piketty offers a more detailed picture of the economic inequality of the Gilded Age. According to his historical data, since the onset of the Gilded Age, wealth inequality in the U.S. increased sharply. For instance, in 1870, the top decile owned about 70 percent of total wealth, and the top centile around 33 percent. These statistics changed significantly by 1920, in which the top decile owned about 80 percent of total wealth and the top centile around 45 percent.<sup>10)</sup> Piketty writes, “In the late nineteenth century, in the period known as the Gilded Age, when some US industrialists and financiers (for example John D. Rockefeller, Andrew Carnegie, and J. P. Morgan) accumulated unprecedented wealth, many US observers were alarmed by the thought that the country was losing its pioneering egalitarian spirit.”<sup>11)</sup> Although inequality of wealth in the U.S. decreased between 1910 and 1950 (largely due to a progressive income tax and World Wars I and II), unfortunately, “by 2010, the top decile’s share of total wealth exceeded 70 percent [again], and the top centile’s share was close to 35 percent.”<sup>12)</sup>

Evident as it may seem, perhaps, before exploring the church’s response to the growing economic inequality of the Gilded Age, we should ask ourselves the following questions: Why does economic inequality matter? Why should the church engage in the growing economic inequality? In their 2009 *The Spirit Level*, epidemiologists Richard Wilkinson and Kate Pickett argue that societal problems are more prev-

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10) Thomas Piketty, *Capital in the Twenty-First Century*, (Cambridge, MA: Harvard University Press, 2014), 348.

11) *Ibid.*, 348-49.

12) *Ibid.* 349.

alent in countries with greater economic inequality. They write, “In the course of our research we became aware that almost all problems which are more common at the bottom of the social ladder are more common in more unequal societies. It is not just ill-health and violence, but also . . . a host of other social problems.”<sup>13)</sup> These social problems include social division, mental illness, drug abuse, obesity, lower life expectancy, higher crime rates, poor educational outcomes, and imprisonment. Without a doubt, this list of social problems is inevitably related to what medical anthropologists call “suffering.” According to Arthur Kleinman, suffering, especially social suffering is “the devastating injuries that social force can inflict on human experience” and these injuries usually refer to “results from what political, economic, and institutional power does to people.”<sup>14)</sup>

We should note that as Kleinman correctly points out, social institutions such as their policies, regulations, and programs oftentimes deepen and even exacerbate certain forms of social suffering and become obstacles to their alleviation. For instance, in 2013, the IMF (International Monetary Fund) announced a \$1 billion loan to “help” Jamaica meet huge debt payments, but it only deepened the social suffering of Jamaican people because it came along with four years of austerity, such as a 20 percent real-term cut in wages.<sup>15)</sup> Indeed, as

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13) Richard Wilkinson and Kate Pickett, *The Spirit Level: Why Greater Equality Makes Societies Stronger*, (New York: Bloomsbury Press, 2009), 18.

14) Arthur Kleinman, Veena Das, and Margaret M. Lock, eds., *Social Suffering* (Berkeley: University of California Press, 1997), iv.

15) Nick Dearden, “Jamaica’s Decades of Debt Are Damaging Its Future,” *Guardian*, April 16, 2013. <https://www.theguardian.com/global-development/poverty-matters/>

Kleinman holds, “structural adjustment policies of the International Monetary Fund and World Bank, which have deepened poverty in Africa [and other Global South countries], are a case in point.”<sup>16)</sup> Given that extreme economic inequality is pervasively connected with the prevalence of social suffering, we should no longer regard the problem of extreme economic inequality purely as an economic matter rendering it morally neutral or amoral.

Extreme economic inequality also becomes a theological issue if we critically look at the phenomenon from a biblical perspective such as Luke 4: 16-20. In verses 18 & 19, Jesus says, “The Spirit of the Lord is upon me because he has anointed me to bring good news to the poor. He has sent me to proclaim release to the captives and recovery of sight to the blind, to set free those who are oppressed, to proclaim the year of the Lord’s favor.” (NRSV) As is well known, Jesus is here quoting Isaiah 61: 1-2, which delivers the message of the liberation of people from the social suffering of bondage, slavery, prison, restraints, and so on. What, then, did the church do to the rising economic inequality during the Gilded Age? How did the church respond to the social suffering caused by increasing economic inequality? To answer these questions, we need to investigate the social gospel movement because it was born to meet the challenges of social transition in the late 19<sup>th</sup> century.

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2013/apr/16/jamaica-decades-debt-damaging-future

16) Arthur Kleinman, “‘Everything That Really Matters’: Social Suffering, Subjectivity, and the Remaking of Human Experience in a Disordering World,” *Harvard Theological Review* 90.3 (1997): 315-335, 321.

What is the social gospel? We need to see first that there is an indispensable relation between the social gospel and social injustice in that the former was established to address the latter. According to Jesuit theologian Roger Haight, “The term ‘the social gospel’ refers primarily to a social movement within the churches of North America, both in the U.S. and Canada, which responded to the social injustices that emerged in the wake of the industrialization in the 19<sup>th</sup> century.”<sup>17)</sup> In its beginning moment, the movement focused on applying Christian values to the social situation. To be more specific, on the one hand (negatively), it was critical of the social conditions of the time, on the other hand (positively), it generated many of the social agencies in the churches.<sup>18)</sup> We should not miss that at its start, the movement was not primarily a theological movement although theology was implied in it.

Christian historian, Wendy Deichmann, argues that we should distinguish between at least two important facets of the social gospel movement. “The first was a concerted, practical element that began to emerge in the 1860s out of a basic, common sense understanding of Christian teachings and ethical imperatives in the face of enormous social crisis. The second was the related, widely popularized academic theology that began to appear in the 1870s.”<sup>19)</sup> According to her, then, there are two distinctive elements of the movement: the “grassroots” and “academic” elements. The grassroots element of the social gospel refers

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17) Roger Haight, S.J., “The Mission of the Church in the Theology of the Social Gospel,” *Theological Studies* 49.3 (1988): 477-497, 477.

18) *Ibid.*, 478.

19) Wendy J. Deichmann, “The Social Gospel as a Grassroots Movement,” *Church History* 84.1 (March 2015): 203-206, 204.

to various ecclesial, social, ecumenical, organizational, or political activisms of the movement. Deichmann summarizes this grassroots element as follows: “Social gospel workers applied themselves to both domestic and foreign social betterment opportunities while the movement’s leaders maximized the persuasive power of pulpit, platform, and press. Both clergy and laity leveraged democratic political processes and the emerging social sciences to accomplish the bold, broad mission of the social gospel to build the kingdom of God on earth.”<sup>20)</sup>

Janet Nelson writes that the sociopolitical reforms established in the twentieth century were the result of the social gospel movement, and these are some of its outcomes: “establishing a minimum wage, child labor protection laws, regulations on safety practices in factories, government inspection of working conditions, workmen’s compensation benefits, maternity benefits for women, pensions for the elderly, and care for the handicapped.”<sup>21)</sup> Deichmann also adds that such legislation as child labor and health and safety laws were institutionalized due to the movement’s grassroots activism. Besides these, social gospel commitments helped the establishment of such organizations as “the Methodist Federation for Social Service (1907), the Federal Council of Churches and Methodist Social Creed (1908), and the National Association for the Advancement of Colored People (1909).”<sup>22)</sup> Regarding the movement’s ecclesial grassroots activism, the most sig-

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20) Ibid., 203.

21) Janet R. Nelson, “Walter Rauschenbusch and the Social Gospel: A hopeful theology for the twenty-first century economy,” *Crosscurrents*, 59. 4 (2009): 442-455, 448.

22) Wendy J. Deichmann, “The Social Gospel as a Grassroots Movement,” 205.

nificant achievement was the institution of the “Social Creed of the Churches” of 1908 which consisted of eleven principles that formed a manifesto for action as well as a statement of faith.<sup>23)</sup>

What, then, about the “academic” element? As Haight argues, the theology of the social gospel was developed gradually through a whole host of thinkers, both popular and academic. As a result “there arose a distinct theological rationalization of the Christian message which can be called ‘the theology of the social gospel.’”<sup>24)</sup> To name a few, these thinkers include Walter Rauschenbusch, Washington Gladden, Shailer Matthews, Josiah Strong, Richard Ely, and others.<sup>25)</sup> Some of the key

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23) The list of eleven principles is as follows: \* For equal rights and complete justice for all men in all stations of life. \* For the principle of conciliation and arbitration in industrial dissensions. \* For the protection of the worker from dangerous machinery, occupational diseases, injuries and mortality. \* For the abolition of child labor. \*For such regulation of the conditions of labor for women as shall safeguard the physical and moral health of the community. \*For the suppression of the “sweating system.” \*For the gradual and reasonable reduction of the hours of labor to the lowest practical point, with work for all; and for that degree of leisure for all which is the condition of the highest human life. \*For a release from employment one day in seven. \*For a living wage in every industry. \*For the highest wage that each industry can afford, and for the most equitable division of the products of industry that can ultimately be devised. \* For the recognition of the Golden Rule and the mind of Christ as the supreme law of society and the sure remedy for all social ills. Cited in Bradley W. Bateman, “Clearing the Ground: The Demise of the Social Gospel Movement and the Rise of Neoclassicism in American Economics,” *The Transformation of American Economics: From Interwar Pluralism to Postwar Neoclassicism*, M. Morgan and M. Rutherford, eds. HOPE supplement. (Durham: Duke University Press, 1998), 40-41.

24) Roger Haight, S.J., “The Mission of the Church in the Theology of the Social Gospel,” 478.

25) Some of their major books include Walter Rauschenbusch’s *Christianity and the Social Crisis*(1907), Washington Gladden’s *Social Salvation* (1902), Shailer Mathews’ *The Church and the Changing Order* (1907), Josiah Strong’s *The Challenge of the City* (1907), and Richard Ely’s *Social Aspects of Christianity and Other Essays*

theological themes addressed by social gospel theologians include the kingdom of God on Earth, social or collective sin, social justice and reform, Jesus' social teaching, the church's prophetic mission, Christian ecumenism and unity, and so on.

Among these theological themes, the kingdom of God on earth is what most markedly distinguishes the social gospel from its traditional views. According to Bradley Bateman, "In the mid-1890s the most prominent manifestation of what we now call the social gospel movement was the Kingdom movement."<sup>26)</sup> During the Revivalist period of the First Great Awakening and the Second Great Awakening, early in the nineteenth century, the kingdom of God was largely understood as an internal notion, which was then closely related to the salvation of individual souls. This traditional view of the kingdom of God underwent a radical transformation along with the historical transformation of America's economy after the Civil War. As Bateman observes, the changing idea of the kingdom of God was closely interlinked with the transformation of America's economy after the Civil War. The postwar industrial revolution changed America's traditional self-image as a rural society of pious individuals. Bateman writes, "In response to these economic changes came a second change: many theologians began to argue that the kingdom of God referred not only to the need for the salvation of individual souls but also to the need to build new and more just social institutions."<sup>27)</sup>

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(1889).

26) Bradley W. Bateman, "Clearing the ground: The Demise of the Social Gospel Movement and the Rise of Neoclassicism in American Economics," 32.

In his *Christianity and the Social Crisis*, Walter Rauschenbusch asserts that “The kingdom of God continued to be the center of all his teaching as recorded by the synoptic gospels.”<sup>28)</sup> After acknowledging the hermeneutical difficulties in understanding this fundamental thought of Jesus (the kingdom of God), Rauschenbusch asserts that “I shall have to set down my own results.” He then arrives at his conclusive interpretation. He writes, “The kingdom of God is still a collective conception, involving the whole social life of man. It is not a matter of saving human atoms, but of saving the social organism. It is not a matter of getting individuals to heaven, but of transforming the life on earth into the harmony of heaven.”<sup>29)</sup>

One of the distinctive aspects of the social gospel movement was that from its beginning it attempted to integrate various kinds of divided realities of the time such as the church vs society, labor vs capital, individuals vs community, faith vs practice, theology vs sociology, etc. Surprisingly, it was a layman, Richard T. Ely, who inspired the social gospel movement leaders to overcome various kinds of divisive realities. Ely studied at Columbia University and then at Heidelberg University in Germany, where he was influenced by the emerging historical school of economics. Historian Benjamin Rader states that “[I]t is doubtful that any single minister had more influence than one academician, Richard T. Ely, . . . Both ministers and laymen looked to him

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27) Ibid., 33.

28) Walter Rauschenbusch, *Christianity and the Social Crisis* (Louisville, KY: WJK, 1991/1907), 54.

29) Ibid., 65.

for authoritative accounts of contemporary economic problems and an outline of their obligations in the new society.”<sup>30)</sup>

In his 1889 *Social Aspects of Christianity*, Ely made it clear that theology and social science should not be divided. According to him, these two disciplines are an extended domain of Jesus’ “two commandments” in Matthew 22: 37-39: “You shall love the Lord your God with all your heart, and with all your soul, and with all your mind. This is the greatest and first commandment. And a second is like it: You shall love your neighbor as yourself.” (NRSV) By referring to this passage, Ely develops his fundamental perspective of Christian sociology. He claims, “That gospel which in its highest unity is Love is divided into two parts: the first is theology, the second is sociology—the science of society.”<sup>31)</sup> From a new perspective of Christian sociology, he lays out his thesis: “Christianity is primarily concerned with this world, and it is the mission of Christianity to bring to pass here a kingdom of righteousness and to rescue from the evil one and redeem all our social relations.”<sup>32)</sup> Faith is now united with practice and Christian salvations incorporate both individual and society. He continues, saying, “Christianity is not a state of opinion and speculation, Christianity is essentially practical, and I will maintain this, that practical Christianity is the greatest curer of corrupt speculative Christianity.”<sup>33)</sup>

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30) Benjamin G. Rader, “Richard T. Ely: Lay Spokesman for the Social Gospel,” *The Journal of American History* 53.1 (June 1966):61-74, 61.

31) Richard T. Ely, *Social Aspects of Christianity, and Other Essays*, (New York: Thomas Y. Crowell & Company, 1889), 8.

32) *Ibid.*, 53.

33) *Ibid.*, 81.

For Ely, the social crisis is an inevitable outcome of the “religious restlessness” of the time. By “religious restlessness,” he means the loss of a “social tie” with the world, thereby making religion irrelevant to various social realities of the world. From a critical perspective, the social gospel movement was indeed the church’s holistic engagement in overcoming the religious restlessness of the time. As Benjamin Friedman comments, Ely regards the social gospel movement as a continuation of the reformist tendency in American Protestantism that had manifested itself earlier in the nineteenth century in the church’s movement in promoting abolition, temperance, education, literacy, and missionary work.<sup>34)</sup> In doing so, Ely envisions the reintegration of all aspects of human activities and relations including politics, economy, and sociology with the core message of the biblical gospel, which Rauschenbusch calls the kingdom of God. Ely writes, “Political economy is thus brought into harmony with the great religious, political, and social movements which characterize this age; for the essence of them all is the belief that there ought to be no contradiction between our actual economic life and the postulates of ethics and a determination that there shall be an abolition of such things as well not stand the tests of this rule.”<sup>35)</sup>

Above, we have examined the socioeconomic landscape of the Gilded Age and the church’s response to its social ills by exploring the social gospel movement. What, then, is the significance of the social

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34) Benjamin Friedman, *Religion and the Rise of Capitalism*, 324-25.

35) Richard T. Ely, *Social Aspects of Christianity, and Other Essays*, 128.

gospel movement for the church in the 21<sup>st</sup> century? We should note that the social gospel movement left a profound influence on 20<sup>th</sup>-century American society. Thanks to its emphasis on social justice and its advocacy for the poor, the U.S. society was able to experience social improvements via legislative reforms. The social gospel movement was also a key instrument in developing social welfare policies during the 20<sup>th</sup> century. Its societal impact extended to the Civil Rights Movement and modern Christian social justice initiatives such as the Poor People's Campaign. While Martin Luther King Jr. studied at Boston University, he learned the theology of the social gospel. According to Badley Bateman, "Personalism, one of the concepts that animated the Social Gospel in both the late nineteenth and the early twentieth centuries, was at the heart of the message King preached."<sup>36)</sup> Through the social gospel movement, the church demonstrated what it means to be the church in a time of historical crisis as a responsible agency of society as well as the kingdom of God on earth, and this has become a significant inspiration for later generations.

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36) Bradley W. Bateman, "Clearing the Ground: The Demise of the Social Gospel Movement and the Rise of Neoclassicism in American Economics," 42. Personalism in the context of the social gospel movement refers to a philosophical approach that emphasizes the importance of human value and personality. As an ethical frame, it ties in with a methodical emphasis on the intrinsic value and dignity of each individual. It thus supports social reforms that promote dignified and respectful human lives.

### III. The New Gilded Age (from the late 1970s to today) and the Church's Political-Theological Engagement: The Case of Poor People's Campaign

There is strong statistical evidence that we are now living in a new Gilded Age. The phrase, “the New Gilded Age,” has been adopted by various economists, historians, and public commentators to draw parallels between the original period and our contemporary era to highlight the similar social disparities and economic inequalities of these two times. According to Nabil Ahmed, Director of Economic and Racial Justice of Oxfam America, “The past 12 years have been extremely good for the ultra-rich . . . The wealth gap between the top 0.01% and the bottom half of the world's population has increased by 50% since the 2008 global financial crisis.”<sup>37)</sup> As a result, while the fortunes of billionaires (a group comprising the 2,640 wealthiest people most of whom are men) have more than doubled, nearly five billion people, representing 60% of the world's population, have become poorer.<sup>38)</sup> Unfortunately, the COVID-19 global pandemic has exacerbated the overall economic disparity in the U.S. Ahmed writes, “Since 2020, the top 0.1% of Americans, who own 13.9% of the country's wealth, have become more than \$2 trillion richer than the poorest half of the pop-

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37) Nabil Ahmed, “Cracks in the New Gilded Age,” (Feb. 19, 2024). *Project Syndicate*. <https://www.project-syndicate.org/commentary/combating-global-inequality-key-to-defending-democracy-by-nabil-ahmed-1-2024-01>

38) Ibid.

ulation, which holds just 2.6% of the country's wealth."<sup>39)</sup>

The 2020 Pew Research Center report shows us a more detailed picture of the U.S. economic inequality. According to this report, there is an uneven statistical bias toward rich households regarding income. For instance, "while the growth in income in recent decades has tilted to upper-income households, . . . the US middle class, which once comprised the clear majority of Americans, is shrinking."<sup>40)</sup> This means that a greater share of the nation's aggregate income is going to upper-income households whereas middle- and lower-income households are increasingly taking a smaller share.<sup>41)</sup> It is no wonder that the share of American adults living in middle-income households has decreased from 61% in 1971 to 51% in 2019.<sup>42)</sup> Overall, for more than four decades since the late 1970s, two distinctive economic trends have been established: the reduction of middle-class households and the rapid income growth of the top 5% of families. Horowitz et al. write, "From 1970 to 2018, the share of aggregate income going to middle-class households fell from 62% to 43%. Over the same period, the share held by upper-income households increased from 29% to 48%. The share flowing to lower-income households inched down from 10% to 9% in 2018."<sup>43)</sup> What we should not miss in this report is that even among high-

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39) Ibid.

40) Juliana Menasce Horowitz, Ruth Igielnik, and Rakesh Kochhar, "Trends in income and wealth inequality," *Pew Research Center* (Jan. 9, 2020). <https://www.pewresearch.org/social-trends/2020/01/09/trends-in-income-and-wealth-inequality/>

41) Ibid.

42) Ibid.

43) Ibid.

er-income families, the income growth has favored those at the top tier. “Since 1980, incomes have increased faster for the most affluent families – those in the top 5% – than for families in the income strata below them.”<sup>44)</sup> During this period, the income level of the lowest quintile (the bottom 20% of earners) has been stagnant (a loss of 0.1%), and that of the top 5% fared way better (an increase of 3.2%).<sup>45)</sup>

There is a reason why neoliberalism is blamed for the return of the Gilded Age in the late 20<sup>th</sup> century. As many social scientists such as Jodi Dean, Wendy Brown, and David Harvey point out,<sup>46)</sup> neoliberalism was adopted as a new governing ideology with the election of Margaret Thatcher in Britain (1979) and Ronald Reagan in the U.S. (1980). With the onset of neoliberalism, as if choreographically synchronized, economic inequality has started to increase. “Thus, the 1980s marked the beginning of a long and steady rise in income inequality.”<sup>47)</sup> How specifically, then, does neoliberalism have to do with the growing economic inequality in the New Gilded Age? In two ways, neoliberalism has exacerbated economic inequality: via neoliberal political governance & through financialization. First, neoliberal political governance means the government’s political adoption and execution of neoliberal policies. After Ronald Reagan won the presidential election over Jimmy Carter

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44) Ibid.

45) Ibid.

46) Jodi Dean, *Democracy and Other Neoliberal Fantasies: Communicative Capitalism & Left Politics* (Durham, NC: Duke University Press, 2009), 51-54; Wendy Brown, *Undoing the Demos: Neoliberalism’s Stealth Revolution* (Brooklyn: Zone Books, 2015), 20-21; David Harvey, *A Brief History of Neoliberalism*, (Oxford, UK: Oxford University Press, 2007), 24-25.

47) Ibid.

in 1980, his administration soon deployed neoliberal political policies, which included “deregulation, tax cuts, budget cuts, and attacks on trade union and professional power.”<sup>48)</sup> The nearly same phenomenon happened in Britain. After Margaret Thatcher was elected, she deserted Keynesianism and adopted neoliberal political policies by “confronting trade union power, attacking all forms of social solidarity that hindered competitive flexibility, . . . dismantling or rolling back the commitments of the welfare state.”<sup>49)</sup> Her administration also implemented such neoliberal policies as the privatization of public enterprise, tax reduction, encouragement of entrepreneurial initiatives, and establishment of a favorable business climate, etc. These political policies have contributed to the escalation of economic inequality.

The political enactment of neoliberal policies was coupled with what historians and social scientists call “financialization,” which is a key operative system of neoliberalism. David Harvey sums up the relationship between neoliberalism and financialization as follows: “[N]eoliberalization has meant, in short, the financialization of everything.”<sup>50)</sup> Social scientists define financialization differently. For example, sociologist Greta Krippner defines it as a “pattern of accumulation in which profits accrue primarily through financial channels rather than through trade and commodity production.”<sup>51)</sup> Economist Gerald A. Epstein describes

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48) David Harvey, *A Brief History of Neoliberalism*, 25.

49) *Ibid.*, 23.

50) *Ibid.*, 33.

51) Greta Krippner, “The Financialization of the American Economy,” *Socio-Economic Review* 3 (2005): 173-208, 174-75.

it as “the increasing role of financial motives, financial markets, financial actors and financial institutions in the operation of the domestic and international economies.”<sup>52)</sup> Despite different definitions, social scientists generally come to an agreement that “financialization refers to the growing dominance of the capital market financial system that results in the explosion of financial trading with a myriad of new financial instruments.”<sup>53)</sup>

It is critical to note that deepening financialization has come with high moral, economic, and political price tags, which have then rendered our lives vulnerable to moral deficit, social disintegration, and political instability. As I have analyzed elsewhere, the increasing financialization has systemically brought in three pathological socio-economic outcomes: “the dangerous proliferation of debt, the systemic exploitation of vulnerable debtors, and the detrimental concentration of wealth among financial rentiers.”<sup>54)</sup> As is evident, these outcomes are all directly related to the neoliberal phenomenon of extreme economic inequality. For instance, when the Reagan administration implemented a tax cut in 1981, the U.S.’s national debt was slightly less than 1 trillion dollars, but today it has grown to more than 33 trillion dollars. If we consider that just a 1% interest charge of 33 trillion dollars would

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52) Gerald A. Epstein, “Introduction: Financialization and the World Economy,” in *Financialization and the World Economy*. Ed. By Gerald A. Epstein (Cheltenham, UK: Edward Elgar, 2005), 3-16, 3.

53) Ilsup Ahn, “Reconstructing an Ethics of Credit in an Age of Neoliberalism,” *Religions* 10.484 (2019): 1-16, 3.

54) Ilsup Ahn, *Just Debt: Theology, Ethics, and Neoliberalism*, (Waco: TX: Baylor U. Press), 41.

amount to 330 billion dollars, it is not difficult to imagine how financial rentiers would increase their wealth via the financial market. Appropriately, Thomas Piketty elaborated on how financialization has contributed to extreme economic inequality by drawing on a law-like formula:  $r > g$  ( $r$  stands for the average annual rate of return on capital;  $g$  stands for the rate of growth of the economy such as the annual increase in income or output).<sup>55</sup> As he correctly points out, the exponential growth of all kinds of debt and the increasing concentration of wealth in the top 1 percent of people cannot but have a “structural character.”

How has the church then responded to the increasing economic inequality of the New Gilded Age? What did the church do to address this growing pathological socio-economic phenomenon of extreme economic inequality? Unlike the Gilded Age, we have not seen a nationwide organized ecclesial movement such as the social gospel movement during the New Gilded Age. However, there have been some significant social activisms of Christian communities that impacted the broader U.S. society. Among these, we examine the most exemplary case of the church’s organized and public protest against the extreme economic inequality of the New Gilded Age, i.e., the Poor People’s Campaign (PPC). The Poor People’s Campaign was originally initiated by Dr.

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55) Thomas Piketty, *Capital in the Twenty-First Century*, 25. The extreme economic inequality of the neoliberal age is succinctly illustrated by Piketty’s following data: “From 1977 to 2007, we find that the richest 10 percent appropriated three-quarters of the growth. The richest 1 percent alone absorbed nearly 60 percent of the total increase of US national income in this period. Hence for the bottom 90 percent, the rate of income growth was less than 0.5 percent per year.” 297.

Martin Luther King Jr. and the Southern Christian Leadership Conference (SCLC) in 1968. Its main goal was to address America's economic inequality and injustice. It also aims to advocate for the economic rights of the poorest people. According to Rev. William Barber II, "In March 1968, King brought together a group of more than 50 leaders representing Black Belt sharecroppers, Appalachian coal miners, Chicano farmworkers, and American Indians, among others, to join the Poor People's Campaign."<sup>56)</sup>

As is well-known, on April 4, 1968, King was assassinated in Memphis, and thus he never fulfilled his original plan to stage a massive march on Washington, D.C., and construct a protest camp known as "Resurrection City." The purpose of this encampment was to lobby for economic justice demanding "federal funding for full employment, a guaranteed annual income, anti-poverty programs, and housing for the poor."<sup>57)</sup> Though King never made it to the Mall, thousands of people gathered in Washington D.C. to honor King's memory and to pursue his vision. They also built "Resurrection City" as originally planned. It was made up of 3,000 wooden tents, and the Campaign participants camped out there for 42 days until evicted on June 24, a day after their permit expired.<sup>58)</sup>

In 2017, William Barber II revived the PPC along with Rev. Liz

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56) William J. Barber II, "A New Poor People's Campaign," *Atlantic Monthly* (April 2, 2018): 63-66, 65.

57) Anna Diamond, "Remembering Resurrection City and the Poor People's Campaign of 1968," *Smithsonian Magazine* (May 2018). <https://www.smithsonianmag.com/history/remembering-poor-peoples-campaign-180968742/>

58) Ibid.

Theoharis by renaming it the “Poor People’s Campaign: A National Call for Moral Revival.” They identified four specific issues as the organization’s new target by calling them “four diseases”: poverty, racism, environmental devastation, and the war economy.<sup>59)</sup> We should note that the new Campaign was deeply related to the 2016 presidential election, in which Donald Trump was elected. During his presidency, neoliberalism was aligned with white nationalist ideology, and this left many poor people and marginal groups vulnerable not only to racial discrimination and intimidation but also to economic deprivation and inequality. On May 14, 2018, the new Campaign started its public demonstration as hundreds of activists across the U.S. gathered in their state capitals 50 years after King initiated the original Campaign to fight poverty.

The new Campaign has now “45 state coordinating committees and network of more than 250 labor and organizational partners and hundreds of faith partners, and dozens of national faith bodies.”<sup>60)</sup> It is important to note that as we have seen above in the case of the social gospel movement, the new Campaign also aims to reform society by addressing various structural injustices and systemic violence. For this purpose, as Malik Miah points out correctly, from its beginning the new Campaign focuses on training new community leaders and activists. “The campaign’s objective is to train a massive network of grassroots

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59) William J. Barber II, “A New Poor People’s Campaign,” 64.

60) This information can be found on the Poor People’s Campaign website: <https://www.poorpeoplescampaign.org/join-us-as-we-build-the-third-reconstruction/>

activists to spark a multi-front movement challenging what Barber calls four systemic ‘evils’ in American society.”<sup>61)</sup> Perhaps, the most significant impact of the new Campaign is that it raises public attention to the rising economic inequality and widespread poverty as a key structural injustice in our world. Despite its significance, it remains to be seen if the new Campaign will bring a structural change to neoliberal governance and financialization that systemically engenders extreme economic inequality.

What about theological works on the critique of neoliberal governance of political economy, especially extreme economic inequality? Unlike the period of the Gilded Age and the Progressive Era (1890s-1920s), during which a host of theologians were clustered together under the theological banner of the social gospel movement with the purpose of addressing various social ills of the time, there does not seem to be such a concerted theological effort or movement during the New Gilded Age, which may be called the new social gospel movement. Yet, we have some notable theological works that tackle the key ideological pillars of neoliberal political governance and economy such as the “normalization of poverty” and the “legitimation of unlimited competition.” In her 2017 *Always with Us? What Jesus Really Said about the Poor*, Liz Theoharis, the co-founder of the new Poor People’s Campaign, efficaciously dismantles the false narrative of normalizing poverty; “Poverty is an unfortunate reality, but it’s inevitable.” In so do-

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61) Malik Miah, “From Reform to Nonviolent Revolution: The New Poor People’s Campaign,” *Against the Current* (March 1, 2018): 2-4, 4. These four evils include poverty, racism, environmental devastation, and war economy.

ing, she employs an intertextual investigation of two texts of the Bible (Deuteronomy 15 and Matthew 26) from a critical-hermeneutic perspective. Theoharis sums up her investigation as follows: “Deuteronomy 15 continues and says that because people will not follow those commandments, there will always be poor among you. So, when Jesus quotes this phrase, he isn’t condoning poverty, he is reminding us that God hates poverty and has commanded us to end poverty by forgiving debts, by outlawing slavery, and by restructuring society around the needs of the poor.”<sup>62)</sup>

Whereas Theoharis targets to deconstruct the normalization of poverty, Kathryn Tanner aims to provide a whole new vision of the alternative economy, which is distinguished from the neoliberal logic of unlimited competition. Her vision is bold and radical. Against the neoliberal economic system run by competition, exchange, and contract, Tanner devises an alternative model of a “noncompetitive economy.” How is this model possible, at least conceptually? She lays out the new vision of the alternative economy by raising these questions: “What if God simply gives us what we need in an utterly gracious way? And expects us to organize our lives with one another accordingly?”<sup>63)</sup> She calls this alternative economy “economy of grace.” According to her, the alternative economy of grace is possible because of “the ever overflowing fountain of God’s own goodness made accessible in Christ.”<sup>64)</sup>

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62) Liz Theoharis, *Always with Us? What Jesus Really Said about the Poor* (Grand Rapids, MI: Eerdmans, 2017), 73.

63) Kathryn Tanner, *Economy of Grace*, (Minneapolis, MN: Fortress Press, 2005), 48.

64) Ibid.

The idea of gift-giving God or God's unconditional gift becomes an important theological foundation on which Tanner's economy of grace is established. The possibility of an economy of grace is enabled when we begin to imitate God's gift-giving relation with us. She imagines the community in which this alternative economy of grace is practiced as follows: "In this universal community, humans should try to distribute the gifts of God as God does, without concern for whether they are especially deserved by their recipients."<sup>65)</sup>

Unconditional giving and mutual benefit become two basic theological principles in Tanner's economy of grace. There is an important theological qualification, though, regarding the practice of giving gifts. As God gives unconditionally, so should we. She writes, "Giving is completely disinterested, without self-concern, solely for the well-being or pleasure of others."<sup>66)</sup> She thus rejects theological efforts to imagine the economy of grace in terms of gift exchange in which a return is not only expected but also encouraged. She writes, "The sense of gift or grace that organizes our reading of the Christian story should fundamentally undercut principles of exchange of all those sorts."<sup>67)</sup> Tanner's radical theological vision of the "economy of grace" is not without criticisms even within the theological circle. Most critiques are focused on the practicality of her alternative economy.<sup>68)</sup>

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65) Ibid., 75.

66) Ibid., 57.

67) Ibid., 56.

68) For instance, in his review article, D. Stephen Long raises a question saying "Should theologians seek to sit on the board of the World Bank or the IMF? Do we expect the G8 to ask, 'What would the theologians do?' as they discuss

Although Tanner offers us an alternative imagination of the economy, I find her economic vision inadequate, especially regarding the church's political engagement in the neoliberal economy of debt or financialization. According to Tanner, there is no space or room for debt in theologically conceived economy of grace. In formulating her theological economy, she separates "debt" from "gift" as if they are entirely different species. She states, "Notions of debt, contractual obligation, loan, even stewardship, should be written out of the Christian story about God's relations to the world and our relations with God and one another, in light of an understanding of grace that is fundamentally incompatible with them."<sup>69</sup> Paradoxically, by excluding debt from the circle of grace, she excludes a key component of the economy of grace, i.e., the economy of forgiveness. Given the ubiquity of all kinds of debt in the New Gilded Age, from student loan debt to national debt, from medical debt to consumer debt, how come we even start to talk about the economy of grace in an age of financialization?

Tanner does not seem to see that we can garner critical economic insight from anthropologists such as Marcel Mauss and Marshall Sahlins.<sup>70</sup> From their works, especially Mauss', we can infer that debt was originally conceived as a form of gift in archaic society.<sup>71</sup> Indeed, debt

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global debt? I would like to think this might happen, but I am not sure how realistic it would be." See his "Economy of Grace," *Modern Theology* 22.2 (April 2006): 312-14, 314.

69) Tanner, *Economy of Grace*, 56-57.

70) Marcel Mauss, *The Gift: Forms and Functions of Exchange in Archaic Societies*, Trans. Ian Cunnison (Glencoe, IL: Free Press, 1954/1925). Marshall Sahlins, "The Spirit of the Gift," in the *Logic of Gift: Toward an Ethic of Generosity*. Ed. Alan D. Schrift (New York: Routledge, 1977).

was originally derived from the practice of giving gifts in archaic society. This implies then that the economy of debt is no longer entirely separated from the practice of gift-giving as Tanner theologically portrayed. This is an important discovery because we can expand the theological boundaries of the “economy of grace” to include the phenomenon of debt. How is this possible? If we critically integrate the anthropological insight (debt was originally a derivative of gift) with that of apophatic theologies, especially contemporary apophatic theologian Catherine Keller’s work, we come to arrive at a new economic vision that compels us to transform the neoliberal global economy of debt. As I have outlined elsewhere, since in the neoliberal age debt has been largely amoritized, the purpose of this transformation is to convert the amoral economy of debt into a form of the moral economy of debt, which promotes mutual benefit. In her 2015 *Cloud of the Impossible: Negative Theology and Planetary Entanglement*, Keller provides us with critical theological inspiration. This inspiration can also be found in other theological works of Jean-Luc Marion and Stephen Webb.<sup>72)</sup> According to Keller, the unfolding epiphany of the mystery of God [economy of grace in Tanner’s terms] entangles “every register of our relations, every economy [including the economy of debt], every poli-

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71) I have outlined this insight extensively in the first chapter (“The History and Taxonomy of Amoral Debt”) of my book, *Just Debt: Theology, Ethics, and Neoliberalism*. This book is translated into Korean. See, 부당한 빛 정당한 빛, Trans. 노동래. 새물결 출판사 (2018).

72) See Jean-Luc Marion, *God without Being*. Trans. Thomas A. Carlson (Chicago, IL: University of Chicago Press, 1995). Stephen H. Webb, *The Gifting God: A Trinitarian Ethics of Excess*. (New York: Oxford University Press, 1996).

tics, every social or ecclesial movement, every ecology.”<sup>73</sup>) Though Keller does not specifically mention that, her apophatic theology implies that even the economy of debt can be enfolded in the unfolding divine economy of grace. In the following section, we explore more constructively how this transformative theological vision can be possible by focusing on the church’s ecclesial tasks as well as the further theological work for economic justice in the New Gilded Age.

#### **IV. The Great Capital Divide and the Church’s Responsibility for Macroeconomic Justice**

Above, we have compared two historical times: the Gilded Age and the New Gilded Age by highlighting their similarities and differences. The purpose of this comparative historical analysis and critique is to develop a more effective theological framework as well as a better ecclesial model in addressing various social ills of the age of neoliberalism. With that said, I assume that despite the prophetic work of the Poor People’s Campaign, the contemporary American Christian church should do more to better address various social issues of our time. I also presume that there is a pervasive poverty of theology related to various socio-economic matters such as extreme economic inequality. Indeed, many American churches are not equipped with well-thought-out theological visions that can help them become the church they are called to be in a neoliberal context. What, then, is the

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73) Catherine Keller, *Cloud of the Impossible: Negative Theology and Planetary Entanglement* (New York: Columbia University Press, 2015), 30.

new theological framework, which we discover through the comparative historical analysis and critique? How should the church transform itself to become the church, which the world desperately needs in an age of deepening neoliberalism? How could the church become a responsible agent of the kingdom of God as it decides to meet the challenges of extreme economic inequality in the global society? In the following sections, I outline a theological roadmap that I uncovered through a comparative historical analysis and critique of two eras: the Gilded Age and the New Gilded Age.

Although there is an important commonality between the Gilded Age and the New Gilded Age in the sense that both eras are overrun by extreme economic inequality, there are also many differences between the two. For instance, while the Gilded Age is marked by the rapid expansion of the industrial economy such as railroads, steel, oil, etc., the New Gilded Age is characterized by the exponential growth of high technology, finance, and globalization. From a cultural and sociological perspective, whereas the Gilded Age was distinguished by various kinds of peoples' movements such as the labor movement, populist political movement, and progressive socialist movement, etc., the New Gilded Age is differentiated by the growing influence of interest groups and their advocacy for social justice, economic reforms, and regulatory (legal) changes. Analogically speaking, while the Gilded Age was largely shaped by the people of Main Street, the New Gilded Age is shaped by those of Wall Street and K-Street.

From a critical perspective, there is a crucial difference between the

Gilded Age and the New Gilded Age that we should not miss. What is this, and why does it matter? Simply put, during the Gilded Age, religion and the economy, as well as the church and the market, were closely intertwined parts of society. In contrast, in the New Gilded Age, they are not only largely separated from each other, but they also occupy different roles and positions within society. According to Bradley Bateman, before the First World War (1914-1918), the ground on which American economics was being built had been Protestant influence. It means that up until the early 1900s, Christianity had played the key role of providing the ideological and cultural foundation of the US society, of which the economy and the market were part.<sup>74)</sup> In the New Gilded Age, though the church is still part of society as a religious community, the market is hardly part of society because it is run not by social norms and values, but by its own laws and regulations (e.g., “invisible hand,” “success at all costs,” etc.). Between these two eras, some seismic historical changes were made. What are these changes? We find the answer from Karl Polanyi’s 1944 *The Great Transformation: The Political and Economic Origins of Our Time*.

Polanyi’s main thesis is that following the Industrial Revolution in the nineteenth century, a profound and lasting structural change was made

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74) Bateman writes, “But after the First World War, the ground shifted. The Old Protestant influence of the Social Gospel was swept away after 1918, and a new sensibility began to define American economics. Now, instead of an ethical economics that sought to reform the nation, America had a scientific economics that sought to make the nation more efficient and to control its economy.” See his “Clearing the Ground: The Demise of the Social Gospel Movement and the Rise of Neoclassicism in American Economics,” 48.

in the Western world (during the late 19<sup>th</sup> and early 20<sup>th</sup> centuries in America). Before this period, the market was “embedded” in society, meaning that the economy was “subordinated to politics, religion, and social relations.”<sup>75)</sup> After this historical period, the market was “disembedded” from society thereby becoming a “self-regulating” system as a whole. Polanyi does not simply analyze what happened during this turbulent historical time; he evaluates the significance of this important historical change, which he calls the “great transformation.” First, he argues that this transformation was never an “inherent tendency” of the market. On the contrary, he argues that it was “created” and thus artificially designed by the economic “machine.” He writes, “It was not realized that the gearing of markets into a self-regulating system of tremendous power was not the result of any inherent tendency of markets toward excrescence, but rather the effect of highly artificial stimulants administered to the body social in order to meet a situation which was created by the no less artificial phenomenon of the machine.”<sup>76)</sup> Polanyi also argues that the great transformation does not simply result in the market becoming disembedded from its social basis. He goes further, claiming that the market machine returns to society and reorganizes its order according to its logic. This is similar to what Jürgen Habermas calls the colonization of the lifeworld by the system. Polanyi sums up this troubling social reorganization of the market logic (e.g., supply and demand, credit and debt, etc.) as follows: “All along

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75) Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*, (Boston, MA: Beacon Press, 2001/1944), xxiv.

76) *Ibid.*, 60.

the line, human society had become an accessory of the economic system.”<sup>77)</sup>

What, then, is the theological significance of the historical recognition that the “great transformation” preceded the rise of the New Gilded Age? Why should we care about this historical lineage as we explore theological responses and ecclesial responsibility to the social ills of the New Gilded Age, especially extreme economic inequality? Regarding these questions, I have two contentions. First, the neoliberal phenomenon of extreme economic inequality is intrinsically interlinked with what I call the “great capital divide.” Second, the rise of religious fundamentalism during the Gilded Age and Progressive Era became a nesting ground for the eventual birth of the “great transformation.” I argue that the church is partially, or at least passively, accountable for the rise of neoliberalism and its corollary phenomenon of extreme economic inequality. For the church to address the neoliberal phenomenon of extreme economic inequality, it must first reckon with its own theological shortcomings and ecclesial failures, which paved the road for the advent of the New Gilded Age. I will explain what it means for the church to reckon with its theological shortcomings and ecclesial failures later.

First things first, what is the notion of the “great capital divide”? In what sense is this divide “great”? Above all, it must be noted that the “great capital divide” is different from the “capital divide.” Just like the idea of the “digital divide,” which denotes disparities in access to digital technology and the Internet, the capital divide represents the financial

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77) *Ibid.*, 75.

discrepancy in society regarding access to capitalist resources. In contrast, the “great capital divide” refers to a socioeconomic phenomenon that typically occurs in a highly neoliberalized society such as the U.S., where “financial capital” is increasingly separated and disintegrated from “social capital” on a large scale. Unlike other kinds of divides, the great capital divide connotes the historical phenomenon of a growing division among different types of capital, such as financial capital, social capital, ecological capital, and so on. This historical estrangement or separation is hardly a neutral or nominal phenomenon; engineered by neoliberal ideology and its agents and managers, the divide is accompanied by an unbalanced and skewed relationship between separated capitals. For example, the accumulation of financial capital characteristically comes along with the erosion of social capital in a highly neoliberalized society. Without a doubt, the great capital divide is indispensably inter-linked with the historical phenomenon of the great transformation. It is unlikely that we experience the “great capital divide” without having the “great transformation.” The former is almost a historical corollary of the latter. To better understand the notion of the great capital divide, we need to investigate the idea of social capital.

Social scientists such as Pierre Bourdieu, James Coleman, and Robert Putnam are widely recognized as experts who developed the idea of social capital.<sup>78)</sup> Among these, American political scientist Robert

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78) Pierre Bourdieu, *The Forms of Capital*, in *Handbook of Theory of Research for the Sociology of Education*, Ed. John E. Richardson (West Port: Greenwood Press, 1986). James Coleman, “Social Capital in the Creation of Human Capital,” *American Journal of Sociology* 94 (1988): S95-S120. Robert Putnam, “Bowling Alone: America’s Declining Social Capital,” *Journal of Democracy* 6 (1995): 65-78.

Putnam popularized the term “social capital” with his 1995 article, “Bowling Alone,” which was later expanded into a book in 2000 with the same title. He defines social capital in that article as follows: “By analogy with notions of physical capital and human capital—tools and training that enhance individual productivity—‘social capital’ refers to features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit.”<sup>79)</sup> In his 2000 book, *Bowling Alone*, Putnam further investigates the idea of social capital by distinguishing it into two types: “bridging” (relationships across different diverse social cleavages) and “bonding” (relationships within homogeneous groups).<sup>80)</sup> His main argument, though, is that the healthy stock of America’s social capital largely diminished in the latter half of the twentieth century, and there are sociological reasons for this phenomenon.<sup>81)</sup> We should note that the period during which social capital diminished coincided with the rise of the neoliberal economy, especially financialization.

From a critical perspective, the socioeconomic concomitance between the rise of financial capital and the diminution of social capital is an important indication that the great capital divide is systemically interrelated with the rise of extreme economic inequality as a hallmark of a highly neoliberalized society. In a world characterized by the great

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Robert Putnam, *Bowling Alone: The Collapse and Revival of American Community*, (New York: Simon & Schuster, 2000).

79) Robert Putnam, “Bowling Alone: America’s Declining Social Capital,” 67.

80) Robert Putnam, *Bowling Alone: The Collapse and Revival of American Community*, 22.

81) Ilsup Ahn, “Reconstructing an Ethics of Credit in an Age of Neoliberalism,” 5.

capital divide, business leaders no longer care about the social impact of their business decisions. When their minds are completely dominated by neoliberal ideology, business leaders are exclusively motivated to increase their financial capital even at the expense of social capital. The case of outsourcing is a good example. According to Michael Collins of *IndustryWeek*, “American corporations have outsourced more than 5 million jobs and 91,000 plants since 1998.” During this period, “corporate profits increased 300%, from \$.75 trillion to \$2.25 trillion, while the rate of inflation was 42%.”<sup>82)</sup> Collins, however, concludes that outsourcing by American corporations has caused permanent damage to American society as a whole, especially to its workers, manufacturing, supplier companies, and the living standards of many families.<sup>83)</sup> We now have a better view of how the great capital divide is systemically interrelated with the rise of extreme economic inequality in an age of neoliberalism.

My second argument is that the rise of religious fundamentalism within the church, which occurred during the Gilded Age and Progressive Era in opposition to the modernist challenges (e.g., Darwinian evolution), became a nesting ground for the eventual birth of the “great transformation.” What do I mean by the church’s fundamentalist turn? According to Christian historian Ernest Sandeen, “Fundamentalism has existed as a religious movement, possessing structure and identity, from

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82) Michael Collins, “The Long-Term Problems of Outsourcing,” *IndustryWeek* (Feb. 18, 2021). <https://www.industryweek.com/the-economy/competitiveness/article/21155621/the-long-term-problem-of-outsourcing>

83) Ibid.

about 1875 up to the present day. The movement was rooted in concern with two doctrines—the personal, imminent return of Christ (millenarianism), and the verbal, inerrant inspiration of the Bible (literalism). These two concerns have remained definitive for Fundamentalists.<sup>84)</sup> During the late 19<sup>th</sup> century and the early 20<sup>th</sup> century, along with the social gospel movement, the fundamentalist movement was a significant and opposing response within American Christianity to socioeconomic and theological challenges.

As Sandeen notes, most nineteenth-century American Protestants were millennialists who believed that the Bible had foretold thousand years of earthly blessedness. But, by the turn of the century, they found themselves drawn toward a more apocalyptic doctrine of Christ's second advent.<sup>85)</sup> Sandeen describes the typical message of millenarians as follows: "The world is rushing toward judgment, not perfection; man's wickedness is beyond remedy; man's government, philosophy, art, and science are only serving to amplify his degeneracy."<sup>86)</sup> According to the millenarian theology, then, nothing can save this world from destruction, and any human efforts to ameliorate the condition of man are doomed in the end.<sup>87)</sup> We can find the typical fundamentalist worldview by examining the argument put forth by industrialist William H. Barr in 1924 at the Church Congress of the Episcopal Church in Boston,

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84) Ernest R. Sandeen, "Fundamentalism and American Identity," *The Annals of the American Academy of Political and Social Science*, 387 (Jan. 1970): 56-65, 57.

85) Ibid.

86) Ibid.

87) Ibid., 59.

In this presentation, concerning the role of the church in economic life, Barr posited that “the market economy system is natural and ordained by God. Economic decisions are therefore not subject to moral debate and thus there is no role for the church in economic discussions.”<sup>88)</sup>

This is the reason why I argue that the rise of religious fundamentalism during the late 19<sup>th</sup> century and the early 20<sup>th</sup> century paved the road for the historical emergency of the Great Transformation, which then became a springboard for the advent of the New Gilded Age in the late 20<sup>th</sup> century. Inadvertently though, religious fundamentalism also provided an ideological nesting ground in which its secular counterpart, “market fundamentalism,” was born at the dawn of neoliberalism as its core operating ideology. We had better pay attention to the poignant remarks made by Canadian sociologist Roksana Bahramitash. According to her, the market has become “more like a religion rather than a sound principle.” She goes on further, writing, “Market-oriented theory is the religion of the rich and the powerful whose preachers incidentally are among the very privileged. Fashionably dressed, they sit in the highest positions of the financial ivory tower institutions of Bretton Woods (the International Monetary Fund and the World Bank). They may not look like monks, rabbis, or mullahs, but they operate on similar mindsets.”<sup>89)</sup>

What, then, should the church do about this historical degeneracy,

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88) Alison Lutz, “Economic Inequality as God’s Law?: Considering the Nature of Economic Life,” *Anglican Theological Review*, 95.2 (2013): 251-274, 251.

89) Roksana Bahramitash, “Market Fundamentalism versus Religious Fundamentalism: Women’s Employment in Iran,” *Critique: Critical Middle Eastern Studies* 13.1 (Spring 2004): 33-46, 34.

from the Gilded Age to the New Gilded Age, from the great transformation to the great capital divide, from religious fundamentalism to market fundamentalism, especially regarding the socioeconomic phenomenon of extreme economic inequality in the New Gilded Age? What theological works should we engage to remedy the various social ills of the neoliberal world? I attempt to answer these questions by outlining three ecclesial-theological tasks as a suggestion for further discussion. The first task is the church's delayed work of historical reckoning. What should the church reckon with? There are at least two ecclesial shortcomings to reckon with. One is for reckoning with the fundamentalist church's complicity to various social sins of colonial and postcolonial structural injustice. Religious fundamentalism engendered a culture of indifference to the "worldly matters" within its followers thereby keeping them from engaging in social justice issues. As Sandeen critically points out, "Fundamentalism . . . leading the Fundamentalist, paradoxically, to affirm both his despair over the world and his identification with much of the world's culture."<sup>90</sup> Along with the social sin of complicity, the church should also reckon with its pseudo-theological triumphalism represented by Rauschenbusch's "Christianizing the social order." He defines it as "bringing it [the social order] into harmony with the ethical convictions which we identify with Christ."<sup>91</sup> Reminiscent of the Constantinian "Christendom," the idea of Christianizing the social order invokes cultural hegemonism in a radi-

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90) Ernest R. Sandeen, "Fundamentalism and American Identity," 56.

91) Walter Rauschenbusch, *Christianizing the Social Order*, (New York: Macmillan, 1912), 125.

cally pluralistic society. It is no wonder that Reinhold Niebuhr criticized the optimistic vision of the social gospel movement in his 1932 *Moral Man and Immoral Society*.<sup>92)</sup>

The second task involves the church's social responsibility to defend social capital from the relentless neoliberal intrusion and colonization mediated by financial capital. We should note that one of the key reasons why home prices and rent fees are going up in the U.S. is because Wall Street has spent billions of dollars to buy homes. By increasing their market shares, Wall Street investors try to control home prices and rent fees at the expense of home buyers' dreams. According to CNBC, "Institutional investors may control 40 % of US single-family rental homes by 2030."<sup>93)</sup> This is one example of how financial capital is systematically eroding social capital in a highly neoliberalized society. Of course, lawmakers should get engaged in protecting society from neoliberal intrusion and colonization, but the church should speak out against the erosion of social capital by calling out the structural injustice engineered by Wall Street.

Although the church's defensive work to protect social capital is im-

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92) Reinhold Niebuhr, *Moral Man and Immoral Society: A Study in Ethics and Politics*, (Louisville, KY: WJK, 2013/1932). Alluding to the idea of "Christianizing social order," Niebuhr writes, "The gospel conception of the kingdom of God represents a highly spiritualized version of the Second Isaiah. Wherever religion concerns itself with the problems of society, it always gives birth to some kind of millennial hope, from the perspective of which present social realities are convicted of inadequacy, . . ." (61).

93) Carlos Waters, "Wall Street has purchased hundreds of thousands of single-family homes since the Great Recession. Here's what that means for rental prices," (Feb. 21, 2023). <https://www.cnbc.com/2023/02/21/how-wall-street-bought-single-family-homes-and-put-them-up-for-rent.html>

portant, to address the social ills of the New Gilded Age, particularly the extreme economic inequality, the church should be more proactive and even aggressive to re-bridge the divided capitals with the purpose of re-grounding financial capital in social capital. In so doing, the church should develop a new ecclesial principle of justice that is critically applicable to the New Gilded Age. Despite the fact that, since the publication of John Rawls' 1971 *A Theory of Justice*, Western society has been awash with many different paradigms of social justice, I hold that none of them specifically address the great capital divide itself as a key social justice issue. In this respect, by referring to Matthew 6:24 ("No one can serve two masters, for a slave will either hate the one and love the other or be devoted to the one and despise the other. You cannot serve God and wealth."), I introduce a new ecclesial principle of justice for the church's engagement in neoliberal structural injustice. This principle is laid out in a two-pronged fashion: While, negatively speaking, the increase of financial capital should not be made at the expense of social capital, positively speaking, the accumulation of financial capital should be achieved in such a way as either to preserve or to enhance social capital. I contend that Jesus' warning in Matthew 6:24 justifies the establishment of this novel principle of justice for the New Gilded Age in that the great capital divide is a necessary condition where "two masters" come into the vision along with the division of two divided territorial capitals.

The last, but not least, task is the church's engagement in grassroots politics for the enhancement of social justice, especially economic jus-

tice in the New Gilded Age. We should note that different names refer to the church's distinctive politics, including community organizing, fusion coalition, rhizomatic politics, etc.<sup>94)</sup> These concepts are similar in that they all adopt a bottom-up approach to politics. Among these, I employ the term “rhizomatic politics” because the image of a “rhizome” best represents the organic and interactive nature of the church's grass-roots politics. It does not denote either a generic image (community organizing) or an abstract concept (fusion coalition). The word “rhizomatic” originates from the biological concept of a “rhizome,” which is a root-like, underground stem that grows horizontally on or just under the surface of the ground. Ginger is a good example of a rhizome. Rhizomatic politics can then be figuratively understood as people's non-hierarchical, connective, and yet purposeful movement that targets specific structural injustices in society for transformation. The 1960s Civil Rights Movement and the 1980s Sanctuary Movement are good examples of the church's engagement in rhizomatic politics. It must be emphasized, though, that the purpose of the church's rhizomatic politics is not to Christianize the political, social, or economic order. Rather, it is to address the structural injustices of the neoliberal world and advocate for the rights of those victimized by neoliberal

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94) I have outlined it in the name of “rhizomatic politics” in Chapters 3 & 4 of my recent book, *The Church in the Public: A Politics of Engagement for a Cruel and Indifferent Age*, (Minneapolis, MN: Fortress, 2022). For community organizing, see Christ and Common Life: Political Theology and the Case for Democracy (Grand Rapids, MI: 2019). For fusion coalition, see William Barber II and Jonathan Wilson-Hartgrove, *The Third Reconstruction: How a Moral Movement is Overcoming the Politics of Division and Fear* (Boston, MA: Beacon, 2016).

governance.

In the New Gilded Age, the church's rhizomatic politics should be especially geared toward addressing macroeconomic justice because extreme economic injustice cannot be effectively managed without policy changes by governing and regulatory authorities, such as the U.S. government, Congress, and the Fed. It should be noted that narrowing the economic and wealth gap has never been the goal of the Fed since its establishment in 1913. The Fed has always focused on two goals: full employment and inflation control. Although it has the significant power to formulate U.S. monetary policies that can impact society greatly, the Fed has never adopted the reduction of extreme economic inequality as its core mission. The church, of course, cannot rewrite the nation's monetary policy, but it can repeatedly call on the Fed to revise its monetary policy by organizing grassroots movements with other religious, non-governmental, or civil organizations. This is what I mean by the church's rhizomatic politics. I also contend that the church should demand that the President adopt a progressive tax system. In his 2020 book *Capital and Ideology*, Thomas Piketty argues that addressing socioeconomic inequality is an essential political task to promote justice in an age of what he calls "hypercapitalism."<sup>95</sup> Indeed, the church is not a governing authority; however, it can organize grassroots movements to request that the President and Congress incorporate a more progressive tax system by reforming fiscal policy. The church's

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95) Thomas Piketty, *Capital and Ideology*, (Cambridge, MA: Belknap Press of Harvard University Press, 2020), 1035.

public engagement in rhizomatic politics is inevitable if it wants to promote macroeconomic justice in the New Gilded Age.

## V. Conclusion

In this article, I attempt to provide an answer to the key ecclesial question in an age of neoliberalism: What is the church's responsibility in addressing presumably the most challenging socioeconomic ill of the New Gilded Age, i.e., extreme economic inequality? I also investigate a possible theological framework that provides a methodological scheme for the church's social and political engagement in dismantling the structural injustices of our time. In so doing, I adopt a comparative historical analysis and critique of two ages: the Gilded Age and the New Gilded Age. What we uncover from this critical-historical engagement is that extreme socioeconomic inequality is not accidental; rather, it is an inevitable result of the great capital divide. What is more troubling is that secular politics is not able to resolve the problem effectively because it has already been shackled by neoliberal agencies (corporate lobbyists) and the indoctrinated neoliberal logic of unlimited competition and free choice. We should note that the great capital divide is deeply a moral and theological issue of our time because it has not only engendered a great deal of social suffering, especially among the poor, but also provided a fertile ground on which the kingdom of Mammon was established on a global scale. Given the impossibility of serving two masters: God and Mammon, the church's only option in the New Gilded Age is to choose active ecclesial resistance against neo-

liberal governance. In this respect, the church's political engagement in addressing deepening socioeconomic inequality is quintessentially a theological task of our time. In fulfilling this task, the church should be wary of two ideological temptations: the fundamentalist-separatist attitude (leaving the world unattended) and the church's triumphalist political attitude (Christianizing the order). This is a critical lesson we learned from the comparative-historical investigations.

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• ABSTRACT •

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Reforming the Social Gospel in the New Gilded Age: The Case of  
Extreme Economic Inequality and the Church's Responsibility for  
Macroeconomic Justice

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Since the late 1970s, the US has begun to adopt and practice neoliberal ideology entailing significant structural changes not only to its economy and politics, but also to its society, culture, and even religious life. As a result of this totalistic politico-economic experimentation, the world has now witnessed an unprecedented level of economic/wealth inequality between the haves and the have-nots, between the top 1 percent and the bottom 50 percent. Along with the idea of endless competition, inequality has become an undeniable trait of a neoliberal world. As economist Joseph Stiglitz rightly warned in his 2012 *The Price of Inequality*, the growing economic and wealth disparity poses a formidable threat to American democracy.

The purpose of this paper is to explore theological solutions to the social ills of neoliberal governance of the 21st-century global economy. I especially focus on the global phenomenon of the rising economic and wealth inequality caused by neoliberal governance. In so doing, I employ a comparative historical analysis of two periods: the Gilded Age (from the 1870s to the late 1890s) and the New Gilded Age (from the late 1970s to today). These historical periods are marked by extreme economic inequality between the rich and the poor despite many characteristic differences between these two ages. Through this comparative historical analysis and critique, I will attempt to achieve two goals: first, to lay out a new ecclesial principle of justice for the church's engagement in neoliberalism; second, to specify the church's ecclesial roles for advancing macroeconomic justice in an age of neoliberalism. The purpose of this exploration is to help the church be-

come a more responsible agent in meeting the challenges of the New Gilded Age.

**Key words:** Gilded Age, New Gilded Age, Social Gospel Movement, Social Capital, Financial Capital, Macroeconomic justice, Great Capital Divide

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