conversations about alternatives to regulation have become moldy by the polarization of camps—some supporting big government regulation while others hold to traditional laissez faire views.

Criticisms aside, there is an important attraction to McKinley's approach. By going light on analysis until the last chapter, McKinley unclutters his narrative, generating a fairly unvarnished account that readers can decipher as they see fit. The utility of the work is helped by McKinley's clear prose, careful organization of the material, utilization of actual conversations among policy players, and a rich treasure trove of detailed footnotes.

In sum, *Financing Failure* provides a credible, articulate, and fairly comprehensive description of the evolving yet patterned establishment approach to financial regulation in the United States. The discussion assembles important evidence supporting the thesis that the existing regulatory paradigm is deeply flawed. The faults pertain not merely to correctable bureaucratic inefficiencies and maladroitness but a policymaking approach that burnishes its elitist discretion in the midst of financial crises. As a result of this approach, the wealth generating capacity of the nation works to disproportionately benefit a privileged few—often the people who are least deserving of outsized rewards, all things considered. Thus viewed, McKinley's work helps guard against the notion that big government solutions are essential in unstable times. This timely book serves the public interest. It deserves an educated audience.

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## Economies of Salvation: Adam Smith and Hegel
**Yong-Sun Yang**
Bern, Switzerland: Peter Lang, 2012 (213 pages)

In *Economies of Salvation*, Yang hopes to correct the "generally" held view that theology and economics are not related by demonstrating that the economist Adam Smith relies heavily on theological notions of salvation, grace, and providence and that the theologian Hegel's notion of the "cunning of reason" applies to self-interest in civil society as a middle step in the progression toward rational self-consciousness. Yang contrasts the two thinkers' notions of God and his providence, human "self-conscious desire," human sociality, poverty, and salvation.

Smith understands self-interest to be a providential gift from God to coordinate humans otherwise dogged by weak rational abilities. Furthermore, humans desire salvation because they have self-interest, which can include many *nonselfish* interests. So, fall of man or no, Yang concludes that Smith's God instills self-interest in humans as their strongest source of motivation. Even our ability to make moral judgments relies on self-interest, because, in Smith's "sympathy," we imaginatively change places with the other.

Hegel, on the other hand, sees self-interest as the result of the fall of man, a force that has its part to play in moving us toward individual self-consciousness in civil society but that must be transcended in the ethical life of the state.

For instance, unlike Smith, who believes that the poor will always be with us, Hegel sees poverty as the result of over-production (Yang, chap. 6). The poor "rabble" in this epoch have notions of their own rights but lose the feeling of social place and, consequently, their ethical moorings when they become socially obsolete. Hegel recommends colonization (Yang, 140). While Yang deals with some of the problems that arise in Hegel's analysis, he emphasizes Hegel's theology of economics overall. God accomplishes self-realization through human rational self-consciousness, which requires social "recognition." Yang draws a direct line from the theology to the public policy convincingly enough, but the main economic claim involves the rise of poverty from overproduction. Yang does little to explain how this claim arises from theological foundations. I can conjecture that the "unfettered" activity of society in both population and production results from the mismatch of "unrestricted self-interest" and the communal interests of the burgeoning state (Yang, 138–39). Perhaps this is how Hegel's economic claim arises from his theology. Yang fails to show why any actual economists ought to care about this, as he does not tie Hegel's claim about overproduction as the cause of poverty to any economic theory or data.

Yang only spends one chapter on the topic of poverty, but it provides us with the clearest example of why the book ultimately fails. Philosophically speaking, the connection between theology and economics is well established. Theological sources have addressed questions of human nature, human creativity, private property, usury, political authority, and God's providential plan for human beings so substantively that a denial of the role of Christian theology in the development of economic thought borders on the absurd. Yang's most stunning mistake in this regard is his claim that "[w]e generally believe that the kingdom of God is a theological issue irrelevant of economics" (Yang, 179). Where did a philosopher discussing Hegel, of all people, get this impression? Even economic historians with only a passing understanding of theology know that the public-policy debates concerning poverty, temperance, and women's rights in the late nineteenth century, for instance, were deeply shaped by a shift toward social justice in the mainline churches, connected to a liberalization of theology directly influenced by Hegelianism. Many Christians began to focus on public policy, as opposed to the creation of alternative societies, due to a new understanding of the task of the church to usher in the kingdom of God through the transformation of the state.

Therefore, what is the problem that Yang wants to solve? Perhaps it is not only philosophers' disinterest in the connection between economics and theology but also economists'. This would make for a more compelling problem, but Yang's book might not be the best solution. I do not deny that economists could benefit from grappling more with some of the value-laden questions of human nature, the morality of self-interest, and the role of eschatology in determining our vision for the future, but who is Yang's audience? A legion of oversimplifications and redundancies in the book make it feel like it is written for students who are unfamiliar with the details of Smith's and Hegel's works (for instance, by the time I got to the top of page 118, I had already heard his explanation of Smith's self-interest many times, in almost exactly this wording, and would hear it again many more times before the end of the book). On the other hand, Yang sometimes jumps into the minutiae of scholarly debate with so few direct quotes from the texts that he seems to be writing to a few fellow scholars who already have the relevant passages memorized. If he wants to convince economists of anything at all, he is going to have to write a book that they would actually read. Furthermore, that book would have to deal with the way in which the discipline has, in the last century, become divorced from its broader philosophical context in general—a complex question in itself.

Other infelicities of language dog the work. Sometimes Yang seems to be playing with words in order to generate something he cannot prove. For instance, without any explanation of the phrase, he starts referring to Smith's "self-interest" as "human self-conscious desire" right away, as if to create the parallel between Smith and Hegel by importing Hegelian terminology that does not belong. Other vague phrases are repeated again and again, such as his claim that Smith's notion of self-interest has "many colors like a rainbow" or that Hegel "plays his own music that is permeated in his works" (Yang, 158 and 67, respectively). What could phrases like these possibly mean? If Yang excised nebulous language and all the repetitions of his broader points, he would have plenty of room to include real textual analysis in his debates with other scholars, and the book would probably be shorter. The book has some fascinating content, but Yang needs to clarify his own task, decide on an audience, and edit.

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## Approximating Prudence: Aristotelian Practical Wisdom and Economic Models of Choice

**Andrew M. Yuengert**

New York, New York: Palgrave Macmillan, 2012 (229 pages)

Aristotle's concept of prudence (*phronesis*), more meaningfully rendered as "practical wisdom," has recently been employed in the burgeoning literature on business ethics, particularly as a principle of choice between empirically or morally equivalent options. Even more numerous are the works that analyze and criticize economic methodology and economics as a discipline. They do this nearly always from the vantage point of metatheory by questioning the positive-normative dichotomy, explanatory power, or formal structure involved in the building and testing of economic theory. Rarely has anybody tried to apply a concept deeply rooted in moral philosophy, such as practical wisdom, not *extrinsically*, in the discourse about economics, but *intrinsically*, in the development of economic models of choice themselves. Such an endeavor requires a deeper understanding both of the philosophical (and even theological) issues of making decisions and of rational (and social) choice theory than is usually found in one person. Andrew Yuengert, professor of economics at Seaver College, Pepperdine University, has produced a remarkable book in which he not simply shows how practical wisdom can or should guide decisions but in which he integrates it into the axioms on which the microeconomic theory of choice