

Justice in Exchange: The Economic Philosophy of John Duns Scotus

Robert I. Mochrie
School of Management and Languages
Heriot-Watt University
Riccarton, Edinburgh

I review the contributions to Scholastic economic philosophy made by Duns Scotus in the *Opus Oxoniense*, showing that Duns Scotus makes considerable advances in the understanding of exchange, the legitimization of trade, and the development of the Church's traditional teaching on usury. I then apply the principles developed by Duns Scotus concerning the nature of justice to explore modern controversies in theology over the nature of debt, equality, and economic growth. I argue that it is possible to identify a route through which a Scotist economics might be developed, suggesting that this would place a greater value on normative analysis than is the case in neoclassical economics and assist communication between economists and theologians.

Introduction

From time to time, Christian economists have sought to explore how their faith might affect their professional practice.¹ These efforts tend to conclude that there is no place for separatism and that attempts to define a “Christian economics” are futile. Such arguments then tend to claim that Christian economists can “leaven” progress in economics, perhaps using standard tools of economic analysis to identify ways in which grace might flow through economic institutions. Recent work examining the experience of liberalizing gambling laws in the United States by using cost-benefit analysis to determine the social value of these changes shows the value of such work.² The result that social costs exceed social benefits is in accord with much Christian teaching on this

matter, so we see economic analysis being used to provide evidence to amplify an ethical case.

In such work, economic and theological analyses tend to operate in parallel. This can also be seen very clearly in comparative work. Here, it is recognized that theologians have developed a very different understanding of economic phenomena from professional economists. Economic and theological principles are explored separately, with a view to explaining how theological discourse and economic analysis might be deepened through increased communication.³

In this article, I question the necessity of the separation of economic and theological thought. Believing that modern economic theory has its roots in the Scholastic theology of the late Middle Ages, I acknowledge that throughout the twentieth century, economics and theology possessed entirely disparate disciplinary matrices as this term was defined by Kuhn.⁴ Separation of disciplines then implies a resistance to criticism from outsiders and belief in the autonomy of the paradigms in defining the direction of research. However, reference to Kuhn, together with awareness of the historical origins of economics within theological analysis, recall the argument of Weinberg that Kuhn's concept of a paradigm emerged from his own experience as a physics instructor while carrying out research in the history of medieval thought.⁵ Weinberg identifies a claim of Kuhn's that he became an "Aristotelian" physicist, finding it difficult to understand why his undergraduate students were interested in investigating certain phenomena. In this context, the incommensurability of paradigms, which for Kuhn's critics has always been an exceptionally problematic concept, results from some six or seven centuries of developing Kuhn's exemplar—the emergence of Newtonian physics from Scholastic natural philosophy. The historical path of the development of the discipline means that an encounter with an Aristotelian physicist today is a remarkable event.

Awareness of the history of scholarship then suggests that finding adherents to Scholastic economics in a theology faculty might not be impossible. I suggest that modern scholarship in the history of thought characterizes Scholastic economic analysis by the subjugation of positive economic analysis to normative judgments concerning justice, especially in exchange.⁶ This means that objective evidence, of the sort valued in modern economics, has a limited impact on the development of theological thought. Instead, arguments drawn from the criticism of the existing tradition have primacy. The difficulties that economists and theologians find in debating economic issues find a persuasive, if all too easy, explanation in this context.⁷

Accepting the hypothesis that economics and theology are distant cousins with common ancestors in the thirteenth and fourteenth centuries, I seek to outline the nature of a Christian economics by developing some of the methods used by the Schoolmen. I concentrate upon the contributions made within the Franciscan order close to the start of the fourteenth century, especially those of John Duns Scotus.⁸ Between its formation in 1205 and its denunciation by the Holy Inquisition in 1322 for promulgating the heresy of evangelical poverty, the Franciscans balanced their Rule, which incorporated the renunciation of private property by members of the Order, with teaching for lay supporters on the use of property. Here, I review the main contributions of Duns Scotus to economic philosophy and try to apply them to modern debates between economists and theologians. I conclude by suggesting that Scotist economic doctrine does not stand in opposition to modern economic analysis and so provides a useful basis for further work on a theologically informed economics.

Economic Writings of John Duns Scotus

The Scottish theologian, John Duns (1265–1308), Regent Professor of Theology at the Universities of Paris and Cologne, memorialized as the *Doctor Subtilis*, is often regarded as “the Franciscans’ best answer to Thomas Aquinas.”⁹ His early death meant that he produced only one substantial work, the *Ordinatio Oxoniense*, a commentary on the *Sentences* of Peter Lombard. The text is believed to be based on lectures given in Oxford in 1301 that have been revised extensively for publication in the years leading up to his death. This text follows the standard format of the period, being a series of questions, followed by answers that are then proven to be unsatisfactory. The *Ordinatio* is largely concerned with theology and philosophy, and I am unaware of other discussions of the contributions to economics to be found in it.¹⁰ In addition, although work continues on a critically revised edition of his works, this has not yet reached book 4 in which the bulk of Duns Scotus’ economic and political thought is found. I have therefore relied on a recently published text of question 15 from that book—*Whether a penitent thief is bound to make restitution*.¹¹ This might seem to be a rather technical matter and an unpromising basis for a wide-ranging exposition of economic analysis. However, Duns Scotus uses it to develop a theory of property rights and touches upon most of the main arguments within medieval economics in a short span. As well as outlining a theory of property rights, he discusses briefly the nature of exchange,

the reasons for banning usury, and is best known for presenting “a very interesting and complete statement of the theory of sovereignty and the social contract.”¹²

We have already noted the importance of some of these matters in Scholastic thought. Odd Langholm, in reviewing the development of such thought at the University of Paris between 1200 and 1350, draws attention to the debate over the question of how a Christian merchant might be saved.¹³ This was problematic, since as Viner notes, Augustine had used the authority of Scripture to condemn all merchants.¹⁴ Yet, the activity of such merchants was plainly beneficial to the societies within which they were working. Increasing prosperity over the course of this century made it impossible to deny the commodity of trade.

The identification of a distinctive Franciscan approach to economic analysis is important. Following Viner, we note that the competing, and nowadays better known, arguments of the Dominicans were developed in part to rebut the heretical arguments of the Averroists.¹⁵ To achieve this end, Dominican theologians, notably Albertus Magnus and Thomas Aquinas, developed a powerful synthesis of patristic theology, canon law, and Aristotelian philosophy. The “reception of Aristotle” into Christian theology was unquestionably an important advance in thinking in the thirteenth century. However, modern scholarship¹⁶ notes that Leo XIII’s proclamation of Aquinas as a “doctor of the church” in 1879 led to an undue consolidation of his reputation as the dominant thinker of the entire medieval period. There is still perhaps a need for a corrective to the accounts of historians of economics who take Aquinas to be not merely typical of medieval thinkers but uniquely authoritative. We argue that the Franciscan tradition was at least as important at the time of Duns Scotus and, less closely tied to Aristotle, perhaps does have some claim to being the root of modern economic thought. For example, substantial exemptions from the ban on usury were developed by Duns Scotus, his contemporaries, and his successors; this was an important step in reconciling the teaching of the Church with legitimate commercial practice.

On Property

Duns Scotus begins his exposition by setting out a number of arguments made against the necessity of restitution of stolen property. The first is purely theological: Restitution is not part of penance, and so a thief can be penitent without making any restitution. However, he then states a number of largely economic considerations: impossibility (the aggrieved party has died or is far

away), high cost, damage to the common good, and undue harm to the person making restitution. Rather than address these reasons for avoiding restitution directly, he launches into an exposition of the origin of property rights.

His starting point, conventional for the period, is that the natural and divine law in the state of innocence allowed for all goods to be held in common. Private property did not exist. Duns Scotus' rationale is that "according to right reason, men should have the use of things in such a way as, first, to contribute to a peaceful and a decent life, and to provide needed sustenance.... [C]ommon use ... would have been more conducive to this than individual ownership."¹⁷ He then presents the argument of book 2 of Aristotle's *Politics* that property rights are essential to prevent the oppression of the weak. He argues that without such rights, evil and covetous men could take more than they need and use violence to wrest control of common goods.

However, his second conclusion is an important innovation: that after the Fall, private ownership becomes licit because the natural law is revoked. Earlier Scholastic writers considered the institution of private property to be a result of either a reshaping of the natural law or else, as argued by Aquinas, an addition to the natural law.¹⁸ Duns Scotus makes the important point that following the revocation of the natural law precept, which concedes license for the appropriation and division of communal property, no division was made either through the divine or the natural law. Hence, he claims that private ownership is rooted in positive law only. This is entirely consistent with the Franciscans' rejection of private property and, contrary to the Aristotelian claim supported by Aquinas, that enjoyment of property sufficient for need is good. Furthermore, it follows from this argument, and the succeeding arguments concerned with the source of justice in exchange, that unless the initial division of property was achieved justly—in the sense of being approved by some form of communal agreement—that property is not held justly.

Having defined property rights as conventional rather than innate, Duns Scotus then turns to the authority of the legal system in more detail. He argues that for the positive law to be just, it must be promulgated by a legislator possessing both prudence and authority. Prudence here means dependence on right reason, while authority is the ability to bind the community to legal observance. This appears to be a conventional Scholastic argument that follows Aristotle closely. Duns Scotus then argues that authority is either paternal (within a family) or else political (within a city), with political authority being vested in either a person or in a community and being acquired (justly) only through common consent or election. Prefiguring social contract theory, Duns

Scotus argues that authority can only be just where people voluntarily submit themselves to it.¹⁹

Rather than explore the nature of social institutions further, Duns Scotus spends the rest of his discussion exploring the conditions that must hold for transfers of property to be just. He presumes an initial just division of property. Again, this is satisfactory only so long as it is understood to be rooted in historical experience. For example, he argues that Noah used his patriarchal authority in dividing the earth among his sons and that Abraham and Lot agreed to a division of property. Thus, Duns Scotus argues that any state or community will seek an initial division of property, most likely taking the form that “anything unclaimed would go to the first occupant.”²⁰ Note that similar arguments were often used in the European expansion into the interior of the United States of America until well into the nineteenth century, with title to land (*dominium*) being established by a variety of informal, as well as formal, means.²¹ There is an obvious objection, that the property rights asserted by the colonists usurped the rights of aboriginal people. However, as we shall see, Duns Scotus understood *dominium* to imply a responsibility to use and not simply to enter into possession of assets.

Indeed, at the start of his discussion of the means by which transfer of title to property might take place, Duns Scotus argues that there are occasions on which the public authority can transfer ownership through application of a just law. Such transfers will be just if the initial and final divisions of property are just. From this, relying on canon law (Decretals of Gregory IX, *Vigilanti*), Duns Scotus argues in favor of prescription of abandoned property, if only to avoid legal disputes among the original owner and the putative owner who has entered into possession. Perhaps the important point here is that Duns Scotus argues that anyone who abandons property is a transgressor because such neglect is an “impediment to peace.”²² Such transfers are also justified given that the ruler acts with the authority of the wider community, so that they might be considered as being undertaken by the community, and on the same basis as the communal consent to the initial division of property. Such an argument seems wholly unexceptionable if it is accepted that *dominium* is not an absolute right over property but a conditional right, exercised only with the approval of the wider community, and implying an obligation to use such property so that it generates both private and social benefits.

Private Transfers of Property

Noting that in general people can both dispose of their own property as well as receive property from others, Duns Scotus now discusses the nature of just exchanges. He enumerates a variety of forms of contract: barter, sale, rental of goods; *mutua* (the transfer of use of fungible goods, which can be used and then returned); and lending money. Money is treated separately because it is considered not to be a fungible good and so will be consumed in any exchange. Treating money principally as a medium of exchange in this way (and ignoring its role as a store of value) follows Aristotle and is probably the best known Scholastic argument against usury. Yet, Duns Scotus does not rely on this argument so much as upon the claim that money is sterile *in se*, and this allows him to hint at ways in which the usury ban might be relaxed.

Following Duns Scotus' argument, I postpone further discussion of usury at this point, turning instead to his comments on trade in goods. He makes the conventional arguments that there should be equality in the value of goods and that there should be no fraud concerning the substance, quality, or quantity traded. The equality of value condition is stated following an argument of Augustine, interpreted in terms of the use value of goods. Yet, equality of value must allow for "a certain latitude."²³ Duns Scotus argues that because there is no absolute mean of justice, there is a role for positive law or custom in determining the limits of just differences. In addition, the terms of any exchange will often be left to the people taking part in it. Here, he effectively invokes the principle of voluntary exchange to argue that in general the willing agreement of both parties should ensure justice. This justice can be obtained if there is a reasonable division of the surplus in the exchange. In this discussion, Duns Scotus recognizes that in exchange, price should not simply reflect the costs of production—instead he argues that a fair price can be determined in terms of the values placed on the good by buyer and seller. He recognizes that a seller who places a high value on a good can reasonably ask more for it. He explicitly condemns any party to a transaction who uses the other's need to extract favorable terms. Regulation of markets can then be justified on the basis that it prevents the exploitation of market power.

It is this passage that led Schumpeter to draw the magisterial conclusion that Duns Scotus "stated the law of cost not only as a normative but also an analytic proposition."²⁴ The argument presented here shows clearly that Duns Scotus, as indicated in the introductory comments, is not concerned to establish such analytical matters but wishes to establish conditions for justice in exchange, such as restraint in the use of economic power. While the form of

the argument involves substantial steps toward establishing the analytical propositions, these are not recognized, and so Schumpeter's claim cannot be allowed.

On Granting *Mutua*

Duns Scotus does not clearly differentiate types of business activity. For example, he does not clearly distinguish between *mutua* and *foena*. The former are gratuitous, personal loans; the latter are business loans with special conditions stipulated for repayment, which can include some reasons for charging interest.²⁵ In the case of a *mutuum*, Duns Scotus rejects the consumptibility argument that ownership cannot be separated from the use of money on the basis that Franciscans, who held property at this time under the papal proctorship established by Nicholas III, would then be unable to use money. He recognizes that there is some merit to the argument that there is transfer of ownership in a *mutuum*, so that the lender charging interest obtains what would not otherwise be his. However, this argument only becomes sensible if it is recognized that money can only be fruitful when it is used along with some other factor of production. While Langholm argues that Duns Scotus adheres to the conventional argument concerning the sterility of money, as does his predecessor Richard of Middleton, their comments on the matter do seem ambiguous.²⁶

First, Duns Scotus argues that there are two justifications for the payment of interest. The first is the *poenum conventionalis*, a clause in the original loan agreement, specifying charge for the late repayment of the principal. In addition, Duns Scotus notes the legal right to *interesse*, payments of a similar nature.

Second, he argues that even without a specific agreement on this matter, the lender has a right to compensation where there is uncertainty about the final payment. That is, if the lender believes some portion of the principal to be at risk, he might ask for an additional payment, effectively insuring against those occasions when he faces a loss.

Duns Scotus, in common with other writers of this period does not mention *damnum emergens*, payments that might be made in recognition of the potential loss that the lender might make from the time that funds were advanced. Thus, we might infer that in this period, it was not generally considered that there could be markets for capital. Business was undertaken by individuals, or groups banding together for a short time, in institutions such as the *societas* familiar from Roman law, or the Venetian *colleganza*. These involved only the pooling of funds with additional loan finance being made available by other

private individuals. Were such individuals willing to risk their capital, then they could use the claim of *capital sub incerto* to obtain payments beyond their initial funds. However, Duns Scotus seems to assume that they are willing only to advance the funds because they did not have an alternative project available to them. Recall the argument about title being conditional and dependent upon its being used for the benefit of the community. A person with sterile funds should be expected to donate those to entrepreneurs who could benefit society.

At this point, the argument becomes less clear. Duns Scotus seems to recognize a *foenerator*, or lender, as a type of merchant, distinct from a *usuarius*, or usurer. The passage in which this occurs, *quid restituendum est?*²⁷ is unfortunately allusive. Consider this problem: Accepting that all returns to investment accrue to the people who take the risk of loss and who exert effort, suppose that a usurer makes a profit from a legitimate business transaction funded by the proceeds of usury. Is the usurer required to give up this profit when making restitution? Duns Scotus denies any such duty, arguing that were the usurer to do so, the beneficiary would gain the fruits of the usurer's industry and himself become a usurer.

While Wolter and Langholm agree that Duns Scotus takes a very similar line to his contemporary Aegidius Romanus, they differ considerably in their translation and interpretation.²⁸ Langholm translates *foenerator* as usurer even though Duns Scotus habitually uses the term *usuarius*. Wolter translates it as capitalist, which seems somewhat anachronistic. For Langholm, Duns Scotus is merely noting the problem of the just gain from unjust acquisition without drawing the seemingly obvious conclusion that wealth, as a factor of production, is fruitful. Wolter, on the other hand, argues that Duns Scotus is demonstrating, "[I]t is the industry of the capitalist in acquiring his capital and putting it into profitable investments that is rewarded by a modest return." I suggest that the sense of Duns Scotus' argument is perhaps best captured by a term such as *merchant lender*. This would recognize that the *foenerator* is engaged in the trade of identifying commercial opportunities and providing finance for them. It recognizes the still emergent nature of financial and banking institutions of the early fourteenth century.

The Scotist Economic System

I have presented Duns Scotus as outlining a positive theory of economic activity located within the larger theological inquiry in which he was engaged. For Duns Scotus, the whole of the created order exists to glorify God. He understands economic activity to be concerned with the use of material goods

for the preservation and sustenance of human beings. Such goods are used well and transactions are just if they are used to help people attain spiritual perfection. Proceeding from the creator, we do not own goods absolutely but only have a limited use of them. Use of goods both for charitable purposes and in just exchange is licit, and while the terms of any exchange should generally be determined by the value placed on the goods by both parties, it would be wrong for one party either to take account of the indigence of the other party or to fail to recognize costs incurred in production.

Understanding Duns Scotus as writing in this context allows us to interpret his writings on usury more effectively. Although the lack of clear terminology is problematic, he seems to make a distinction between lending for consumption—essentially an act of charity, to which no one is forced²⁹—and lending for business purposes, which is of value to the state and also to individuals. Usury seems to arise within the first type of lending only. This claim is contentious because Duns Scotus does not clearly explain the role of financial intermediaries in trade. Yet, he plainly understands that the initial division of property might not allocate wealth to the people who can best use it. He also recognizes that any trade or manufacture requires time, skill, effort, and risk and that these costs should have their own reward. Because capital is necessary for business, there is the opportunity to trade it, and merchants in this commodity require to be compensated. So, capital, or money, will have a price when it is being traded for investment. This is not usury because it reflects the costs incurred and the risks borne by the merchant lender.

This is not economic theory in any modern concept. It is practical theology, concerned with explaining how material goods can be used to achieve higher, moral purposes. As a guide to the forms of behavior that might be licit, it seems extremely permissive. Observing justice in exchange is merely a matter of not taking advantage of partners. Avoiding usury requires a willingness to give charity where it is required. There appears to be an attempt to respond to the behavior of emerging financial institutions. Material possessions can be enjoyed, so long as they do not distract the possessor from obtaining salvation.³⁰ Yet, underpinning all of these observations is the belief that it has been necessary for humanity to create the commercial order because the sinful nature has destroyed the natural ordering in which all goods are held in common.

Toward a Theological Economics

Rather than attempt to outline a comprehensive economic theory, I consider two symposia in academic journals. *Studies in Christian Ethics* (14:1) is concerned with the role of debt financing in modern society, although it relates this both to Old Testament and Scholastic thought. *Faith and Economics* (no. 40, Fall 2002), reviews the argument of Schneider (2002) that there is a need for a theology of affluence. This becomes a discussion of how Christians should use their wealth to support the poor. I have characterized Duns Scotus' position as proceeding from an understanding that property rights are necessarily contingent. Because he does not discuss specific cases in detail but argues only for a general obligation to use wealth well, so as to attain spiritual perfection, any projection from his arguments is necessarily speculative.

Debt Financing

Duns Scotus does not anticipate the potentially problematic markets for personal and sovereign debt. With respect to financing personal consumption, he does not seem to imagine the possibility of borrowing except through necessity. There is no role for debt in smoothing consumption or facilitating the purchase of assets from which purely personal benefits will be derived. This is probably consistent with the Scholastic understanding of the nature of material goods. Use appropriate to an individual's station in life is desirable, so long as this is not sought covetously, but by accepting the Rule of the Friars' Minor, Duns Scotus chose to limit himself to a "moderate use" of communally owned property, and for many in the Franciscan community, this probably was an ideal.

In the absence of personal credit markets, consumption has to be financed from physical wealth. Here, we can see the extent to which financial institutions have developed. Consider house purchase, financed by secured borrowing. Leading United Kingdom financial institutions are generally willing to advance between three and four times a borrower's income, with loan repayment taking place over a period of thirty years. While the institutions expect repayments to come from the borrower's current income, their lending is secured by a charge over the property, which permits them to obtain possession of the property and instruct its sale in the event of default on the loan.

Lenders are willing to enter into such contracts because they recognize that borrowers will generally be able to increase their income as they realize returns on human capital and gain experience within the labor market. Borrowers are

able to offer collateral, reducing the risk to which the lender is exposed. Thus, borrowers are able to use nonfungible human capital and loan funding to acquire physical assets. In some sense, then, these arrangements permit borrowers to realize the returns to human capital earlier than they might otherwise.

This does not seem to be an unreasonable extension of the Scotist economic framework. Langholm notes that the purchase of a life rent had been debated by authorities such as Henry of Ghent and Richard of Middleton in the latter half of the thirteenth century.³¹ He interprets Duns Scotus' silence on this matter as a sign that such contracts were accepted as licit rather than as usurious by the beginning of the fourteenth century. However, a life rent is purchased from physical assets, while the acquisition of assets financed by borrowing might still be treated as resulting from an excessive desire for material possessions.

Selby makes a distinction within consumer lending between "taking credit" and "falling into debt."³² We might attribute the latter case to either indigence or cupidity. Let us presume indigence. Then, Duns Scotus would argue that there is a duty to provide alms to the poor, but he also regards such donations to be voluntary acts to which only conscience should prompt the donor. The more general rule is that neither party in a credit transaction should take advantage of the other's need. The Scholastics, principally motivated by Christ's injunction, "Lend, hoping for nothing from it" (Luke 6:35), argued against any gain. Thus, Duns Scotus argues that in any exchange, the need of the buyer does not justify an increase in price. In the case of a credit contract, this suggests that the lender can legitimately charge a reasonable fee to cover expenses and the risk of loss. We might expect contracts to stipulate the same rate of interest for all borrowers, with (perhaps separate) arrangements for insurance against loss, which would vary with the nature of the borrower. This might lead to the capping of interest rates and hence the effective exclusion of those people considered high-risk borrowers by financial institutions from credit markets. To meet the need of such people, it would presumably be necessary either to create mechanisms for support through social institutions or charitable foundations.

A theologically based approach to economic analysis here involves the creation of institutions that have not emerged or prospered in market economies. Whereas the consequentialist ethics of modern economic analysis are concerned largely with the creation of efficient mechanisms, a deontological ethic rooted in theology would place value upon the form of the transaction itself and thus concentrate upon the design of legal structures and regulation to

promote just outcomes. This would not discard the approach of economic theory but would require it to be substantially adapted.

Theology and Capital

This focus of theological discussion at the boundaries of economics on the achievement of justice in exchange often presumes that there is a static economy.³³ This is one reason why analysis is often conducted in terms that hamper dialogue between theologians and economists, because, in such an economy, it may be possible to determine an absolute mean or a just price. Theological argument is often rooted in personal circumstances, which economic analysis will rarely admit. For example, this allows Northcott to use personal histories very effectively as a motivational basis for an argument in favor of considerably increased transfers from rich to poor.³⁴

The theological tradition seems especially concerned about distributive justice. This is also a theme of Duns Scotus' argument, especially where it is argued that the original division of property must be just for subsequent distributions to be just. Hence, Duchrow offers a critique of Locke's arguments "necessary to legitimate capitalism" to argue that "people like those in America or in India [who] do not agree with this European understanding ... can be punished with extermination or slavery, and their goods can be taken as reparation. In this way, every war of European bourgeois society is a just war, a crusade against the enemies of humanity."³⁵ Duchrow goes on to claim that proponents of market oriented economies argue against state intervention in trading, ignoring the origin of the state for "preserving and protecting this property-money mechanism." For Duchrow, the dislocation of natural law theory from its theological root leads to its support for endless accumulation. Capital triumphs because there are insufficient constraints on its use.

While theologians frequently seem to consider that there is a need for further regulation of capital, few seem to have considered how this might actually be achieved. It has been many years since Tawney sought to revive the traditional argument that the return to capital should reflect participation and risk bearing.³⁶ Arguing for the appropriation of ground rents and royalties, he criticizes "the alchemy by which a gentleman who has never seen a coal mine distils the contents of that place of gloom into elegant chambers in London and a house in the country."³⁷ Writing in the tradition of English Christian Socialism, Tawney, an economic historian, here seems to be breathing new life into the Scholastic argument that capital is not productive on its own and that its regulation should recognize this.

The Scholastic argument, often summarized in the form that property is private in exchange, but common in use, corresponds with Tawney's concept of the economic order quite well. The Scholastic treatment goes some way beyond the *ius poli* or right to life of the *Decretals*, which tolerates theft in cases of extreme need. Duns Scotus gives some form to the practical implications when he argues in favor of the possibility of transfers of property by public authorities. Tawney builds on this, to argue that it should be possible for voluntary combinations to hold property. He commends a variety of cooperative and public ownership arrangements, claiming that these perform more satisfactorily than private businesses because they promote more equal outcomes and wider access to essential services. We are unaware of a detailed theological critique more recent than Tawney's that handles effectively the problems associated with coordination of capital accumulation and its concentration within large business entities, generally corporations, in order to produce the complex goods and services traded in a modern economy. I, therefore, consider accounts of personal motivation of a very different type.

A Theology of Affluence?

This current in the theological literature, largely following from Novak's seminal work, is based on the claim that market orientation of economic activity is the most effective engine for the eradication of poverty that has been invented.³⁸ Capitalism, as practiced in a democratic society, builds most easily upon foundations in Christian society and Roman law. Where the theological consensus just described draws primarily upon the demand for justice in exchange, Novak argues that the institutions of private property and market exchange assume that people are the best judges of their own interests. He argues that Christian theology has traditionally been very supportive of the emergence of these institutions. This is similar to the argument of Landes, who has suggested that the decentralized form of Christian institutions, the extent of the recognition of the rights of the individual in some of the states of Western Europe, and a theological understanding that the world was to be explored (both physically and analytically) all combined together to generate the conditions that led to sustained economic growth in the last half of the second millennium.³⁹

As might be expected from the preceding arguments, this analysis finds rather more support within the economics community than among theologians. The symposium in *Faith and Economics* (no. 40, Fall 2002), consists of a varied set of responses to Schneider's outline of a specific theology of affluence.⁴⁰

This would celebrate the creation of wealth through work and the enjoyment of consumption. I consider this outline to be consistent with the Scotist arguments that the use of wealth to create wealth is morally valid. It is the use of wealth for consumption that is more interesting from a theological perspective. There is perhaps a useful parallel to be drawn with the Franciscan analysis here. Where Duns Scotus sought to provide validation of trade, Schneider seeks to justify a particular use of the fruits of industry. His careful biblical exegesis builds upon an argument grounded in the contrast between social and market structures during the times of the prophets in Judea and Israel and Christ's ministry on the one hand and in modern North American society on the other.

Schneider's argument proceeds from a call to other theologians to recognize that there has never been a period of history in which such large numbers of the population have been affluent and that this affluence results from the practice of Christian virtues, commended by Christ himself. Arguing for greater recognition of the transformative power of economic activity, he characterizes most theologians and theology as "wealth negative," concerned about the need to use wealth justly rather than wisely, and failing to understand both the functioning of the market economy and biblical teaching.

This is certainly very different from the Franciscan impulse, central to which was the formal renunciation of property. It is perhaps not surprising that Blomberg expresses concerns particularly about use of the principle of moral proximity that Schneider uses extensively.⁴¹ This principle states that the necessity for an individual response to need declines with the capacity to respond; for example, where there are only weak social links between the parties.⁴² This conclusion is simultaneously an obvious response to people's cognitive capacities for it directs our concern toward families, friends, and work associates, and contentious because of the implicit limitations that it implies. Contrary arguments, such as those of Sider, emphasize the marked differences in material circumstances that exist within and between societies and argue that wealthy people have a more general duty of care in respect of those in need than Schneider suggests.⁴³ This will often be mediated through secular, public institutions.

I raise another objection at this point. Klay writes about moral proximity being a useful guide to how people might realize a sense of vocation within the workplace.⁴⁴ However, she implicitly questions the endogeneity of moral proximity and our behavior. The Church, through its members in professions, has a capacity to undertake public education. By bringing close attention to bear on

relationships and needs that currently seem distant, moral proximity might be created.

It is difficult to apply the Scotist argument directly to this modern debate. We can perhaps draw out a number of principles that are helpful in this context. First, justice requires that both the initial and the final distributions of property are just in the sense of being rooted in some notion of communal approval. In particular, transfers of property can be legitimate if these increase the capacity of the economy to generate wealth. Alternatively, unrequited transfers can be charitable and designed to ease the condition of those in need, but such transfers should be voluntary. Second, where transfers are the result of exchange, justice simply requires avoidance of the exploitation of vulnerability with a presumption of willing participation.

The arguments from the theological mainstream criticizing market-based institutions and outcomes often seem to rely on arguments suggesting the violation of these principles. For example, we have noted the possibility that the present distribution of wealth might result from the annexation of property, rather than through trade that meets the Scotist criteria of justice. The proposed responses, seeking institutional change, perhaps identify a weakness in the Scotist analysis, which does not provide an extensive commentary on such matters. It can of course be argued that the Scotist framework, by allowing for transfers of property by public authorities, opens up the possibility of such action. Equally, it might be argued that the priority given to voluntary responses, possibly mediated through the Church, means that the Scotist argument can also accommodate Schneider's approach. This emphasizes the extent to which Duns Scotus' principles can only provide an evaluative framework for other theories, and are, by themselves, insufficient to commend responses to specific modern situations.

Conclusion

I have demonstrated the extent to which one of the best known Schoolmen was able to develop an approach to economics that addresses matters of importance to economists and theologians. The discussion has shown how the form of Scholastic economic analysis is shaped by its purpose. Because the purposes of modern theological argument and economic theory are very different, the methods that they employ differ, and there is a lack of communication between the disciplines.

While I have not attempted to construct an explicitly Scotist economics, I have argued that the principles that were first clearly expressed in his writings continue to be reflected in economic theology. A Scotist economics would have concerns rather different from those of neoclassical economics. While it would not seek to revive such concepts as the just price, understanding the nature of justice in transactions would be important. This could be understood as a reassertion of the importance of normative analysis in economics but not at the expense of excluding (formal) economic analysis, as seems to happen in much modern theology. Such a reassertion would have implications for the direction of economic research, and in ways that do not generally seem to be anticipated by Christian economists. Rather than simply using the tools of economic analysis to bolster arguments derived for theology, it could lead to the development of new methods.

In content, it might follow quite closely the path outlined in Schneider, 2002. This conclusion might seem surprising, given the nature of the principle of godly delight at the center of this theory and the Franciscan renunciation of private property. Yet, it is important to recognize the extent to which Scholastic theology developed an understanding of the economic benefits of trade. Schneider's claims about the extent of affluence in society and the capacity of work to transform personal and social circumstances are well made. A neo-Scotist analysis, with its emphasis on individual and corporate responsibility to recognize and meet need, mediated through the Church, should be able to accommodate this challenge.

Notes

1. For example, D. Hay, *Economics Today: A Christian Critique* (Leicester: InterVarsity Press, 1989); "On Being a Christian Economist," *Christianity and the Culture of Economics*, ed. D. Hay and A. Kreider (Cardiff: University of Wales Press, 2001). See also A. Henley, "Doing Economics as a Christian: Constructive Engagement or Prophetic Detachment," *Journal of the Association of Christian Economists*, no. 34 (October 2004).
2. This is summarized in E. Grinols, *Gambling in America: Costs and Benefits* (Cambridge: Cambridge University Press, 2004).
3. This is the format of A. Britton and P. Sedgwick, *Economic Theory and Christian Belief* (Bern: Peter Lang, 2003). A possible criticism of such work is that because it is written for an audience consisting of specialists in two distinct disciplines, the quality of both economic and theological analysis will fall below the usual professional standards in these disciplines.

4. T. Kuhn, *The Structure of Scientific Revolutions* (Chicago: University of Chicago Press, 1970).
5. See S. Weinberg, "The Structure of Scientific Revolutions," *New York Review of Books* 45 (1998): 15. I am grateful to my colleague Dr. Alexander Bell for bringing this argument to my attention.
6. The most thorough compendium of advances in economic scholarship in the thirteenth century is O. Langholm, *Economics in the Mediaeval Schools: Wealth, Exchange, Value, Money and Usury According to the Paris Tradition, 1200–1350* (Leiden: Brill, 1992). The introductory and concluding essays outline the nature of scholastic economic thought, and the priorities for development within it. Langholm, *The Legacy of Scholasticism in Economic Thought: Antecedents of Choice and Power* (Cambridge: Cambridge University Press, 1998), provides a fuller account of the primacy of normative over positive analysis and the implications of this priority on the substance of knowledge claims in this field.
7. It was only after drafting this article that I encountered the argument of A. Yuengert, *The Boundaries of Technique: Ordering Positive and Normative Concerns in Economic Research* (Lanham, Md.: Lexington Books, 2004). This seeks to reassert a division between positive and normative research within economics, rather than the fact-value distinction used in many modern textbooks. Reviving the Aristotelian distinction between technique and prudence, he places the objective analysis of economic technique under the direction of normative guidance supplied by ethics.
8. While I restrict my attention to the contributions of the Franciscan order, I do not comment in detail on the recent arguments for the development of a distinct Franciscan economics during this period, as argued by, for example, G. Todeschini, 2004, *Franciscan Wealth: From Religious Market Poverty to Market Society* and Mulino Bologna and D. Wood, 2003, *Medieval Economic Thought* (Cambridge: Cambridge University Press).
9. See Langholm, *Economics*, 406.
10. For example, in the standard biography by E. Gilson, 1952, *Jean Duns Scot: Introduction à Ses Positions Fondamentales* (Paris: J. Vrin) does not analyze this matter; nor do two recent introductions to his thinking: R. Cross, 1999, *Duns Scotus* (Oxford: Oxford University Press); and T. Williams, ed., 2003, *The Cambridge Companion to Duns Scotus* (Cambridge: Cambridge University Press).
11. I refer hereon to this carefully prepared and clear text, A. Wolter, *John Duns Scotus: Political and Economic Thought* (St. Bonaventure, N.Y.: Franciscan Institute, 2001), simply as Wolter.
12. C. Harris, *Duns Scotus* (Oxford: Clarendon Press, 1927), 347.

13. O. Langholm, 1992, Introduction.
14. J. Viner, *Religious Thought and Economic Society: Four Chapters from an Unfinished Work* (Durham, N.C.: Duke University Press, 1978), 63.
15. J. Viner, 1978, 67ff.
16. Summarized in Langholm, 1992.
17. Wolter, 29.
18. Langholm, 1992, 406.
19. Duns Scotus does not consider particular cases in this argument. Nor does he consider conditions under which the voluntary agreement might be ended. The dispute between Pope Boniface VIII and Philippe le Bel, in which each attempted to depose the other, would only recently have been concluded at the time of writing. Even though Duns Scotus had continued to recognize Boniface as pope during the dispute, this argument suggests that he considers temporal authority to be entirely separate from spiritual authority, so that his position is very different from that of contemporary papal absolutists, such as Giles of Rome, who held that since possession came through divine law, sovereign authority proceeded from God and hence through the Vicar of Christ.
20. Wolter, 35.
21. Arguments concerning the importance of title to economic activity and a review of the means by which it has been obtained are to be found in H. De Soto, *The Mystery of Capital* (London: Bantam Press, 2000).
22. Wolter, 39.
23. Wolter suggests that the argument at this point is incomplete because the *Ordinatio* is unfinished, and Duns Scotus did not cover the argument of book 3 to which he refers here. He also suggests that the argument against an absolute mean of justice would be more easily understood were Duns Scotus responding to the arguments of his predecessor, Richard of Middleton, rather than Thomas Aquinas, as suggested in Langholm, 1992. Again, this seems to be evidence of a separate, Franciscan tradition, developing through debate within the Order.
24. See J. Schumpeter, *History of Economic Analysis* (London: George Allen and Unwin, 1954), 93.
25. The best single source of definitions for such terms still appears to be J. Noonan, *The Scholastic Analysis of Usury* (Cambridge: Harvard University Press, 1957).
26. Langholm, 1992, 411.
27. Wolter, 68.
28. *Ibid.*, 69, n. 28 and Langholm, 1992, 417–18.

29. Hence, it is not possible for a usurer to claim that he is compelled to lend “needed money,” and so has a right to interest. No one is compelled to do good to his neighbor; but having chosen to do good in this way, divine law requires that the act not be vitiated.
30. In arguing that restitution is always desirable, Duns Scotus suggests that if it is impossible or ineffective to make restitution directly, a donation to the poor (through the Church if necessary) can always be made, with the donation being made in the name of the injured party. This then becomes a work of merit.
31. Langholm, 1992.
32. P. Selby, *Grace and Mortgage* (London: Darton, Longman, and Todd, Ltd., 1998).
33. See, for example, A. Britton and P. Sedgwick, 2003; U. Duchrow, 1999, *Alternatives to Global Capitalism: Drawn from Biblical History, Designed for Political Action* (Den Haag: International Books); and D. Jenkins, 2000, *Market Whys and Human Wherefores: Thinking Again about Markets, Politics and People* (London: Cassell).
34. See M. Northcott, *Life after Debt: Christianity and Global Justice* (London: SPCK, 1999).
35. U. Duchrow, “The Economic State We’re In: Can the Economy Work for Everyone?” *Studies in Christian Ethics* 15, no. 1 (2002): 25–44, especially 29–30.
36. While these matters were the subject of a number of Tawney’s books and articles, the most relevant for the discussion here is R. Tawney, *The Acquisitive Society* (London: G. Bell and Sons, 1921).
37. *Ibid.*, 102.
38. Michael Novak, *The Spirit of Democratic Capitalism* (Lanham, Md.: Madison Books, 1982).
39. D. Landes, *The Wealth and Poverty of Nations* (London, Little, Brown & Co., 1998).
40. J. Schneider, *The Good of Affluence: Seeking God in a Culture of Wealth* (Grand Rapids: Eerdmans, 2002).
41. C. Blomberg, “Is Affluence Good?” *Faith and Economics* 40 (Fall 2002): 11–14.
42. We may note that Duns Scotus does not recognize any reduction in the requirement that restitution be made on this basis, allowing only for differences in the form, such as donations to the Church.
43. R. Sider, *Rich Christians in an Age of Hunger*, 2d ed. (London: Word, 1997).
44. R. Klay, “Godly Delight, Christian Vocation and Moral Obligation: A Much Needed Perspective on Capitalism,” *Faith and Economics* 40 (Fall 2002): 6–11.

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