

HISTORY AND PHILOSOPHY OF ECONOMICS

Handbook of Christianity and Economics

Edited by Paul Oslington

Oxford, U.K.: Oxford University Press, 2014 (656 pages)

In the period from World War II up to the 1980s, relatively few articles in the leading economic journals touched on religion. In the intervening period up to the present, there has been a marked return to religious themes in economics. This is only one of the points developed in the thirty-three contributions that make up this invaluable compilation.

This handbook is edited by an intellectual authority in the interdisciplinary field of economics and religion, and it covers a wide range of topics. These are presented in five parts: (1) the history of the relationship between economics and Christianity, (2) the current economic thinking in the main Christian traditions, (3) the role of religion in economic development and the economic order, (4) the recent work on the economics of religious behavior and religious institutions, and (5) the specific interdisciplinary work on several topics of debate between economists and theologians such as the nature of economic justice and poverty. Between five and eight articles are employed to represent each of the five fields. All are written by leading scholars in theology, economics, the history of economic thought, public policy, international relations, and other areas of the social sciences.

Part I elaborates on the historical relationships between economics and theology, starting with an overview of what the sacred Christian scriptures (the Old and New Testaments) have to say on economic matters. Economic subject matter is presented in the writings of the church fathers (thus representing orthodox teaching from the first six centuries), as well as in the work of the Scholastics (covering the thirteenth to sixteenth centuries), showing that economic ideas had been discussed well before the discipline of economics

took shape. Most authors date the separation of economics, formerly called political economy, from theological inquiry, to some point in the nineteenth century. With respect to the period after their separation, economics and theology are treated both from a specific denominational view (here, Catholic) as well as from a wider Christian perspective.

Part 2 deals with contemporary theological economics in the different Christian traditions, such as Roman Catholicism, Anglicanism, Eastern Orthodox Christianity, Anabaptism, Pentecostalism, and the wide range of Reformed theology. A separate article is dedicated to theonomy—a special branch in the Protestant tradition. This article is in contrast to most of those on other denominations in that the author does not content himself with dealing with the natural meeting points and intersections of the two disciplines concerned but has tried to elaborate an alternative concept of Christian economics. Theonomists such as Christian Reconstructionists maintain that God’s law still provides a normative framework for today’s personal and social activities and call for a radical reformation of civil governments so that they might conform to God’s law.

Part 3 begins with a detailed and thorough examination of Max Weber’s well-known Protestant ethic thesis and adds various refinements to it. The conclusion drawn is that although Weber’s work remains controversial, he was in fact posing the right questions. The next text deals with the conflict between environmental religion and economic religion in North America. This is followed by a chapter on the influence of Christianity on business and its positive role in the economic development of the Global South, followed by a related chapter on the role of faith and religion in international development institutions. The last contribution in this section tries to illustrate “the religious nature of capitalism and the economic impetus of Christianity” (402). A common criticism of capitalism is employed here, namely, that the need to maximize economic efficiency and growth has deprived governments of their independence from markets and international corporations thus forcing them to follow the dictates of the economic order.

Part 4 is devoted to the burgeoning field of the economic analysis of religion. The contributions in this section cover economic models of churches, the economics of religious schism, spiritual capital, religious labor markets, regulation of religious markets, and the behavioral economics of religion. To date, there has been not one but two quite-disparate models of Christian churches: Iannacone’s (1992) club model of religion and Ekelund et al.’s (1996) treatment of the church as a rent-seeking firm. Both of these go back to Smith’s *Wealth of Nations* (1776, section 5). An application of Hotelling’s (1929) model of firm location and pricing leads the authors of the chapter on the economics of religious schism to suggest that fewer formal schisms are to be expected in Episcopal churches (due to their relatively high sunk costs), and, more generally, that fewer schisms are likely to take place in modern times owing to the presence of plentiful and more varied church alternatives. The perceived decline in ethical standards, the frequency of corporate financial scandal, the failure of the secularization thesis, and the global rise in religiosity are all seen to have contributed to the rise in prominence of spiritual capital. Given the pivotal role of clerical input in the production of church output, the chapter on religious markets deals with questions concerning the remuneration and allocation of clergy and the latter’s

impact on church performance. The chapter on the regulation of religious markets finds that there is a strong negative correlation between restrictive regulations and religious attendance. Behavioral economics of religion shaping social norms seems to be a more natural extension of the neoclassical economics of religion.

In part 5, interdisciplinary exchanges between economists and theologians on economic justice; happiness; usury; human nature, identity, and motivation; gender; and poverty are gathered. Obviously, Christianity has a long-standing interest in economic justice rooted in the ethos of mutual solicitude for biblical subsistence economies. The chapter on happiness urges us “to focus on the death and resurrection of Jesus as the basis for arguing about where ultimate happiness lies” (561). The chapter on usury argues against interest ceilings because these typically benefit those who have no need of assistance. In the chapter on “human nature, identity, and motivation,” a mixed-motive-valuation (MMV) function instead of the usual (expected) utility function is used to explain the decline of divorce rates in the 1990s compared to the decades before. In the chapter on gender, the author distinguishes between sex and gender, signifying the social and psychic differences associated with the physical attributes that can be transcended by the New Testament’s spiritual capital, that is, living “in the spirit” rather than “in the flesh.” Finally, the author of the chapter on poverty emphasizes the fear (including among Christians) of not having their own material needs met as a main cause of neglecting the poor.

Clearly, this highly selective run through the thirty-three chapters of this excellent handbook cannot do more than whet the reader’s appetite to probe some or all of the chapters more deeply. Almost all the authors have taken great pains to aspire to the richness and complexity as well as the depth and breadth of their topics by tracing them back to the Sacred Scriptures as well as to attribute them to current theological and economic discussions. All chapters are well written and competently researched. The references to each chapter are exhaustive and directions for future research are aptly outlined at the end of each chapter. Thus, we are willing to recommend this handbook to the reader interested in Christianity and economics without any reservations.

—Karl Farmer and Ingeborg Stadler
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A Reassessment of Aristotle’s Economic Thought

Ricardo F. Crespo

Abingdon, UK, and New York: Routledge, 2014 (145 pages)

Ricardo Crespo has impressive credentials for this kind of book: PhDs in both economics and philosophy. His close reading of the classical Greek Aristotle and his effort to succinctly survey recent adaptations of Aristotle are both informative and provocative. Yet they also strike me as somewhat ahistorical for a simple reason: As Odd Langholm observed, it was not the “classical Greek Aristotle,” but rather the “medieval Aristotelians”—that is, the medieval scholastic commentaries on Aristotle’s newly rediscovered works,