The Fourth Great Awakening and the Future of Egalitarianism

Reviewed by Paul R. Koch, Olivet Nazarene University (IL).

In Webster’s Ninth New Collegiate Dictionary, one of the definitions of the word “awake” is “to make active” or “stir up.” In this book, Nobel Laureate Robert Fogel maintains that the United States is currently in the midst of the fourth major spiritual “awakening” in its history, and that each of these revivals of religious enthusiasm and fervor has had major political, economic, and social implications.

According to Fogel, there is a consensus among religious historians that the United States has completed three overlapping cycles of spiritual renewal. To this framework, he has added the observation that each of these cycles has had three distinct phases: a period of religious revival, followed by a tide of rising political effect, and then concluded by a time of increasing challenge to the dominance of the political program that was spawned by the original movement. In his time-line, the First Great Awakening began about 1730, and contributed to the political climate that led to the American Revolution. The Second Great Awakening started at the beginning of the nineteenth century, and fueled the abolitionist, temperance, and nativist movements, as well as the campaign for women’s suffrage. The Third Great Awakening started around 1880, and provided the catalyst for many of the social reforms of the early and mid-twentieth century, including changes in labor law, the civil rights and women’s rights movements, and the heightened concern about poverty in America. Fogel concludes this portion of his analysis by dating the beginning of the Fourth Great Awakening at around 1960, with a “return to sensuous religion and a reassertion of the experiential content of the Bible” and a “reassertion of the concept of personal sin.” He argues the political manifestation of the current cycle began around 1990, and is represented by developments such as “the rise of the prolife, profamily, and media reform movements, the campaign for a more values-oriented school curriculum, an expansion of the tax revolt, an attack on materialist corruption, and an attack on entitlements.”

As implied by its sub-title, one of the major themes of this book is the implications of the current spiritual awakening for the egalitarian strain in American life and culture. Fogel states that while the Third Great Awakening emphasized the material inequalities that existed (and still exist) within American society, the Fourth Great Awakening places its focus on the unequal distribution of what he calls “spiritual assets”: 15 internal resources such as a sense of purpose, a strong family ethic, the capacity to focus and concentrate one’s efforts, an ethic of benevolence, and a thirst for knowledge. At first glance, it might appear that the reform agendas of the Third and Fourth Awakenings are mutually exclusive, with little opportunity for cooperation between adherents of these renewal movements. Yet one of the key points of this book is Fogel’s challenge to this perspective. He asserts that “the reform agenda spelled out by the religious Right ... more fully addresses the new issues of egalitarianism than does the agenda of the Third Great Awakening,” and that “if properly integrated, the unrealized aspects of the egalitarian agenda of the Third Great Awakening and the new agenda of spiritual reforms will become mutually reinforcing.” Fogel identifies, however, the following potential obstacles to the development of a common program:

1. ongoing disagreements over the relative urgency of meeting material and immaterial needs, and
2. the need to come to terms with changes in the structure of the economy, as well as the desires of consumers at all levels of the distribution of income.

With respect to the latter point, he identifies the three trends that are contributing to a decrease in demand for the services of less-skilled workers in our society: growing saturation in the market for consumer durables, the impact of globally integrated labor markets, and the substitution of technologically-sophisticated capital in place of labor.

Fogel also draws an interesting distinction between two different conceptions of productive activity: *earnwork*, which is defined as “activity aimed primarily at earning a living,” and *volwork*, which is defined as “purely voluntary activity, even if it incidentally carries some payment with it.” Fogel makes the case that economic growth and technological change have enabled a massive shift in the allocation of time between these two pursuits. He estimates that the percentage of lifetime discretionary hours spent in *volwork*, which was only 20 percent for the United States in 1880, will be as high as 75 percent by 2040. His conclusion is that “it is the abundance of leisure time that promotes the search for a deeper understanding of the meaning of life and fuels engagement with the issues of the Fourth Great Awakening.”

Fogel separates what he calls “the new set of egalitarian issues” into spiritual and material categories. Given his statement that “spiritual resources are transferred between individuals privately, rather than through the market,” it would seem fair to conclude that he would assume that these immaterial challenges would be met primarily by churches and other faith-based organizations, as well as the array of voluntary associations, both sacred and secular, that make up civil society. Some of his specific recommendations, however, for the transfer of these resources to children do have public policy implications, such as the expansion of nursery and day-care programs, as well as prenatal care. There is also an implied endorsement of the concept of
public assistance to faith-based institutions, such as "parochial schools at the primary and secondary levels," although he does issue a caution that "in utilizing the resources of houses of worship for the redistribution of immaterial resources, great care is needed both to safeguard freedom of religion and to ensure the separation of church and state."

With respect to material issues, he concludes that the most urgent item on this agenda "is guaranteeing workers the pensions and health-care services to which they are entitled." His primary policy recommendation is a gradual increase in the payroll tax that funds Social Security and Medicare from the current 15.3 percent level "to the neighborhood of 25 percent of payrolls." Fogel argues that such an initiative is both demographically necessary and economically feasible: necessary because of longer life expectancy and slower labor force growth, and feasible because he assumes that

even if the economy grows at only 1.5 percent per capita annually, the average income of workers in 2030 will be about 56 percent higher in real terms before payroll taxes and about 38 percent higher after payroll taxes.

With regard to the political feasibility of such a program, he reasons that the public has already accepted, through past Congressional action, an increase in the required age for receipt of full Social Security benefits from sixty-five to sixty-seven by 2025, and "there is growing support in Congress to delay the normal starting age to seventy." If this latter proposal were enacted into law, this would amount, in Fogel's judgment, to "the equivalent of a cut in the value of Social Security payments by 37 percent." Therefore, he concludes that "it would be fairer, and more expedient politically, to spread the burden of the transition over several generations." His concerns about the elderly, as it turns out, are not limited to their material circumstances. In fact, Fogel states that "the elderly today command markedly low levels of spiritual resources," with a significant incidence of depression, alienation, and substance abuse. In response, he emphasizes the importance of educational programs that provide opportunities for lifelong learning, in addition to the provision of ways in which senior citizens can engage in volunteer work that is designed not only to benefit young people, but to create a stronger sense of self-worth for the volunteer as well.

How will the unfolding of the Fourth Great Awakening be affected by the events of September 11, 2001? In his "Capital" column on the front page of the October 4, 2001 edition of The Wall Street Journal, David Wessel writes that for college-age Americans,

September 11th will likely prove as important in shaping attitudes and behavior as the traumatic Kennedy assassination and the divisive Vietnam War were for an earlier generation, and it is truly impossible to predict just how that will show itself in the decades ahead.

Will this current cycle of spiritual renewal be intensified by the West's struggle with international terrorism? If so, what will be the economic implications for both public and private stewardship, particularly if nonmaterial considerations become more important in people's lives? Is it possible that the reform agenda that Professor Fogel has outlined, drawing upon the emphases of both the Third and Fourth Great Awakenings, will be derailed as more attention and resources are devoted to defense and security issues?

This is a fascinating and thought-provoking book, and I recommend it heartily to all ACE members.

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The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else

Reviewed by William Anderson, Frostburg State University (MD).

When my wife and I traveled to Guatemala City in 2000 to adopt a baby girl, I was struck by the many contrasts there. Guatemala City certainly did not conform to my expectations. It was a bustling, well-planned metropolis with hard-working people, modern amenities of life, shopping malls, fast food restaurants, and freeways.

Yet, at 6 a.m. on any given morning, at a time when thousands of people are already driving to work, there is a long line at the U.S. Embassy of Guatemalans attempting to receive visas to enter the United States in order to find work. They already understand that if they apply the same work effort in the USA that they give in their home country, they can easily earn a higher standard of living.

There is an interesting paradox at work, and one that economists, including me, have wrongly interpreted throughout their careers. We have explained this inconsistency with many answers, including political oppression, culture, rapacious capitalism, socialism, and political corruption, to name a few.

Hernando de Soto, president of the Institute for Liberty and Democracy in Lima, Peru, and author of the acclaimed The Other Path (1990) in which he investigates the "informal sector" of Peru's economy, has a different answer in his new book, The Mystery of Capital. In this book, de Soto goes into a very detailed explanation of why the Third World nations have not shared in the general prosperity of capitalism that characterizes the western world and some Asian nations. I must admit that the author managed to force me to change a number of my own conclusions on the subject. In short, as I read this book, it seemed that "the scales fell" from my own eyes as he demolished one Third World myth after another.