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The Routledge Handbook of Economic Theology

Edited by Stefan Schwarzkopf

THE ROUTLEDGE HANDBOOK OF ECONOMIC THEOLOGY

This Handbook introduces and systematically explores the thesis that the economy, economic practices and economic thought are of a profoundly theological nature. Containing more than 40 chapters, this Handbook provides a state-of-the-art reference work that offers students, researchers and policymakers an introduction to current scholarship, significant debates and emerging research themes in the study of the theological significance of economic concepts and the religious underpinnings of economic practices in a world that is increasingly dominated by financiers, managers, forecasters, market-makers and entrepreneurs.

This Handbook brings together scholars from different parts of the world, representing various disciplines and intellectual traditions. It covers the development of economic thought and practices from antiquity to neoliberalism, and it provides insight into the economic–theological teachings of major religious movements. The list of contributors combines well-established scholars and younger academic talents.

The chapters in this Handbook cover a wide array of conceptual, historical, theoretical and methodological issues and perspectives, such as the economic meaning of theological concepts (e.g. providence and faith); the theological underpinnings of economic concepts (e.g. credit and property); the religious significance of socio-economic practices in various organizational fields (e.g. accounting and work); and finally the genealogy of the theological–economic interface in Judaism, Christianity, Islam and in the discipline of economics itself (e.g. Marx, Keynes and Hayek).

The Routledge Handbook of Economic Theology is organized in four parts:

- Theological concepts and their economic meaning
- Economic concepts and their theological anchoring
- Society, management and organization
- Genealogy of economic theology

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Work on this Handbook started in summer 2017 with a conference at Copenhagen Business School (CBS), held both to celebrate the 500th anniversary of the Protestant Reformation as well as the 100th anniversary of CBS as one of Scandinavia's foremost business universities. This conference was certainly not the first dedicated to economic theology, but the one with the widest reach. Under the title "Markets, Money and the Sacred: International Perspectives on Economic Theology", the conference brought together more than 30 presenters from the United States, the United Kingdom, Australia, Germany, Italy, Denmark and Israel (100.cbs.dk/activities/economic-theology/). Over two days, the presenters and a large audience which also included visitors from the European Group of Organization Studies (EGOS) conference that had just finished at CBS, met and discussed in two parallel tracks. All presenters shared their draft conference papers with each other and with the conference guests. It was out of this conference compendium that the present Handbook emerged over the course of two years. For the Handbook, the initial roster of formidable speakers was enlarged, and many additional chapters were commissioned.

Bringing such an illustrious crowd of scholars from all over the world to Copenhagen would not have been possible without the generous support from CBS itself; from my home department, the Department of Management, Politics and Philosophy (MPP); and from the Haniel Foundation, which has supported humanistic scholarship in business and economic studies for many years. Special thanks are due to my department administrator, Henrik Hermansen, and my colleague Timon Beyes, who were both very supportive in finding sufficient funding for the 2017 conference.

Turning a conference paper into a succinct and comprehensive Handbook chapter against deadlines and a draconian word limit is an uninviting task. It is therefore with gratitude and joy that I would like to thank all the authors in this Handbook for the great spirit and the sense of diligence that they brought to the task. Authors shared draft chapters with each other and discussed their contents, which is another sign of the spirit that emerged in the course of writing and compiling this Handbook. Finally, I would like to thank the editors at Routledge who accompanied this project, Nicola Cupit, Nathalie Tomlinson and Lisa Lavelle, for the support and patience they have shown, especially in the last months of the editing process.

Writing and talking about economic theology in contemporary academia is a great way to create enormously stimulating intellectual debate. Yet, the global rise of religious fundamentalism and the political fruits of this development have also led to a sense of distrust that overcomes people when they see the word "theology" used in conjunction with economy. Perhaps this is part of what the American critic and historian Christopher Lasch, some 40 years ago, identified as an "age of diminishing expectations". It is very much to be hoped that this Handbook will help raise expectations again, the expectations that we have of those who hold public office, of democratic processes, the conduct of those we live and work with and the type of growth that is produced by our economic institutions.

Finally, it was with great sadness that we as authors heard of the death of our colleague and contributor, Robert H. Nelson (1944–2018). Robert (Bob) was a great academic and a fantastic guest speaker and discussant at workshops and conferences. He was widely read and had a very sharp eye for the religious character of much of the theoretical infighting within the discipline of economics. During the 1990s and early 2000s, Bob published a number of essays and books which helped create the intellectual conditions for economic theology as a field to emerge and flourish. Best known among these publications are his 1991 book *Reaching for Heaven on Earth: The Theological Meaning of Economics* (Rowman & Littlefield), and his 2001 follow-up *Economics as Religion: From Samuelson to Chicago and Beyond* (Pennsylvania State University Press). His latest work included books on scientific arguments for the existence of God (*God? Very Probably.* Cascade Books, 2015), on Lutheranism in Scandinavia (*Lutheranism and the Nordic Spirit of Social Democracy*. Aarhus University Press, 2017), and on climate change (2019). Obituaries appeared in *Forbes* and the *Washington Post*, testifying to his standing beyond the confines of academia. The entire scholarly community, and the editor in particular, owes a great debt of gratitude to him.

1

AN INTRODUCTION TO ECONOMIC THEOLOGY

Stefan Schwarzkopf

The gods, likening themselves to all kinds of strangers, go in various disguises from city to city …

Homer, *The Odyssey*

Economic theology as an academic field

Despite widespread assumptions about an increasing trend towards secularization in Western societies, there are lingering suspicions about the fervour with which markets and "economic freedom" have become elevated to the status of a belief system. This fervour raises doubts as to whether liberal Enlightenment ever managed to banish religion from the sphere of political economy and economic organization. The doubters and heretics who reject the idea of a global victory of secular democracy – Francis Fukuyama's "end of history" – have rallied under the banner of a "theological turn" in social theory (Fukuyama 1992; Harrington 2007; Juergensmeier 2013). This term comprises an as yet loosely structured intellectual movement within the social sciences, social philosophy and the humanities that reconsiders the relevance of theological reasoning. This movement takes seriously the impact of people's expressed and unexpressed notions of what is sacred in the way societies are shaped.

Economics and business administration, too, have recently been exposed to a theological turn of their own. Among the many ways to conceptualize this exposure, the term "economic theology" suggests itself as a way to reconfigure theorizing the economy around the role that theology played in shaping economic concepts and the social presence of the sacred in economic life. Economic theology, although a relatively new term, can be considered a research field with intellectual roots stretching all the way back to Karl Marx, Max Weber, Werner Sombart, Émile Durkheim, Marcel Mauss, Ernst Troeltsch and Walter Benjamin. It comprises a *methodological* and a *theoretical* component. The first component provides the tools to investigate the relationship between theology and economic concepts and practices. The second component claims that particular economic practices, behaviours, concepts and institutions are in fact not just grounded in theological concerns over justice and personal transformation, but that this grounding actually renders economic practices, institutions and economic thought *as such* a part of the realm of the sacred.

Although economic theology as a term is of relatively recent origin, it needs to be kept in mind that the theological underpinnings of modern and secular economic thought have been studied for decades by, amongst others, economists and economic historians such as Jacob Viner,

A. M. C. Waterman, John Milbank, Robert Nelson and Deirdre McCloskey (McCloskey 1999; Milbank 1990; Nelson 1993; Viner 1972; Waterman 1983, 1991). In 1991, Nelson used the term economic theology to describe the viewpoint that economics as a science has a theological dimension (1991: 16). For Nelson, this dimension expressed itself as the kind of secular religion at the roots of American progressivism, which in turn structured the growth of economics as a positivist science and which, arguably, replaced traditional Christian visions of a society shaped by a belief in God. Other signs of this theological dimension of economics, according to Nelson, were the messianic character of some leading economists like Milton Friedman and the relentless pursuit by economists of enforcing the new commandments of efficiency and prosperity (Nelson 2004).

A somewhat different notion of economic theology has recently been developed by the Italian philosopher Giorgio Agamben. His conceptualization of the theological dimension of all things economic is based on a genealogical inquiry into the way early Christian theologians used the Greek term οικονομία (oikonomia) in their strategies of elaborating the doctrine of the Trinity. According to Agamben, two paradigms derived from early Christian theology. First, the juridical paradigm of political theology, leading to a transcendent notion of sovereign power; and second, the immanent order of the economy, which in turn led to the dominance of economic–managerial thinking over all aspects of social life (Agamben 2011). While Nelson travels from contemporary economics back in time to theology (archaeological move), Agamben works his way from late antique theology towards modern economy and the "mysteries" of economic order as a key form that power takes today (genealogical move). Nelson and Agamben are today perhaps the foremost representatives of two forms of economic theology. The former perceives the subject from an intellectual history perspective and situates modern *economics* as a science within Western progressivist–liberal thought as a kind of secular religion. The latter takes the form of a genealogical study of *the economy* as an order and derives its conceptual apparatus much more from thinkers such as Michel Foucault, Walter Benjamin, Carl Schmitt and Erik Peterson.

Both "schools", however, have so far failed to create common ground on which a dialogue is possible. The theoretical assumptions, methodological tools and ontological parameters of both perspectives are so far apart that a genuine conversation might be difficult to achieve. This situation of course makes it even more necessary that students of the subject find a handbook that may guide them through the various issues, theories, concepts and debates that make up the increasingly diverse field of economic theology. This Handbook attempts to serve as a guide which delineates the subject area of economic theology as the study of that which is hidden, namely the clandestine theological underpinnings of both economics as a social science and of the economic order the way we "moderns" have come to accept it. In the following sections, readers will be introduced in more detail to the rationale for this Handbook and will be provided with a more detailed outline of economic theology as an academic field in its own right.

Theology, the stranger

Academic scholars often have an innate aversion to theology. Most of them confuse theology with religion and do not differentiate between theological inquiry and religious ex cathedra teachings. But there is no need to be afraid of theology. Like its (slightly older) sister, political theology, economic theology is a mode of inquiry that understands the modern world as incompletely secularized and – more importantly perhaps – incompletely desacralized. This incompleteness has been made intelligible through the notion of a return. Variously labelled as the "return of religion", the "return of God" or the "return of theology", these returns are presented by some as dangerous and by others as harbingers of messianic deliverance. At any rate, the idea of a *return* links both economic and political theology to a foundational European myth, namely that of the heroic homecoming (νόστος) of Odysseus to Ithaca. The alleged return of religion, theology and of God has become one of the most central tropes of our times (Flanagan 2003; Hyman 2004). Yet, it is also a problematic one since this trope was in itself a reaction to highly visible political events, namely the attacks on the World Trade Centre in September 2001 and later the rise of the Islamic State during the civil war in Syria and Iraq in 2014.

The underlying danger in representing theological inquiry as a "homecomer" is that it gives the impression of a *sudden* return of political sacrality into a world that understood itself as modernized and secular (Habermas 2008; critical: Flood 2019; Tambar 2016; Taylor 2007). Anyone with a hint of historical knowledge will remember that this modern, secular world has been at the same junction before. In 1979, the Iranian shah fell and made way for politicized Islam at the state level; the mujahideen formed in Afghanistan in response to the Soviet invasion; and in the United States, the Baptist minister Jerry Falwell founded the Moral Majority, a pressure group that helped establish the Christian Right as the dominant force in American politics today. The year 1979 is thus seen today as one of the most important watershed moments of the twentieth century (Sloterdijk 2010: 217). Some historically more aware philosophers and sociologists of religions have therefore wondered whether religion ever "left" in the first place (Sloterdijk 2013: 1–3). Most prominently perhaps, the British sociologist of religion David Martin already rejected the universalizing elements of the secularization thesis in the late 1960s (Martin 1969). More recently, the German sociologist Hans Joas similarly argued that the notion of a disenchanted modernity itself needed disenchantment (Joas forthcoming).

These debates are of tremendous importance for economic theologians who often research the mundane as opposed to the glorious. Where political theology investigates matters of statecraft, sovereignty, office, dictatorship, genocide, revolutions, warfare and terrorism, economic theology focuses much more on organizational-, work-, managerial-, consumption- and finance-related issues. Economic theology springs into action when it makes things visible that remain invisible to others, such as the case of the American media entrepreneur Casey Neistat, who tattooed the commands "Work Harder" and "Do More" on the skin of his wrists and arms (Sawa 2019). Such tattoos are an embodiment – literally – of the Protestant work ethic as it was described most famously by Max Weber in 1905 (Weber 2002). The command to "work harder" is *theologically* significant since it does not simply call on followers to get rich quick. Rather, working harder means to live more intensively the realization that one is "in the world but not of the world". This specifically theological concept underpins all modern work ethics and as such has never disappeared or "returned".

Whatever the differences between political and economic theology might be, both forms of inquiry start with the assumption that in a world that perceives itself as "obviously" secularized, theology will always be a stranger, a *xenos*. This stranger is decidedly not an Odyssean homecomer. For Homer, the gods were strangers; they never went away, but instead appeared in various disguises in venues as they pleased. As Alfred Schütz argued, the stranger cannot simply "recur to the memories of his past". This impossibility renders the stranger more open-eyed on his journeys and more objective than the homecomer (Schütz 1944, 1945: 369).

What is economic theology – a definition

Methodologically speaking, economic theology often begins with an investigation of the *historical* emergence of modern forms of economic theorizing and economic organizing. It then progresses to the empirical study of social modes in which the sacred is activated within the seemingly profane realms of management, production, consumption, finance and entrepreneurship in the *contemporary* world. Comprising historical and contemporary, and theoretical and empirical elements, economic theology can thus be defined as follows:

> It is the study of the forms of interaction between theological imaginaries on the one hand, and economic thought and economic–managerial practices on the other, both past and present. It identifies explicit and implicit theologies inherent in economic concepts, institutions and practices as well as the role of economic terminology within theological thought, both past and present.

Economic theology is thus not merely the study of religious teachings "about" economic problems. Economic theology understands the economic/economy and the theological as intimately connected rather than as separate subjects. Genealogically, as the chapters in this Handbook show, economics and theology emerged out of the same matters of concern. Following Figure 1.1,[1] I argue that economic theology does not only study how theological concerns influenced economic thinking, but also how political-economic concepts shaped core theological institutions and concepts over time. Devin Singh, for instance, has shown how practices of coinage influenced late antique theological discussions of man "being made in the image of God" and, specifically, the ransom theory of atonement (Singh 2018). A similar move was employed by Jan Assmann, who showed how Jewish and later Christian notions of God's covenant emerged from Egyptian and Babylonian (commercial) contract law and the law covering the treatment and sale of slaves (2018: 204–52). Thus, Assmann turns Carl Schmitt's dictum on its head: before theological concepts became political–constitutional concepts in the process of secularization, these very theological concepts were themselves crafted out of political–economic practices that prevailed in ancient Assyria and Egypt (Assmann 2000).

The shape of these continuous interactions – the secularization of theological concepts and the theological elevation of political–economic and juridical concepts – can be described in terms of analogy, homology and resonance. The analogy between political–economic and theological concepts, that is, their often striking family resemblances, can be used as a methodological entry point into economic–theological research (Dean 2019: 15–16). Systematic analogical analysis,

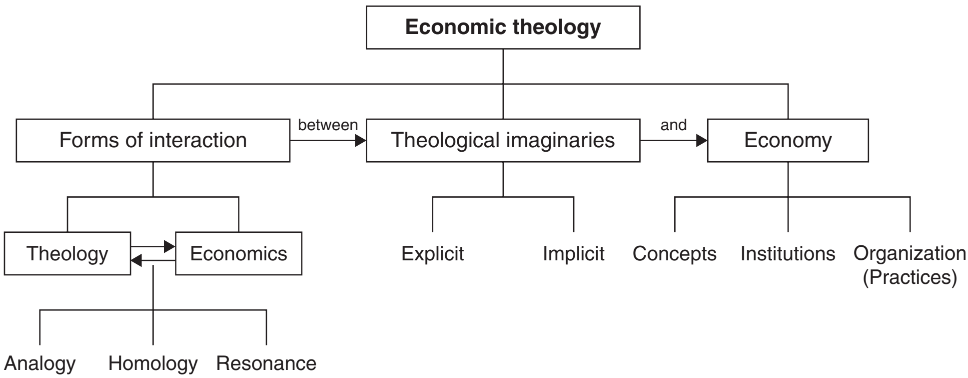

Figure 1.1 The process of economic-theological research

for example, underpinned Schmitt's famous thesis that all political–constitutional concepts were ultimately secularized theological concepts (Schmitt 2005 [1922]: 36). The homology, by contrast, points at "moments of coemergence" of theological and economic concepts, institutions and practices (Singh 2018: 17). Seen from this perspective, it is ahistorical to argue that money has become "our new God" since money as an economic institution emerged in ancient sacrificial rituals in the first place (Semenova 2011) and theologians often took recourse to money-related metaphors in order to make sense of guilt, debt, atonement, death and sacrifice.

Homologies often require and drive the ideological integration of power and theology. But the relationship between the political and the theological can also be imagined in terms of what affect theorist William Connolly has called a "resonance machine". In his work *Capitalism and Christianity, American style*, Connolly moved beyond the familiar narratives of right-wing Christianity emerging from capitalism or vice versa, and instead interpreted their relationship in terms of affective affinities that allow evangelicalism and capitalism to jointly form a heterogeneous, but not fully integrated, assemblage of feelings, practices and concepts (Connolly 2008: 11–13).

When studying the theological underpinnings of economics and the economy, we also need to differentiate between *explicit* and *implicit* theological imaginaries. The former include forms of banking and finance that, for example, are explicitly based on theological assumptions inherent in *muamalat*, the body of Islamic commercial and civil law. An example of more implicit theology is the widely noticed secular–evangelical, eschatological enthusiasm of Silicon Valley entrepreneurs, who often aim at nothing less than the end of death and the creation of a race of human terminarchs (Laughlin 2018; Geiger forthcoming). As regards "the economic", we need to differentiate between the modes of thought that become crystallized into *economic concepts*; second, *economic institutions* as abstract and/or concrete entities that are governed by law, customs and values, such as competitive markets, the banking system, fiat money, property rights, contracts and gendered occupation patterns; and finally the practices we subsume under the term *economic organizing*, that is, groups of people gathering to achieve a particular purpose, such as accounting, marketing or instigating a revolution.

In the words of two authors in this Handbook, economic theology provides an opportunity to consider the mundane–immanent and the transcendent commitments of particular economic concepts and practices "simultaneously and systematically" (Buzzanell and Berkelaar, in this volume). In order to pursue this *simultaneousness*, economic theology pushes genealogical inquiry backwards into the historical space before the original distinction between theology and economics as separate disciplines. In other words, economic theologians of course read the contemporary world in terms of clashes between and co-adaptations of economics *and* theology. But they also ask to what extent we might understand economics *as* a form of theology (Waterman 2002). In this Handbook and elsewhere, economic theology has begun to interpret economics and theology as inseparable, and economic reasoning as always also structured by theological concepts. This is in itself nothing radically new: Paul Tillich once argued that Karl Marx should be understood as the most successful theologian since Martin Luther (Yip 2010: 17–18; similar in Tawney 1964 [1926]: 120). And Marx himself, in turn, found in Luther a precursor of his own economic critique of monopoly capitalism (Hinlicky 2017). But, to this day, there has been little *systematic* analysis of the direct theological work that economic theories do. This Handbook aims at providing an entry point to such systematic work.

To achieve this aim, economic theology first needs to be differentiated more clearly from "economic ethics". Too often, unfortunately, theology is reduced to a form of (normative) ethics. Yet, theology constitutes a form of inquiry that is as much about the ontological status of things encountered in the world and about ways of knowing them, that is, epistemology, as it is about moral principles and concepts of conduct. Theology has analytic, systematic, constructive and critical elements that go much beyond the study of normative behavioural principles as laid out in sacred texts (Jones and Lakeland 2005; Kaufman 1995). In order to discuss ethics (or indeed, to "have" an ethics and "be" ethical), one does not need to privilege theology. Most economic and business ethics textbooks that are used in university classrooms do happily without even the mentioning of theology (Crane and Matten 2016: 91), or at best they make marginal use of it (Dutt and Wilber 2010: 37; Wight 2015: 49). A framework that reduces theology to ethics is ultimately in danger of confining itself to a descriptive analysis of what religious authorities say and have said about particular economic issues, such as poverty, property, wealth and inequality. But religion and theology are not the same.

Nor is theology synonymous with spirituality. Again, in order to experience the world as enchanted, and in order to research such experiences of ultimate or sacred meaning, one does not necessarily need training in theological concepts. What's more, contemporary definitions and understandings of "spirit" have come to pit the very idea of the spiritual against more collective forms of organized religion (Wong and Vinsky 2009). Spirituality is the form in which the sacred is permitted to exist in the modern world of flexibility, autonomy and self-motivation – but with that permission comes a privileging of individual over collectively organized experience of the sacred.

Finally, economic theology is not to be confused with the economics of religion, a field within economics that applies its methods and conceptual tools to study religions in terms of supply and demand. It defines religions as a "club good" and studies the "competition" between churches and denominations in pluralist societies along the lines of monopolies versus markets for spiritual "services". Religious identity then becomes a matter of material and psychological "pay-offs" (Iannaccone 1992; McCleary 2011). The separation of economic theology from the economics of religion is significant since the latter, rather than problematizing and unpacking economic concepts, often uncritically applies them to religions in a move that has been labelled "economic imperialism" by some commentators (Fine and Milonakis 2009). Moreover, this form of economics, too, tends to collapse theology and religion without conceptually differentiating them. Thus, it only works to strengthen the modernist, binary dichotomy of economy and theology as separate fields.

A new god?

Reading economics and economy through the lens of theology – not ethics, not spirituality – and even *as* a form of theology should not be understood to mean that economics can simply be reduced to being "nothing but" a theology or being merely a "new religion". The possibility that the market, money or economic growth came to "replace" God is still central to most inquiries that align themselves with economic theology (Cox 2016; Eisenstein 2011; Gustafson 2015; Lazzarato 2012: 32; Nelson 2001; Rapley 2017; Wariboko 2008). Recently, however, economic theology has begun to move beyond mere analogizing between money and God, economists and priests, banks and temples, economic science and religion, GDP and faith, and so on. Overcoming the analogist trap requires a closer reading of the replacement metaphor as a form of rhetoric. A closer look reveals that the metaphor of the "new money-God" and the "capitalist religion" has very early intellectual origins but comes in different versions, namely the argument that (1) capitalism was formed *by* religion; (2) that capitalism is a *new* religion; (3) that capitalism is the *wrong* religion; and (4) that capitalism is in fact the *better* religion.

(1) The first version – capitalism as formed *by* religion – can be found fleshed out in Max Weber's thesis of the "elective affinity" between the ethics of Protestant sects and the organized pursuit of profit, an affinity which in turn rendered worldly pursuits a holy enterprise based on God's "calling" (Weber 2002 [1905]). Some years after the publication of Weber's work, the English economic historian R. H. Tawney (1964 [1926]) argued that Protestant morality had an enormous impact on the separation between morality and trade.
(2) Writing at around the same time as Tawney began to form his ideas, the German philosopher Walter Benjamin penned a very short essay in which he argued that capitalism was not so much the birthchild of a specific Protestant ethics but had *in itself* become a new religion – and one that was significantly different from traditional monotheistic religions. For Benjamin, capitalism had morphed into a pure cult, *without* God and *without* theology. Withholding the hope of redemption and the promise of salvation from its adherents, capitalism instead increased the sense of guilt and indebtedness. In this religion, there was no weekday; every day was a feastday (Benjamin 1921).
(3) Many have followed in the footsteps of Weber, Tawney and Benjamin, and most of them have arrived at the interpretation that if capitalism was indeed a religion and economics its textual base from which the gospel of efficiency and growth was preached, then it must be the wrong religion – one that leads to exploitation, growing conflict between rich and poor, and the destruction of the natural world. A very influential voice in this regard was the German-American Protestant theologian Paul Tillich, who identified demonic and diabolic aspects in capitalism (Tillich 1936; Deutschmann 2019: 91; Yip 2010).
(4) Calling capitalism a religion is a two-edged sword since metaphors can backfire and provide ammunition to those that were initially targeted. One of the most dexterous catchers on the baseball field of theological insults was the Catholic economic philosopher Michael Novak, who initially had studied to become a priest. Novak's most important counterblast was to *recover* theology in the name of free-market economics. In his 1982 *The Spirit of Democratic Capitalism*, Novak argued that "the spur of competition" was very much in line with the message of the Gospel (Novak 1982: 348; Long 2000: 13–21).

Economic theology: polemic or method?

It is difficult to make out clear lines in the intellectual wars over the theological meaning of capitalism. It has become almost a cliché to associate the defence of capitalism with American Protestantism (Connolly 2008) and the defence of the global poor with critical Catholic voices, such as that of Gustavo Gutiérrez (1973). But it is interesting to see that many critical voices against the vices of capitalism are actually American Protestants of European descent (Paul Tillich, Robert Nelson, Scott Gustafson, Harvey Cox – although Cox is said to have a strong Catholic element in his theorizing: see Greeley 1973). The theological defence of market, mammon and money, by contrast, is equally often mounted by Catholics of European and American origin (Friedrich Hayek; Michael Novak; Woods 2015). In the midst of these debates, economic theology is in danger of degenerating into a polemic slogan. This was not always the case, though. Until the late nineteenth century, "economic theology" was a descriptive term that related to dogmatic teachings about the nature of the Trinity. Since Saint Paul and then the Church Fathers had explained the Trinity in terms of an *oikos*, an estate or household, economic theology became the dogmatic umbrella term under which Trinitarian theories were taught to aspiring theologians (Meeks 1989: 92–7; Placher 1983: 90–4).

It was French and German anti-Catholicism of the late nineteenth century which reassigned the concept to the space of political controversy. In the age of secularization, "economic theology" became synonymous with the ideological recklessness of the political opponent (von Hoensbroech 1895: 26). In 1917, the great critic of American capitalism, Sinclair Lewis, used the term in his novel *The Job*; in 1930, two American criminologists talked about "economic theology" when referring to the greed and materialist short-termism of young offenders on the streets in Grand Forks, North Dakota (Reinhardt and Harper 1930: 375). In the 1940s, the German Liberal economist Alexander Rüstow, member of the Freiburg School of Economics and originator of the term "neoliberalism", declared that liberal capitalism had a particular pantheistic economic theology (*Wirtschaftstheologie*) which was responsible for its overreach and decline (Rüstow 1945: 4). Significantly, the Nazis, from whom Rüstow had to flee to Turkey, used the term at the same time when signalling their distrust of financial experts. In January 1939, Adolf Hitler himself ridiculed foreign "financial and economic theologians" for repeatedly predicting a breakdown of the German currency (Hitler 1939: 36). From the 1950s and 1960s onwards, the concept became part of the battle vocabulary of the New Left (Galbraith 1952: 17; Nicolaus 1970: 13), until in the late 1970s the concept was reappropriated in an affirmative sense by the New Right (Novak 1977).

Thus, economic theology is in danger of being reduced to an anti- or pro-capitalist polemic if all it does is to call out the existence of new gods and new religions, and if it is not able to define itself as a critical *method* (Bartel and Hulsether 2019: 585–6). As a method, economic theology helps identify both explicit and implicit theologies inherent in economic concepts and practices, which mainstream social science approaches that focus on individual choices and social institutions often fail to see. This also means that "having" and "doing" economic theology are not the same. Some economic theology consists of economists and economic systems making *explicit* references to theological statements and/or religious belief systems. That is, they "have" a particular economic theology. This is the case for instance in Islam, which has an explicit economic theology that deals with interest rates, inheritance, contracts, property titles and taxation levels (Hassan and Lewis 2014). Other economic systems can be characterized by a more implicit economic theology. This is the case when economists surgically remove concepts from the connective tissue of the theological context within which they emerged, such as was the case with particular theological understandings of money, debt, market, economy, poverty and order. As various chapters in this Handbook show, originally theological concepts were often deliberately and purposefully secularized by political economists and philosophers, which means they were taken out of the hands of the universal Church and reappropriated for similar purposes of social-political governing. The genealogy of economy and the history of economics as a science is not only characterized by the secular (re)appropriation of theological concepts. In equal measures, there existed struggles between concepts and their direct counter-concepts, such as the shift that occurred in the economic imagination during the nineteenth century from "wealth" to "scarcity" (Waterman 2004: 219).

When Rüstow decried the "mistaken sub-theological pseudo-universalism" of classical liberal economic thought (1942: 278), and when Robert Nelson, Anthony Waterman and Paul Oslington talk of the "implicit theology" of economics (Nelson 2001: 70, 76; Brennan and Waterman 1994: 255; Singh 2011; Oslington 2000: 37), they mean that the afterlife of originally theological conceptualizations in modern economic thought needs to be made the subject of a *research programme* in its own right. This Handbook helps establish precisely this research programme. An economic theology that moves beyond idol bashing will necessarily focus more on the *structure* of engagement of agents with matters economic rather than simply assume that money, growth and so on, are the *object* of their faith. Thus, economic theology also needs to upgrade from its current focus on texts, such as biblical teachings, papal encyclicals and economics textbooks, and include much more the study of economic practices as they are observable in fields such as finance and accounting, consumption, work, market exchange, entrepreneurship and innovation. It is these fields of practice as well as their underlying concepts which in their totality make up what we call "economy".

House and home – concepts and practices

For economic theologians it is significant that the very concept of "economy" became transferred from late antiquity to the Middle Ages and eventually the modern period as a theological concept. During the second and third centuries AD, theologians used older Greek notions of managing families and household wealth (*oikonomos* and *oikonomia*) to explain the functioning of the Holy Trinity of God Father, God Son and Holy Spirit, and of God's plan for salvation for mankind (Agamben 2011; Dean 2013: 165–95; Leshem 2013 and 2016; Meeks 1989: 15–27; Milbank 2017). "Economy" did not lay dormant as a secular concept: in the early thirteenth century, the French Dominican friar Vincent of Beauvais defined *ars oeconomica* as a practical science of managing both the persons and the objects (wealth) of a household. But since *oikonomia* was always connected to the idea of dominion and sovereignty over a house and as such separated from *mercatura* as the science and practice of commerce and market exchange, it remained firmly within the theological frame that it had been given earlier by the Church Fathers (Arienzo 2018; Tribe 2015: 15–47). To this day, the catechism of the Catholic Church explains the Trinity and the workings of God towards man (salvation) in terms of an "economy" (Catholic Church 1997: 304).

This is important for two reasons. First, most histories of economic thought often briefly mention Xenophon and Aristotle, and then cold-start their narratives with Adam Smith, as if the 2,000-odd years of intellectual history in between did not matter. Second, the role that economy has obtained today as the realm in which a quasi-providential plan of improvement and growth unfolds itself – if left alone by obnoxious bureaucrats – can only be understood if one recognizes the *theological transformation* this concept experienced. This insight, in turn, calls for a theological genealogy. This genealogy is needed since, as argued by Margaret Schabas, Timothy Mitchell and others, the concept of "the" economy did actually not exist in antiquity (Schabas 2005). The adjective "economic" was used for issues of management and resource allocation. Economy as a noun was used in the sense of thrift: a "good economy" meant that resources were used wisely and not wasted.

In his seminal paper "Fixing the Economy", Timothy Mitchell (1998) argued that our contemporary concept of "the" economy as a self-contained but virtual space that is separate from other spheres of life only emerged in the middle of the last century. Before that, policies would have made sense as being good or bad for foreign trade, consumer spending, employment rates and so on, but nobody would have understood the phrase that something can be good or bad for "the" economy. According to Mitchell, it was the invention of systems of national income accounting which provided numbers that made "the" economy visible. It was in that moment that the slow transformation of the concept of "economy" from private (household) to public governance reached its apex. This transformation was set in motion when *theologians* began to move the term from a family-related and managerial to a religious-Trinitarian context (Agamben 2011: 35–50).

The work of Schabas and Mitchell also shows that political-economic practices (in this case national income accounting) and conceptualizations ("the" economy) co-develop each other in a logic that the German conceptual historian Reinhart Koselleck summarized as follows:

> Without common concepts there is no society, and above all, no political field of action. Conversely, our concepts are founded in sociopolitical systems that are far more complex than would be indicated by treating them simply as linguistic communities organized around specific key concepts. A "society" and its "concepts" exist in a relation of tension.
>
> *(2004: 76)*

As the chapters in this Handbook show, it is not just concepts but also specific practices of finance, management and industrial organization that are of theological origin, and which then traversed from the sacred to the profane world. Empirical theology as a method (Cartledge 1999) is needed to study to what extent these practices actually *retained* their sacred character, rather than becoming profaned on their journeys from monastery to market. The practice-related aspects of economic theology as a form of inquiry are also relevant when they touch upon the widely noted *performative character* of economic-theological reasoning. Economic theology, like scientific method in general, is not always a value-neutral activity in the pursuit of pure knowledge. The element that hustles all human knowledge towards political decision is present in economic theology, and there is no economic theological work out there that does not position itself one way or another with regards to political alternatives of individualism or communitarianism. Virtually all economic-theological intellectual analysis in the past was undertaken in order to either critique or prop up capitalism and its various alternatives. The reason why Karl Marx, Max Weber, Walter Benjamin, Richard Tawney, John Maynard Keynes, Amintore Fanfani, Alexander Rüstow, Jacob Viner, Friedrich Hayek, Murray Rothbard and Michael Novak cared to read Scholastic manuscripts, Martin Luther's tracts and *Rerum Novarum* was to anchor their own interpretations of capitalist economy. In the case of these scholars it can be shown that their economic theologies directly influenced what became major schools of post-war political economy (socialism; Keynesianism; Christian Democracy; Ordoliberalism; neoliberalism).

Economic theology – a user's guide

A defining moment for the fate of these different schools came in the second half of the 1970s. At one moment during that time, the daughter of a Lincolnshire Methodist preacher began a political revolution by brandishing the work of a Catholic neo-Thomist economic philosopher with the words "This is what we believe". This episode in summer 1975, as has been widely reported, refers to Margaret Thatcher slamming a copy of Friedrich Hayek's *The Constitution of Liberty* on the table at a meeting of the Conservative Research Department, when a staff member dared to suggest that the Conservatives believed in a middle way between state socialism and unfettered Manchester-style capitalism (Ranelagh 1991: ix). Such events cannot be dismissed as marginal. They are central to our understanding of the modern era – or rather, of how exactly it is that we are still medieval (Schmitt 2008: 117–30). This Handbook aims to be a handrail for those interested in what precisely has happened to us since that summer of 1975.

In Part 1 of this Handbook ("Theological concepts and their economic meaning"), key theological concepts will be used to illustrate the nature and scope of inquiry that today is known as economic theology. Readers will learn how particular economic activities and aspects of economics as social science can be understood better if they are analysed in terms of these essentially theological concepts.

In Part 2 ("Economic concepts and their theological anchoring"), readers will be introduced to the theological origins and inheritance of major concepts like money and debt in order to understand how the relentless, rational pursuit of profit can be interpreted in terms of a secular sacrality. This section analyses economic concepts that dominate the structural ways in which a capitalist economy enters and then formats the lives of people.

Part 3 ("Society, management and organization") focuses more on the practical side of the relationship between society and social concepts on the one hand and economy and business on the other. A number of chapters in this section take readers inside one of the archetypical institutions of modern capitalism, the firm, while others deal with the presence of theological issues in media and consumer culture.

In Part 4 ("Genealogy of economic theology"), the authors discuss theological aspects of the unfolding of economic thought and economic practices in, speaking at large, the Western world. Contributors introduce readers to the origins of economic theology in the three Abrahamic religions of Judaism, Christianity and Islam. The second part of this section is then dedicated to the religious-theological underpinnings of major schools of economic thought.

In the final Part 5, "Exit", Aaron Pitluck provides not so much a conclusion and closure but rather a path out – an exodus – into a world that is actively building "one of the world's largest projects in economic theology", namely Islamic banking and finance. Much has been written about this subject in recent years, and Pitluck uses evidence from his own anthropological field studies to show how research in economic theology can be given an empirical turn.

Attentive readers will find that the framework of this Handbook is overtly "Western", a focus which is not unproblematic. Non-Western economic systems have an underlying theology in the same way as non-Abrahamic religions have often highly reflective viewpoints on economic matters. An updated edition of this Handbook will need to include these perspectives. Equally, an updated edition will need to include aspects of feminist and queer economics and theology. No compendium can ever be complete: neither in the range of its perspectives it offers, nor in its substantial content. Chapters on "Apologia", "Apocalypse", "Service" and "Welfare", for example, were initially commissioned but could not be included in the current Handbook edition.

Further sources for students of economic theology

Students of economic theology can use this Handbook to explore a growing and intellectually stimulating academic research field. In addition to this Handbook, economic theology also benefits from a number of other overviews that provide students with useful material. Among them are handbooks on the economics of religion (McCleary 2011), the sociology of religion (Beckford and Demerath 2007; Clarke 2008; Dillon 2003; Fenn 2003), and the adjacent field of political theology (Hovey and Phillips 2015; Scott and Canavaugh, 2019). Perhaps most closely related is Paul Oslington's *Oxford Handbook of Christianity and Economics* (2014). Oslington is also the editor of a number of text collections and re-editions which are highly recommended here to the aspiring student of economic theology (Oslington 2003; Oslington, Williams and Hirschfeld 2018), as is in general the work of Kathryn Tanner, A. M. C. Waterman, John Milbank, Mary Hirschfeld, Mitchell Dean, Daniel K. Finn; the 2004 edited collection *Having* by Schweiker and Mathewes (2004); Demerath et al.'s *Sacred Companies* (Demerath, Hall, Schmitt and Williams 1998); Harper and Gregg's *Christian Theology and Market Economics* (2008); D. Stephen Long's *Divine Economy* (2000); Elettra Stimilli's *Debt of the Living* (2017), Kathryn Tanner's recent volume *Christianity and the New Spirit of Capitalism* (2019), and Eugene McCarraher's *The Enchantments of Mammon* (2019). The *Journal of the American Academy of Religion* recently carried a special "Roundtable" issue on capital and political economy (Bartel and Hulsether 2019). In addition, there are a number of handbooks available that touch upon the relationship between economics and religiosity outside the sphere of Christianity (Hassan and Lewis 2014; Levine 2010). Some of the literature quoted here also makes the step to study economics and the economy in direct theological terms – rather than just in relation to specific religions.

The internet provides a number of useful sources for students new to the field. Among them are an online bibliography on Christian theology and economics compiled by Paul Oslington (Oslington 2012), and resources provided by the Center for Critical Research on Religion, run by Warren S. Goldstein. Journals that regularly feature economic-theological content include *Political Theology* (Taylor & Francis online); the *Journal of Management, Spirituality & Religion* (Taylor & Francis); *Social Compass* (SAGE); *Angelaki: Journal of Theoretical Humanities* (Taylor & Francis online); *International Review of Economics* (Springer); the *Journal of Markets & Morality* (Acton Institute); *Implicit Religion* (Equinox); *Critical Research on Religion* (SAGE); and the journal *Faith & Economics*, which is published by the Association of Christian Economists. Journals that are very receptive to economic theology also include *Theory, Culture & Society* (SAGE) and *Behemoth: A Journal on Civilization* (online). The online-based *Syndicate Network* regularly features review symposia of relevant works in economic theology, as do the online-based *Political Theology Network*, the *Immanent Frame* website which is sponsored by the Social Science Research Council, and the website of the Dutch *Moral Markets* project (www.moralmarkets.org/).

In institutional terms, economic theologians are dispersed and have yet to create research centres similar to the Berkeley Centre for Religion, Peace and World Affairs at Georgetown University, which is heavily focused on political theology, and the Excellence Cluster on Religion and Politics at Münster University (Germany), which is probably the largest and most active of its kind in the world. Specialized conferences on economic theology ran in 2014 at Libera Università degli Studi Maria Ss. Assunta di Roma (LUMSA University Rome), in July 2017 at Copenhagen Business School (Schwarzkopf 2017), and in November 2017 at LUMSA under the title "Martin Luther's Heritage in Modern Economics and Social Sciences". A rarity even a decade ago, there are now regular sessions on religion and theology at business and economic history conferences. There is a dedicated "Religion and Economy Unit" at the American Academy of Religion, and an Interest Group on Management, Spirituality & Religion at the Academy of Management with almost 600 members to date. The Philosophy, Politics and Economics Society in the United States has begun to organize sessions on economy and theology, too. This shows that research clusters are slowly beginning to form, and a specialized research literature is emerging. This Handbook testifies to these very promising developments in economic theology.

Note

1 Figure 1.1 builds on previous work by Nelson (1991, 2004), Connolly (2008), Singh (2018) and Dean (2019).

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PART I

Theological concepts and their economic meaning

2
PROVIDENCE

Michael T. Dempsey

The relation between divine providence and political economy is as old as religion itself. In ancient Judaism, belief in God entailed trust in providence as a basic condition of the covenant: God promises to protect Israel if they are faithful to the covenant. But if they go after false gods, oppress the poor and the immigrant, or fail to execute justice in the market, God will withdraw his protection (Jer. 1:3–4). In the New Testament, Jesus calls upon his disciples to "seek first the kingdom" with the promise that basic needs will be provided by God (Mt. 6:33). Once the Church moved into the Greco–Roman world, the biblical emphasis on history and covenant gave way to the Hellenistic notion of *pronoia* ("care", "forethought") in which providence governs the world according to the rational and purposeful order of the Logos. Later Christian theologians would interpret providence as the dynamic action of God's power, wisdom, and love in all things in nature and history. As God preserves, accompanies, and governs creation to a final end in God, providence affirms the universal care of God's sovereign love in all things, even the smallest.

As the theological tradition developed, however, theologians tended to conceive of providence as a philosophical problem between divine sovereignty and human freedom. Although few theologians have worked on the relation between providence and economics, often assuming the social order is itself determined by God (Waterman 1983, 2002), much work has been done in *theological economy* that allows us to understand divine management of creation, that is, providence, in relation to political economy (Agamben 2011).

This chapter explores the doctrine of providence in Scripture and tradition, and in relation to the economic theory of providence that emerges in the eighteenth century. Against Christian economists who have argued that capitalism and deregulated free markets offer a viable natural theology of providence that works through competition and the price system (Klay and Lunn 2003), this chapter contends that providence cannot be understood according to an economic theory derived from natural theology. It must be founded on Scripture and tradition and seen as the continuing work of God in history. Though faith in providence has always comforted individuals in suffering, it has also been used to justify certain realities as a part of the sovereign and inscrutable will of God, for example, slavery, colonialism, and poverty (Theodoret 1988: 97–101; Viner 1972: 86–113). To understand, therefore, the impact divine providence should have on economic theory and practice, we must first establish a theological basis in Scripture and the tradition and then determine whether the capitalist alternative of providence is amenable to such a view. Indeed, since providence is universal, its purview cannot be restricted to the private life of faith, but must be extended to address all areas of human endeavour, including social, political, and economic life as God preserves, guides, and governs all things to fulfilment in the kingdom of God.

A brief history of providence in Scripture and tradition

In the Old Testament, the Covenant (Ex. 20:22–23:33), Deuteronomic (Deut. 12:26), and Holiness Codes (Lev. 17–26) envision the work of providence as preserving the people of Israel and protecting the livelihood of the weak and vulnerable (Meeks 84). When liberated from debt slavery in Egypt, Israel is given the land as a means to her own survival and the law to ensure economic self-sufficiency and social equality (Bretherton 2015: 246–8). As liberated slaves of Egypt, Israel must be a holy people, as God is holy. They must keep Torah to preserve the freedom and equality they received from God; they must resist the policies of imperial domination, work for an egalitarian order free of oppression, violence, and poverty (Brueggemann 2001: 6–9); and offer interest-free loans and debt forgiveness for fellow Jews, as well as Sabbath rest for workers and the manumission of slaves in celebration of the Jubilee (Barrera 2005: 85–91, 93–105). The prophets expand the notion of providence to include sociopolitical realities when God promises David a kingdom of peace and righteousness (2 Sam. 7:11–21).

In the New Testament, the providence of God is revealed in the incarnation and mission of Jesus Christ in which God himself enters history to fulfil the biblical promise. When Jesus announces the kingdom of God, he signals the fulfilment of this hope breaking into history in his preaching and ministry (Mott 1995: 71–2). Yet Jesus radicalizes this message by calling his disciples to concrete action for the kingdom through a new relationship with God (Cahill 1995: 79). Since the love of God extends to all things, especially the least, the disciples can be certain that God will provide for their mission as well (Mt. 10:8). The problem of scarcity, therefore, is not resolved with other worldly promises of abundance, but by faith: God promises to provide basic needs as long as the disciples seek the kingdom (Gordon 1989: 43–7). Far from a guarantee *against* suffering, the Gospel invites disciples to take up the cross and to join in solidarity with the poor and suffering in God's struggle against evil. With faith in providence, they will not only reap houses and lands and brothers and sisters, but also 30, 60, 100 times their initial investment now and in the world to come (Mk. 10:29–31).

In the theological tradition, providence is cast in a Trinitarian light as the operation of the power, wisdom, and love of God as Father, Son, and Holy Spirit. For Thomas Aquinas, providence is an article of faith that is explained as the rational ordering of all things in their nature by God as first, exemplary, and final cause. The effects of this ordering, however, cannot be understood in terms of individual self-interest, but only according to the way a king orders his kingdom *for others* (Dempsey 2009).

For Aquinas, providence is the eternal ordering of all things by the divine Logos (Jesus Christ), but its temporal execution (divine government) is accomplished through secondary causes which participate in providence by preserving others and moving them to become a cause of goodness in others with the hope they too will become a cause of goodness in others still. The net effect is nothing less than the perfection of the universe itself through the perfection of its lowliest parts. Working down a descending hierarchy, the divine government reaches to all creatures, even the least, through intermediaries who perfect their own nature through service of others, for "the more an agent is established in the share of the divine goodness, the more it does to transmit its perfections to others as far as possible" (*ST* I.106.4). The very perfection of providence requires that "the excess of certain things over others be reduced to a suitable order … [as] when one makes available some good for those that have less, from the abundance of those who have more" (*SCG* III.1.77).

The Protestant Reformers continued to emphasize God's care and provision over all things in nature and history, but downplayed the role of human mediation in the distribution of resources. Emboldened with confidence in the sovereignty of God, the Reformers placed their trust in providence and not in human beings as the dignified executors of God's care. God's hidden decree controls the outcome of all things, including individual wealth and status as a blessing or curse of God (Calvin 1960: 207). Yet, as austere as they were with regard to individual morality, most Reformers were open to the new economy. As an urban movement, they already understood the value and legitimacy of credit, debt, and money lending at reasonable rates of interest, even as they rejected the opulence and luxury of the Catholic Church.

Despite their austerity, the Reformers quickly assimilated the new economic virtues of industry, thrift, and modesty that helped spawn a Protestant work ethic for a rising bourgeoisie in which the individual would become his own lord and master. Though many a Protestant moralist decried usury, avarice, and excessive accumulation as vehemently as any medieval Franciscan friar, eventually, the Church came to accept the new economic order from which it benefited, and in the process relinquished their own moral authority to critique it, as they quietly assumed a reduced role in society by providing charity, education, and relief to the poor (Tawney 1954: 163). As the ascendency of economic virtues continued with little regard for ecclesial protest, the conception of providence itself was transformed from a teaching about God's work in history for the kingdom to an economic doctrine centred on an anthropocentric view of nature that legitimated human self-interest and preservation as the means by which God's will is advanced through history.

Providence and the "invisible hand"

The notion of providence that emerges in the eighteenth century stands in stark contrast to pre-modern theological views. For early modern Deists, providence is no longer envisioned as the Trinitarian operation of God that moves creatures in their nature to God through service of others. It is now conceived as a facet of natural religion, intelligible to human reason and synonymous with the physical laws of the universe. Whereas the traditional view understood providence as the transcendent work of God's goodness, power, and wisdom in and through participatory secondary causes, deists such as Adam Smith redefined providence in anthropocentric terms as the immanent operation of Nature that orders all things for happiness, prosperity, and material comfort.

Adam's Smith's early work, *Theory of Moral Sentiments* (*TMS*), offers a naturalistic interpretation that reflects his understanding of the providential order of Nature. With fellow deists, Smith defines God in Stoic fashion as the Supreme Architect who has designed the great machine of Nature so that each part has a purpose for the good of the whole. The internal propensities of each are designed to benefit the external order (Viner 1958: 220): resentment and suffering produce sympathy and the desire for justice, just as hunger and hardship inspire the labour that benefits the nation. For Smith, individual self-interest and competition are basic principles that, when used in accordance with Nature, benefit all society. Freed from oppressive government involvement, that is, mercantilism, this system of natural liberty produces wealth without demanding each person submit to the state, but only that each enjoy the freedom to pursue interests without depriving others of the same. This is far more efficient in distributing scarce resources than requiring the altruism or virtue of another.

> It is not from the benevolence of the butcher, the brewer, the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity, but to their self-love, and never talk to them of our own necessities but of their advantage.
>
> *(Smith 1976: I.18)*

By understanding market operations as universal laws of Nature, Smith shows how self-interest and competition function to produce the goods society wants at a price society has agreed pay (Heilbronner 1999: 55). This is made possible by an "invisible hand" of the market, that is, providence that coordinates the vast constellation of individual economic decisions into an efficient and coherent whole that increases aggregate wealth through individual liberty. As Smith states in a famous passage:

> By preferring the support of domestic to that of foreign industry, he intends only his own security and by way of directing industry in such a matter as its produce may be of the greatest value, he intends only his own gain; and he is in this, as in many other cases, led by an invisible hand to promote an end which is no part of his intentions … . By pursing his own interest he frequently promotes that of the society more effectively than when he really intends to promote it.
>
> *(1976: II.477)*

Much scholarly discussion has focused on whether Smith understood the "invisible hand" as a moniker for divine providence. For some, the notion is the unifying principle of the whole that depends on a purposeful and intelligent design (Hill 2001: 2; Viner 1972: 82). For others, it is a merely a rhetorical flourish typical of his era that, if taken seriously, would render impotent the empirical and utilitarian cogency of his argument (Fleischacker 2004: 140). Indeed, it is argued, if Smith had sought to establish economic arguments on a theological foundation, he would have formulated such principles at the outset, instead of offering only sporadic references to a vague notion of "providence" in which self-interested activity "sometimes" or "usually" promotes the public good (Fleischacker 2004: 139).

Yet Smith does not deny deleterious consequences of the relentless pursuit of profit, even as he defends the legitimacy of an acquisitive society. A remarkably nuanced thinker, in the *Wealth of Nations* (*WN*) Smith defends market systems as he rails against the avarice of merchants and manufacturers (Heilbroner 1985: 114). In doing so, he abandons the naive providentialism of *TMS* and warns that unmitigated greed will wreak havoc on the common good (Gay 1969: 365). No longer praising providence for happy beggars sunning themselves by the roadside while enjoying the peace that kings long for (Smith 2002: 216), Smith now refers to the "mean rapacity, the monopolizing spirit of merchants and manufacturers, who neither are, nor ought to be, the rulers of mankind" (Gay 1969: 365), as they suppress wages, raise prices, secure monopolies, and subvert competitors. Aware of the inherent dangers of capitalism, Smith warns that great wealth is not possible without great inequality and civil unrest, as "one very rich man [requires] at least five hundred poor" (1976: V.232). Thus, one cannot simply trust Nature to provide the just distribution of resources. To reap the full benefits of capitalism for all, economic decisions must be accompanied by a system of justice, government regulation, and personal moral responsibility that defends the property of the rich and protects the weak and vulnerable from exploitation by the powerful.

This is not to say, however, that *WN* contains no theory of providence as such. As the former professor of Moral Philosophy at the University of Glasgow, Smith's later work models an early modern natural theology that, like Isaac Newton's *Principia* (1687), would combat superstition with rational arguments for beliefs previously accepted by faith. One cannot claim, therefore, that his arguments require "genuine faith" (Hill 2001: 6), since the whole point is to argue *without* faith or revelation (Waterman 2002: 919). Rather, when Smith suggests that greed or self-interest produces unintended social benefits, he is not only describing the origin of wealth, but also explaining why a good and powerful deity would permit defects for the good of the whole. Admittedly, this has a prima facie kinship with traditional theodicy in that God is so good and powerful that God can even bring good out of evil. A crucial difference, however, is that for the theological tradition God accomplishes this through the purification and transformation of the sinner, while in the capitalist version no such transformation is necessary. One need only trust in Nature to know that self-interest will automatically ensure a positive social outcome. However, when the existing order *itself* is established by providence, personal responsibility in the market is reduced to mere self-interest, which disincentivizes socially responsible behaviour. Once the Church accepted the providential provenance of the social order, it too lent tacit approval for wealth accumulation as the ultimate goal of life (Tawney 1954: 163).

In a remarkable reversal of the tradition, this naturalistic theory of providence became a quasi-religious justification for the morality of unlimited wealth accumulation. Rooted in eighteenth-century philosophy, this secular theory of providence is inherent to capitalism as an inviolable law of nature. In the minds of later thinkers, this view will not only vindicate vice as a social good but also regard any attempt to amend the social order as an act against God and nature. Thus, when Milton Friedman insists that any motive in business other than pure profit must be rejected as a pernicious threat to "the very foundation of free society" (2002: 133), he is not only indicating his faith in the efficiency of competitive markets, but also his belief that the greatest good can *only* be achieved through self-interest and competition. Traditional values of love or generosity are dismissed for unintended consequences that are said to do more harm than good. However, if providence can generate public benefit *only* from individual vice, but is blinkered at converting genuine love and generosity into public good, then, we must ask whether the Stoic and Deist God of capitalism is compatible with Christian faith, and, if not, can it be saved?

A capitalist theology of providence?

Scholars have long observed the way economics functions as an ersatz religion (Gustafson 2015; Nelson 2001) in which the market itself *is* God (Cox 2016). Here we may add that if God is posited as the condition for the possibility of market order, then God *cannot* be more than an immanent ground of nature. By itself, natural theology offers no knowledge of God beyond the world. It cannot peer behind the veil of creation, but argues only for what is necessary given the intelligibility of human experience. Thus, the capitalist notion of "God" as the invisible hand is simply extrapolated from efficiency, order, and equilibrium to explain market order, while legitimizing an economic system with natural theology (Meeks 1989: 71).

Whereas traditional theology understood God in the glory of his Trinitarian being, modern theologians often doubt God can be known in himself. But if God were posited merely as a condition of freedom, then human beings take on qualities that once belonged to God (Meeks 1989: 70–1). No longer the humble servants charged to serve others unto death, human beings are conceived as autonomous, rational masters of the universe, who use their knowledge and power over nature to advance personal interests and subordinate all things for their benefit. Jacob Viner captures this sentiment well at the outset of his seminal work on providence: "the cosmic order [is arranged] in the service of man" (1972: 1), by which *all things* serve a utilitarian purpose of individual happiness, including land and labour. In defence of the providential origin of social inequality, Viner cites several eighteenth-century aristocrats who maintain that the poor enjoy nearly as many advantages as the wealthy (1972: 86–113). Reminiscent of ancient arguments for slaves to be more grateful for all their masters do (Theodoret 1988: 81–6, 98–102), this kind of aristocratic hubris twists divine providence to defend the privilege of social power. Yet, just because certain "men of property" claimed their wealth and the poverty of others constituted a "utopia realized" (Viner 1972: 97), this does not provide a serious basis for a theology of providence. Indeed, if poverty and inequality are so great a blessing, one wonders why so few rich seem willing to embrace them!

The biblical and traditional theology of providence affirms a radical economic egalitarianism in which just distribution of resources is accomplished through responsible human agency. It does *not* affirm a vague teleological order of a "creative and benevolent demiurge" (Hill 2001: 22), but understands the providential ordering specifically in Jesus Christ. Thus, even if we agreed that there is a tendency in nature for equilibrium whereby self-interest, competition, and division of labour offer societal benefits; or that commerce and trade encourage economic virtues that enhance domestic tranquillity (Viner 1972: 32–7); or that the perfection of the whole requires diverse grades of being (Viner 1972: 86–93), none of these provides a basis for a *theology* of providence. As Karl Barth argued, natural theology seeks systematic knowledge of God *without faith* and typically says more about human needs and desires than about God. But if God can be known only as a condition of market order, such that we cannot even affirm God's existence apart from the market, then God can be nothing more than an immanent rationale of market efficiency, existing only to gratify indiscriminate human desire. As such, there can be no special providence, grace, incarnation, or work of the Spirit when the freedom of God is replaced by an immanent process of nature that *removes* God from individual economic decisions. Without faith in an immanent Trinity, the capitalist "God" can be nothing more than a reified principle of efficiency to which we may ascribe any number of human values as divine, but is not the Christian doctrine of God.

Several theologians have critiqued the theological underpinnings of capitalism as fundamentally incompatible with Christian faith (Bell 2012: 81–122; Long and Fox 2007: 63–6, 103–7; Meeks 1989: 47–73; Tanner 2005: 32–46). Daniel Bell argues that capitalism distorts desire by identifying God with the endless quest for material gratification. The implicit individualism of capitalism further corrupts community because it denies society a common purpose or goal, and places individuals in relations of conflict and struggle as they compete for scarce resources and view their neighbour as a threat to economic security (Bell 2012: 87–90). Capitalism simply cannot deepen the love of God or neighbour. Although economists may laud the market for its ability to generate wealth through freedom, freedom here is defined negatively as freedom *from* God and community. It is little more than purchasing power of money that is not afforded the poor and socially dependent (Tanner 2005: 36) who receive less for their labour than the market pays for their product. Such stark differences in power subject capitalist relations to the inherent possibility of domination, exploitation, and dehumanization as individuals regard others as a means to their own self-interest (Heilbroner 1985: 66) and value the "worth" of people and things in monetary terms (Bell 2012: 105).

A few theologians have offered an alternative theological economy that envisions an economic order converted by grace (Barrera 2005; Bell 2012; Tanner 2005). Kathryn Tanner suggests a theological economy based on principles of unconditional and universal giving within a non-competitive framework (2005: 62–85). Grounded in God as Father, Son, and Holy Spirit, the economy of grace reflects the self-giving of God that seeks nothing in return but to replicate unconditional and non-competitive giving in others. The absolute unconditionality of grace requires the universal inclusivity of human giving (Tanner 2005: 72–5). Christians are not the "owners" of goods meant for all, but are the stewards of those gifts meant for preservation and prosperity of all.

Albino Barrera O.P. offers a similar notion of providence in which economic agency participates in the righteousness of God for the just distribution of resources as *constitutive* of human perfection. According to Barrera, material sufficiency and abundance are built into creation, while scarcity and chronic poverty are not; they result from the sinful misuse of freedom. Through the righteousness of Christ, human economic agency will be conformed to the demands of the kingdom (Barrera 2005: 133) as grace perfects human nature and moves individuals to minister to others and even sacrifice themselves for their benefit (2005: 148).

Conclusions

Only when a theological economy is grounded in the Trinitarian love of God can we understand the freedom of providence to care for creatures through secondary causes. While capitalism views human beings as autonomous, atomistic calculators, whose decisions are based on the price system alone, Christian faith understands all human beings as created in the image of Christ and worthy of dignity, care, and respect. Although sinful nature will always justify the will to power and exaggerate one's benevolence to others, grace alone heals disordered desire and frees the will from its bondage to sin so that human nature may be restored to its original image and empowered in the love of God and neighbour that treats the poverty of others as if it were one's very own.

A Christian theology cannot endorse an economic theory on the basis of natural theology. But it can understand capitalism as the result of fallen freedom that needs to be healed and perfected by grace. Christian faith cannot divorce economic activity from personal responsibility and the mission of the Church. A more just economic order is possible through incarnate love that heals disordered nature and transforms individuals for participation in the kingdom through love. Never the work of an impersonal cosmic force, the providence of God is the work of intimate love for each and every creature and would never pit individuals against each other or tolerate some to be "sacrificed … for the life and progress of the whole and favored few" (Barth 1960: 173). As the continuing work of Jesus Christ in history, divine providence builds up community through ordering individuals in mutual love and service, while offering greater dignity to those who are least in the body of Christ (1 Cor. 12:14–26).

It is well documented how an ideology of unencumbered self-interest has proven socially disastrous on numerous occasions (Gustafson 2015: 41) when society itself is composed of individuals whose moral duty does not extend beyond themselves. The natural theology that lurks behind this idolatrous vision has provided religious justification for a culture of greed that is destructive of human flourishing. It has spawned dominant profit-generating techniques, such as depressed wages, corporate restructuring, and automation that have resulted in a vicious spiral of diminished profits through decreased demand (Tanner 2005: 113–14). After years of touting the benefits of unrepentant greed, a culture of global capitalism and finance has emerged and grafted all of us into its narrative (Long and Fox 2007: 66), upending traditional values and making a "virtue" out of avarice. The Christian God tells a different story. From creation to consummation, the providence of God affirms that all nature and history are preserved, accompanied, and governed by the God who became poor that we might become rich (2 Cor. 8:9).

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3
ESCHATOLOGY AND ESCHATON

Sigmund Wagner-Tsukamoto

> Like any other Jewish intellectual enterprise,
> Jewish eschatology needs to begin with the Bible.
>
> (Novak 2008: 114)

Introduction

Eschatology refers to the study of final, last things; of end-times: of *eschaton*, when apocalypse arrives, bringing divine judgement on humans and Earth. Here, eschatology debates potential condemnation to a far less promising afterworld. Yet, eschatological studies address questions of hope and visions for a better future equally, for instance, eternal life in Christian thinking.

Traditionally, eschatological studies have been the domain of theology, although fields like philosophical studies or the study of religion have been pondering the question of final things to come. Needless to say, there is considerable conceptual competition amongst different approaches, the field of eschatological studies reflecting anything other than a unified whole (Reventlow 1997; Walls 2008). For example, Walker Bynum and Freedman's (2000) review is very indicative, in their case of the rather different eschatologies that were prevalent in the Middle Ages. Hence the general plea for pluralistic conceptions of eschatology at the outset, acknowledging that the field is fragmented. The proposed economic eschatology, which is informed by biblical studies, then adds another conceptual lens.

Some key publications that pick up theological and biblical studies on eschaton, in their respectively different terms, are Gunkel (1895 [2006]); Ratzinger (1988); Gowan (1986); Walls (2008); Ziegler (2011) and Middleton (2014). As much as their studies focus in one way or another on an end-times reading and on final things to come for humankind when this world ends, they are, like all eschatology, not oblivious to a vision of a "new earth" (Middleton 2014) and hope for a better future that would eliminate injustice and suffering in this new world (Bingham and Kreider 2016). Some utopian vision guides their eschatologies. This is where an economic reading of biblical eschatology starts connecting to their studies, not least so because of shared interests in setting out normative ethical ideals for society that move towards a utopian social vision. A critical question then is how economics can make specific claims towards eschatology that move beyond afterworldly idealism. The research question is: how can economics support an eschatological utopian vision for a better world, one that would already be attainable *in this world*?

A focus on a this-worldly reading of eschatology needs justification. Support comes from philosophical studies which, with the onset of the Enlightenment, aimed to rationalize eschatology. A good example is Martin Heidegger. His existential phenomenological approach to eschatology focuses on life before death, crudely speaking on "eschatology without eschaton".

(Wolfe 2015) by sidelining traditional eschatology that deals with the afterworld. Similarly, Bultmann's "eschatology of the present" sets out a theological programme for demythologizing eschatology (Dennison 2008: 115; Koch 1972: 100–1; Neuenschwander 1975: 110–22). In terms of concrete substance and precise concepts, the proposed economic approach to eschatology bears little resemblance to approaches like Heidegger's. Nevertheless, both share an abstract interest in theory building that conceptualizes "eschatology without eschaton" (in Wolfe's sense). In the current contribution, this project comes with two twists where further differences to modern philosophical eschatology like Heidegger's become apparent. First, the question of God's final kingdom, and spiritual religion in general, are largely outside the research interests of the current chapter, especially so regarding taking up or contesting theological research on New Testament eschatology (e.g. Jaspers and Bultmann 1971: 71; Koch 1972: 100). In this respect, unlike Heidegger (Wolfe 2015: 5), economic eschatology does not have to compete with afterworldly theological approaches to eschatology.

Second, Marxist materialism, G. W. F. Hegel's philosophy or conceptions of Western liberal democracy can all be summoned by imagining secularized eschatologies that are "inherent within modernity" (Althouse 2012: 9) and that mirror "realised eschatologies" of very recent or contemporary societies (Pannenberg 2008: 496; see also Frey 1997: 70–2). However, what is ominously missing even in this debate – and even more so in theological Old Testament eschatology (e.g. Polkinghome 2002; Novak 2008; Wilson 2002) – is engagement with contributions from economics.

Economic eschatology then differs from Enlightenment philosophies and their secular eschatology: the current reading of eschatology connecting to economics, but importantly remaining *religiously* grounded in a normative, this-worldly utopia that emerged from biblical stories. Since the Bible is not just any text but is seen by many as of great religious significance, the current work selectively re-enters religious eschatology when reconstructing in economic terms eschatological themes from biblical stories. Unavoidably, the separation of "reason from faith", as Heidegger tried to maintain this (Koch 1972: 114), is challenged. This happens through economic rationalism or a concept of "rational religion", as this venture was developed in more detail elsewhere (Wagner-Tsukamoto 2014: 205–12, 2017 [2019], 2018). Consequently, a contest emerges, at least in part, regarding the suggestion that this-worldly eschatology – in our case, economic eschatology – was necessarily secularized. This is achieved through searching for the rational economic foundations of religion, stepping away from the more spiritual investigations such as Nelson's (1991), Foley's (2006) or Agamben's (2011) regarding theological foundations of economics and economy.

Economic eschatology without eschaton

The following outlines key themes of economic eschatology focusing on this-worldly notions, offering a distinctively economic reading of "eschatological grammar", to use a term of Ziegler's (2011: 355) Christian eschatology, for analysing conceptual and methodological patterns of eschatology. Subsequently, the section picks up biblical ideas across the Old Testament to identify rational economic eschatology.

Economic principles of eschatology

From the studies of Smith's *Wealth of Nations* onwards, economics has come with normative aspirations that point towards a utopian vision for society. In Smith's case, it is simply the vision of the "wealth of nations", a prospering international community of producing and trading nations. Smith's argument can be projected to a journey towards end-times that would be good in itself, this journey already yielding a prospering "new earth" and "bright future", as such ideas are cultivated by eschatological studies. Smith, and economic studies which in one way or another still connect to Smith, entertain in this respect a rather positive normative vision of eschaton: an imaginary bright future, albeit one that reflects this-worldly, materialistic concerns. This centrally encapsulates economic eschatology. Afterworld readings of the better society recede as do condemning spiritual visions of eschaton. Before it is discussed in more detail how an economic approach to eschatology could bond with the Old Testament, the chapter reviews conceptual principles that delineate economic eschatology.

Possibly the most significant idea that guides an economic, this-worldly reading of eschatology is the idea of mutual gains. This normative ethical aspiration of economics establishes itself in different ways. At the interaction level, when two parties exchange capital, both parties need to gain in one way or another. Otherwise, from an economic perspective we would not expect the interaction to take place in the first place, if only one party gained and the other lost, or even if both parties lost as the result of exchange. Such mutual gains outcomes are intentionally negotiated. Nevertheless, mutual gains can also materialize unintentionally, being the result of economic exchange in a "macro"-economic perspective. Smith's (1776/1976) references to the "wealth of nations", the "invisible hand" that coordinates the market and creates societal outcomes as a result of economic exchange, and so on, capture this aspiration. Such gains for society reflect growth, rising living standards over time, creation of employment, creation of tax income for the state, technological progress and so on. Above all, it is these unintended outcomes of self-interested exchange that drive an economic vision for a better society and better future, and legitimize the market economy. The aspired-for outcomes are quite earthly: they can be achieved in this life, and importantly, they yield a better society through a mutual gains programme. Modern economics, for instance in an institutional or constitutional economic tradition, clearly appreciates this idea (e.g. Buchanan 1975, 1991; North and Thomas 1973; Ostrom 1990; Wagner-Tsukamoto 2005, 2013a). Indeed, it can be argued that all economics aims at the normative vision of mutual gains (albeit methodologically, all economics can be viewed grounded within scenarios of doom, such as the prisoner's dilemma predicament; see Homann 1994; Wagner-Tsukamoto 2014).

It is especially the mutual gains aspiration that distinguishes the proposed economic eschatology from eschatologies that at first glance may have an economic provenance too, such as the health-and-wealth programme of Pentecostal eschatology (e.g. McClymond 2012: 296). However, these approaches remain distinctively individualistic without a mutual gains orientation, as they are religiously spiritual in outlook. Other eschatological studies also refer to prosperity messages but without conceptualizing them (e.g. Polkinghome 2002: 54).

A further principle of economic eschatology is the idea that the market economy is governed through institutional and constitutional economic systems. Already seen in Smith's initial understanding, markets were not to be left to themselves; rather, they were to be governed through constitutional, legal and quasi-legal frameworks that constrained business activity on markets. In this respect, Smith does not promote a "laissez-faire" economy (Reisman 1998; Viner 1927; Wagner-Tsukamoto 2013a), and modern constitutional economics has re-emphasized and developed this point (Buchanan 1976: 273; Khalil 2002; Reisman 2015; Vanberg 2001).

The chapter argues that aligning institutional and constitutional economic ideas of governing markets with economic eschatology is of importance. The significant argument here is that principled ideas for steering an ethical vision for a better future can be laid down in economic terms in constitutional and institutional governance structures, which check markets. These concern consumer protection regulations; investor protection schemes; taxation laws; fair wage policies; policies on environmental sustainability; and so on. In this sense, the governance framework of the market economy provides the systematic place for moral principles that set out a society's vision of what kind of better future it plans to work towards. At this point we meet again a this-worldly reading of eschaton: here, as to how to institutionally enact hope for the better future but again, already in this world rather than the afterworld.

Economic eschatology in the Old Testament: the bright future

Eschatological ideas on mutual gains and on institutional economic governance can be traced in the biblical text. Should this project succeed, we selectively re-enter religious eschatology, not necessarily in theological spiritual terms but in economic rational ones. The Old Testament text, and especially the Torah, is generally rich with discussions of this-worldly contexts and the rather mundane problems these contexts reflect (e.g. Polkinghome 2002: 54). With specific regard to biblical Jewish eschatology, Collins (2002: 74) put this as follows: "The Hebrew Bible is extreme in the literature of the ancient world in its rejection of reward and punishment after death". This opens up conceptual space for economic eschatology that is focused on a this-worldly mutual gains programme, grounded in the economic reconstruction of Old Testament stories. Yet, it is important to concede from the outset that economic eschatology, like most eschatological studies, is ambivalent when not only foreseeing the better future but also debating doomed end-times that should be prevented (as discussed later).

The Joseph stories and the Solomon stories tell of mutual gains outcomes for their societies: the rulers in these stories acquired great wealth (pharaoh; Joseph; Solomon), but their people gained too. Crucially, the king was to answer to the people, and the people did participate in the ruling of these societies. For example, "King Solomon summoned into his presence at Jerusalem the elders of Israel, all the heads of the tribes and the chiefs of the Israelite families" (1 Kings 8:1). Then, not only was the king to answer to the people but also the king had to "bless" them: "While the whole assembly of Israel was standing there, the king turned around – and blessed them" (1 Kings 8:14). At least since the stories of Noah and Abraham, economic connotations have been permeating the idea of the blessing and how this idea could be read in Old Testament storytelling (Wagner-Tsukamoto 2009). For example, Noah and Abraham and their nations were blessed with time (longevity), fertile land, and fruitfulness; their nations multiplying, surviving disasters and ruling the Earth, and so on (Genesis 13: 2; 24: 34–5, 53). The Solomon stories are culminations of such realized visions of economic blessings. The people's increasing contentment is referred to in numerous ways and a this-worldly eschatology surfaces from the biblical text, reflecting the economic ideal of mutual gains in a societal perspective: "The people of Judah and Israel were as numerous as the sand on the seashore; they ate, they drank and they were happy" (1 King 4:20). Successful institutional economic governance was a key feature as to how a "mutual gains blessing" was achieved (Wagner-Tsukamoto 2009, 2013b).

We make a similar observation for the Joseph stories: mutual gains were realized through Joseph's property rights reform for farming; a barter tax system for crop harvests; or the organization of economic activity through multilayered bureaucratic hierarchies (Wagner-Tsukamoto 2015). Not surprisingly, when these stories close, Joseph is most highly elevated by Jacob:

> Joseph is a fruitful vine, a fruitful vine near a spring. … Your father's blessings are greater than the blessings of the ancient mountains, than the bounty of the age-old hills. Let all these rest on the head of Joseph.
>
> *(Genesis 49:22–6)*

In this vein and with a view to realizing mutual gains outcomes, economic eschatology contests spiritual religious eschatology with regard to Joseph or Solomon (e.g. Middleton 2014: 66), which at times rather negatively assessed Joseph's or Solomon's policies.

This short review of biblical stories has to suffice at this point for illuminating that mutual gains were generated in certain stories, and that principles of institutional economic governance can be drawn upon for further studying the realization of economic blessings for these societies. We re-enter eschatological debate in very positive terms, finding visions of a bright future realized in the text. Eschatological concerns regarding injustice and suffering were substantially fewer.

Economic eschatology in the Old Testament: doomed end-times

The Smithian ideal of mutually shared wealth amongst nations – as Solomon or Joseph had worked towards – was not always successfully realized in the Old Testament. Following the Solomon stories, initially Rehoboam pursued (still in the tradition of Solomon) principles of governing with and for the people:

> King Rehoboam consulted the elders who had served his father Solomon during his lifetime. "How would you advise me to answer these people?" he asked. They replied, "If today you will be a servant to these people and serve them and give them a favourable answer, they will always be your servants." But Rehoboam rejected the advice the elders gave him.
>
> *(1 Kings 12:6)*

In the end, rather than following policies that could have yielded mutual gains through institutional economic governance, Rehoboam achieved the opposite of a blessing for his people. He imposed higher taxes that escalated previously cooperative interactions. Consequently, the people revolted against Rehoboam, and now he very directly experienced that he was indeed answerable to the people, when he was swiftly deposed by the people:

> So, the king did not listen to the people. … When all Israel saw that the king refused to listen to them, they answered the king: 'To your tents, O Israel! Look after your own house'. So the Israelites went home.
>
> *(1 Kings 12:15–16)*

This metaphorical reference to Israel going home mirrors nothing more than the breaking up of the previously integrated nation state. With these upheavals, the comparatively happy times of Solomon's reign came to an end, and with them the positive, this-worldly vision of the good life in wealth.

We find a similar outcome at the end of Joseph's reign. Exodus (1:8) laconically talks of impending threatening developments: that "a new king, who did not know about Joseph, came to power in Egypt". The new king then gave up Joseph's economic policies which earlier had supported Egypt and Israel, enabling a peaceful and successful coexistence. Most of the Exodus stories, when cooperation between Egypt and Israel collapses, fall into this category (Wagner-Tsukamoto 2008, 2009, 2013b), as do many stories of the post-Solomonic reign when states break up, and dislocation, exile and suffering are imminent. The eschaton of doomed end-times is then prevalent.

The book of Isaiah largely falls into this category too. Although Isaiah (10:14, 45:14, 60:5, 11, 61:6, 66:12) renews eschatological visions of judgement and hope, reflecting on ideas of the "wealth of nations", much debate remains mired in zero-sum (win-loss) visions of redistributions of wealth, as Odendaal (1970: 180–6) points out. The Old Testament finally closes with Zechariah and Malachi with stories of revenge and severe punishment for those who had violated Israel or the God of the Old Testament. Again, the text here reveals frequent mutual loss outcomes, for Israel and other parties.

So, unfavourable outcomes of certain stories can be traced to institutional governance that distorted a mutual gains programme through changes to taxation policy, changes to pay policy, changes to population policy and so on. As noted, the agents of the Exodus stories and of the stories of the post-Solomonic reign are prime examples of economic protagonists who worked towards such condemned end-times for their people.

Conclusions

The chapter set out a distinctively economic reading of eschatology, yet one that remained grounded in religious thought, that is, the Old Testament. We found that Old Testament stories develop interconnected patterns of hope for the better future being realized; but equally, hope being crushed at other times. This reflects well the ambivalent nature of any eschatology, or what theology may term "inaugurated eschatology" (Middleton 2014: 71). The current chapter projected such ambivalence to conceptual economic patterns, interrelating the vision for a better future with succeeding institutional economic governance in the Old Testament that assured mutual gains. The vision of doomed end-times, on the other hand, was linked to giving up principles of institutional economic governance that could have generated the wealth of nations. In this way, the entire Old Testament can be seen to have entertained visions of utopia and dystopia, informing in ambivalent terms, positively and negatively, Old Testament eschatology. The scope of this project is much wider than the one of traditional theological studies of eschaton and apocalypse (e.g. Koch 1972: 19, 99).

Critical commentators believe that the market economy and mainstream economics and their focus on mutual gains and growth have brought us closer to doomsday. However, the current chapter and its understanding of economics emphasized that an alternative reading is possible which is based on the normative-ethical lessons as to how economic eschatology promotes a better future in this world. With economics differently in hand, we do not need remain stranded "helpless before the apocalyptic" – or *Ratlos vor der Apokalyptik*, as Koch (1970) investigated this. Doomed visions of eschaton then have to wait.

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4
CONFESSION

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Introduction

What is the relationship between the practice of confession and the economic rationality which is so ingrained in modern society and modern individuals? In Scandinavia, the popular TV programme *The Luxury Trap* has been aired by TV channels across the region, and the programme is now celebrating its seventeenth season in Sweden, thirteenth season in Denmark, and twelfth season in Norway. The genre of the programme is a mixture between educational TV and entertainment. The spectator meets individuals or, often, couples who find themselves in quite severe economic hardship, having spent much more than their income allows, which they finance with a growing number of loans. The unfortunate, excessive spenders and debt-ridden individuals are offered a series of counselling sessions by two "experts" who give advice regarding the consumpation and lifestyle-related changes needed to bring their personal economy back on track. During these counselling sessions, mostly filmed in the home of the participants, difficult facts regarding their lifestyles are revealed; tough choices on priorities and touching emotional outbursts are displayed. At the end of the counselling process, the successful participants will have adjusted their spending to the budgets calculated by the experts, whereas the unsuccessful ones drop out, falling back into an uncontrollable cycle of overconsumption and indebtedness.

Although *The Luxury Trap*, at first glance, might seem like a rather mundane affair, we believe that the programme offers a window for considering the theme of this chapter, that is, the relationship between the practice of confession and the constitution of economically rational subjects. We emphasize three key components in this economic subjectivity: guilt, desire and moderation, which have been highlighted by Friedrich Nietzsche, Michel Foucault and Mauricio Lazzarato. These thinkers have traced these components historically to Christian morality, hereby problematizing and complicating the commonly accepted demarcation between modern, economistic rationality and pre-modern religious belief. In doing so, they have indicated an intimate historical relationship between what are ostensibly distinct and separate social arenas. In this context, we wish to foreground how the intertwinement between the constitution of subjectivity and the expansion of economic rationality is achieved through the technique of confession. More specifically, the inculcation of guilt, the virtue of responsibility and the control of desire can all be associated with the practice of confession in its broadest sense.

Foucault assigned a pre-eminent significance to the role of the confession in the modern Western culture: "The confession became one of the West's most highly valued techniques for producing truth. We have since become a singularly confessing society. The confession has spread its effects far and wide … Western man has become a confessing animal" (1978: 58–9). In Foucault's view, the confession is a generalized procedure of subjectivation insofar as it incites the speaker to subject himself/herself to the truth produced in the confessional practice. In its general form, the confession includes the following injunctions: to make oneself the subject of one's own statement (avowal of identity), to confess to another person (enter a relationship of obedience), to allow the truth to surface (liberation through verbalization), to pass a moment of transition (the conversion experience), and to balance the forces of good and evil (self-excavation and renunciation) (1978: 61ff.). For Foucault, these are key elements in the production of subjectivity which first originated in the Christian pastorate, but which later expanded to still more relationships in the modern West.

Confession from antiquity to modernity

We will now give a brief sketch of some of the most important stages in this complex history of confession, drawing mainly on the accounts provided by Foucault in his lectures from the 1970s and the early 1980s (see also Delumeau 1990; Lea 1896; Taylor 2010; Tentler 1977). Foucault never published a book on the history of the confession, but he nevertheless studied the history of the confession thoroughly since the beginning of the 1970s as a necessary means for understanding the domains of psychiatry, law and sexuality, which he investigated throughout the 1970s (Foucault 2014a: 255–6; also Foucault 1988, 2003: 167–200, and 2014b).

Confession was introduced in the first centuries of Christianity as part of the practice of penance. Penance was at this time, as Foucault emphasizes, not an act but a social status, which served "to avoid the definitive expulsion from the Church of a Christian who had committed one or several serious sins" (Foucault 1993: 212). Among the central elements of this status was the obligation to manifest the truth of oneself as a sinner. Foucault points at two practices of such truth manifestations. One was a non-verbal confession performed as a public ceremony in which the sinner dramatically exposed himself as humble and repented, for instance, by wearing wretched clothing, being covered in ashes and kissing the knees of his priest. To designate the truth obligation involved in the status of the penitent, the Greek Church Fathers used the term *exomologies*. The other practice, termed *exagoreusis*, was a verbal confession that emerged from around the second century in the monastic communities as an instrument of penance and supervision, inspired by, yet distinct from, the techniques of spiritual guidance found in antique philosophy (Foucault 1993: 212–21). A version of this practice later became institutionalized as the sacrament of auricular confession in the Catholic Church and gradually, Foucault suggested, it proliferated in the modern welfare state in a secularized form within psychiatry, law and sexuality.

In establishing the practice of confession during the first centuries, Christian authors such as Tertullian (155–240), Chrysostom (347–407) and Cassian (360–435) integrated and transformed contemporary Stoic and Epicurean techniques of spiritual guidance. Foucault carried out his analysis through a series of contrasts between these two different sets of techniques, which he termed "technologies of the self". The philosophical practices of spiritual guiding and self-examination (which were used quite rarely), like the Christian confession, implied subordinating oneself to another, but this subordination was voluntarily, temporary and merely a means to something else, namely to self-mastery or self-transformation, whereas the confession took obedience as a goal in itself (a virtue). Moreover, the focus of Christian confession departed from the antique philosophers' examination of their conscience, which was a means to evaluate oneself according to an ethical ideal that would enable the transforming and mastering of one's own conduct. Instead, the aim became self-probing and self-interpretation in order to reveal one's secret desires and thoughts to a priest who determined if they originated from the devil, and thus needed to be renounced in order to restore a true relationship to God.

Importantly, for the antique philosophers, contrary to the Christian confession, "the emphasis on the truth does not lie with the truth of one's declarations, nor with the truth of one's self, but with the truth of the ethical ideal at which those declarations aim and to which one compares them" (Taylor 2010: 14). By contrast, the truth produced by and about the speaker in the confession is a truth that turns him into a "subject" in a double sense: "Subject to someone else by control and dependence; and tied to his own identity by a conscience or self-knowledge. Both meanings suggest a form of power which subjugates and makes subject to" (Foucault 1982: 781). This form of power is precisely what Foucault, in the Christian context, terms pastoral power.

The confession has undergone several significant transformations in the history of Christianity (Taylor 2010: 11–65), of which we emphasize some with particular relevance for this chapter. It is noteworthy that in the early centuries of Christianity the public, non-verbal and bodily confession was a quite rare phenomenon, since it was used only in cases of severe transgressions (the penalties related to it were both harsh and long term), whereas the practice of verbal confession was confined to the monastic communities. However, from the sixth century onwards, the verbal confession began to proliferate across other parts of society due to an increasing "privatization" of penance, which meant that reconciliation could be settled between the sinner and his priest (Taylor 2010: 48). In the historiography of the Christian confession, the Fourth Lateran Council of 1215 is considered crucial, since at this council it was determined by canonical law that all members of the Catholic Church were obligated to confess to a priest at least once a year. Failing to do so, they risked becoming excommunicated, and a permanent link between confession and law was thus forged (Foucault 1978: 58, 116). Taylor describes important consequences of this massive increase in confessions:

> By the late Middle Ages, therefore, permanent forms of punishment such as a lifelong abstinence found in canonical penance had long since been transformed into long-term asceticism of penitentiales and finally into light and repetitive penances such as prayers and monetary offerings. Similarly, public displays of truth had been replaced by introspection on inner sorrow and the repetitions of formulaic regrets in the presence of priests.
>
> *(2010: 51–2)*

However, some discontent was spurred by the decree of the Fourth Lateran Council. Some priests even refused to endorse it, referring to the absence of biblical sources for the confession or arguing that forgiveness has already been granted once and for all by the sacrifice of Christ. This resistance intensified during the Reformation, and it eventually led to the denial among Protestants of the sacramental status of the confession. Yet, in spite of this criticism, at the Council of Trent in 1545 and 1563 the Catholic Church "would only reaffirm and bolster the importance of confession in the salvation of souls" (Taylor 2010: 64). Moreover, the Council of Trent further accelerated the privatization and interiorization of the confession by introducing the confession box (Foucault 2003: 177–8).

Although the Reformation both entailed a radical critique of the confession as a sacramental institution and led to a general crisis in the pastoral power of the Church, Foucault argues that the Reformation in fact resulted in an intensification of spiritual life of individuals

(2007: 149–50, 229–30). Thus, even if the Protestant church no longer upheld the law-defined obligation to confess once a year, new confessional practices such as the domiciliary visit were flourishing. In this way, the Reformation inaugurated the diffusion, transformation and secularization of the confession that Foucault vividly described in *The History of Sexuality I*:

> For a long time, it [the confession] remained firmly entrenched in the practice of penance. But with the rise of Protestantism, the Counter Reformation, eighteenth-century pedagogy, and nineteenth century medicine, it gradually lost its ritualistic and exclusive localization; it spread; it has been employed in a whole series of relationships: children and parents, students and educators, patients and psychiatrists, delinquents and experts. The motivations and effects it is expected to produce have varied, as have the forms it has taken: interrogations, consultations, autobiographical narratives, letters; they have been recorded, transcribed, assembled into dossiers, published, and commented on. But more important, the confession lends itself, if not to other domains, at least to new ways of exploring the existing ones.
>
> *(1978: 63)*

The gradual integration of the confession, over the last two hundred years, into various domains outside of the Church has transformed confessional practice in different ways. However, there was one overall change across these diverse domains. While the confession in Christianity entailed a sacrifice of the self, the contemporary confession is now founded on a positive, humanistic conception of the self. Foucault wrote:

> That was the aim of judicial institutions, that was also the aim of medical and psychiatric practices, that was the aim of political and philosophical theory – to constitute the ground of the subjectivity as the root of a positive self.
>
> *(1993: 222)*

The production of economic subjectivity

Lazaretto's thesis is that the moulding of subjectivity is eminently connected to the reproduction of the capitalist economy: "In the current economy, the production of subjectivity reveals itself to be the primary and most important form of production. The 'commodity' that goes into the production of all other commodities" (2011: 34). Exploring this thesis, we first return briefly to *The Luxury Trap*, and, second, we consider how man as "confessional animal" and economic rationality are interlinked in the historical work by Nietzsche, Max Weber and Foucault. This second part also returns to Foucault's analysis of confessional practice. The overall aim of this chapter is not to provide extensive analysis, but rather to explicate how the confession is relevant for studying ostensibly economic practices, thus inviting the reader to consider this possibility for future research.

On closer inspection, the events unfolding in *The Luxury Trap* resonate with key elements in the practice of confession as defined above. During the programme, we witness a debt-ridden couple, Malene and Jannik, speak out about their ignorance regarding their financial situation, their unrestrained desires and their acknowledged lack of responsibility. Early in the programme, the experts reveal how much the couple "overspends" every month, that is, 7,200 Danish Kroners (appr. 1,060 USD). Being confronted with this number, Malene exclaims: "I have lived like a rich person, but I am not!" The expert: "It really demands some self-knowledge to say what you have just said". Malene: "But it is the truth". We take this exchange to constitute a moment where the speaker makes herself the subject of her own statement, hence avowing a particular identity. It is a subject which is displaying recognition of her own ignorance, pleasure-seeking behaviour and uncontrolled desire. Repeatedly, Malene and Jannik admit to "having been blind", saying "I didn't think about the consequences" and "how could I be so stupid?" These confessions are generally spurred by the experts' interrogations, presentation of data and, at times, explicit condemnation of the couple's lifestyle. Consider this discursive pattern in light of Foucault's definition of the confession:

> a ritual of discourse in which the speaking subject is also the subject of the statement; it is also a ritual that unfolds within a power relationship, for one does not confess without the presence (or virtual presence) of a partner who is not simply the interlocutor but the authority who requires the confession, prescribes and appreciates it, and intervenes in order to judge, punish, forgive, console, and reconcile.
>
> *(1978: 61)*

The counselling meetings display a pattern in which the couple is incited to acknowledge their lack of self-knowledge, to denounce their actions and to declare a fundamental transformation in their self-conduct. In a noteworthy scene, one of the experts exclaims: "Together, you have an income of 37,400 Danish Kroners, but nevertheless you spend an additional 7,200 Kroners. I have never met a student and a welfare recipient who spend that much money! It's absolutely nuts!" This is an example of a statement which appeals to the couple to denounce traits of their personality and avow a new identity. Early in the programme, the voice-over says: "The experts want Malene to stop her pleasure-driven consumption". At a meeting, one of the experts confronts Jannik with the fact that he has neglected paying child support: "You have prioritized cigarettes instead of child support! What do you think of that priority?" Jannik: "Yeah, that was a very wrong priority". There are many moments where the principal purpose of the conversation is to make the indebted couple verbalize their choice and their lifestyle so that they can then denounce it. This procedure again resonates with the confession practice, which is defined by Foucault, as "a ritual in which the expression alone, independently of its external consequences, produces intrinsic modifications in the person who articulates it: it exonerates, redeems, and purifies him; it unburdens him of his wrongs, liberates him, and promises him salvation" (1978: 62).

When the couple is induced to speak, the truth is supposedly allowed to surface, which then opens them up for denunciation, and finally, for a decision to fundamentally transform or "convert". An illustrative moment in this regard is when the experts reveal that Malene has bought a very expensive mobile phone, financed by a "quick loan" (incurring an 18.5 per cent interest rate). She did so without checking if her old phone could be repaired. Malene shamefully admits this to be very careless act. This clearly implies that she takes upon her the position of being not only guilty in terms of her unfortunate economic situation but also guilty in a moral sense of exerting failed responsibilities. The expert: "This is the kind of thinking that we need to change! If one wants something, one needs to save up for it". Malene then asserts: "I feel ready for a change to happen". For this change to happen, Malene and Jannik must substitute prudent economic conduct for their desire-driven behaviour. At the end of the programme, Malene has adopted such a life conduct insofar as she meticulously calculates all her expenses: "Now I use a little book for notating everything that I spend on shopping". The confessional discourse has produced, then, "intrinsic modifications in the person who articulates it" (Foucault 1978: 62).

Jannik, conversely, has dropped out of the counselling and has likely returned to his previous lifestyle of overspending and debt creation.

There is one final detail to remark about the TV programme: it turns out that living a very economically restrained lifestyle, like Malene has adopted, also needs correction. In a final conversation, the expert tells Malene: "It's so impressive what you've done! But we think that 2,000 kroners spent on diverse expenses is too little in the long run. We have assigned 4,800 Kroners". Clearly, this last counselling shows that spending too little, as in practicing almost no desire for consumption, also requires intervention. It seems, then, that what is to be created in the confessional practice is a subject that practices moderation in balancing "irrational" desire against rational calculation.

This example of the correction of a couple whose consumption behaviour has gone astray displays what we take to be three constitutive components in the economic subject: guilt, desire and moderation. These three components all come into play in the practice of confession. We suggest that the practice of confession can be used as a window to study the inculcation into subjects of guilt, desire and moderation, a set of moral attitudes decisive for the development and reproduction of the modern economy. Michael Hepworth and Bryan S. Turner (1982) emphasize that confession has important ideological effects in legitimating the prevailing moral and legal order:

> Sin, crime, and disease [and indebtedness] can be treated as the personal failure of the individual who is forced, in order to receive pardon, to admit responsibility to the offence. Through confession, the offender accepts, or at least appears to accept, the legitimacy of the accusations against him and the correctness of the moral world which he has challenged.
>
> *(1982: 37)*

The institution of confession reinforces the idea that different forms of deviance, like overspending and bankruptcy, are essentially a failure of the individual. This inculcation of responsibility and guilt was explored early on by Nietzsche when he addressed the notion of credit and the creditor-debtor relationship.

"I am living on my own credit" – Nietzsche, confession and *Schuld*

In *Ecce Homo*, Nietzsche presented the reader with a confession in both meanings of the term: a statement of belief and a manifestation of gratified and ungratified deeds. Indeed, *Ecce Homo* opens with the remarkable lines: "In view of the fact that I will shortly have to confront humanity with the heaviest demand ever made of it, it seems to me essential to say *who I am*" (Nietzsche 2007: 3; italics in original). This weighty demand seems to compete with a well-known demand implicit in Nietzsche's announcement, that is, the ancient demand to confess, the indispensability of saying who you are, of disclosing your true self.

So what kind of self-disclosure did Nietzsche offer us? The very first thing he confessed about himself was that: "I am living on my own credit" (ibid.). Given his training in classical philology, Nietzsche surely knew that "credit" comes from *credo*, the Latin word for "faith", and a technical term in Christian theology for a creed, a confession of faith; but it also means to offer a loan, to give credit. With this confession, Nietzsche simultaneously detached himself from and attached himself to what he also described as "the oldest and most primitive personal relationship there is", that is, "the relationship between creditor and debtor". By confessing to be living on his own credit, on the credibility he gives to himself, Nietzsche would be not only subject to and the object of his own faith, but also at once both creditor and debtor to himself – "He has taken a loan out with himself", as Derrida put it (1985: 8). Living, as he did, on his own credit, the disciple of Dionysus was nevertheless still fundamentally indebted (to himself).

This self-relation of owing-to-oneself, or more precisely, of knowing of owing-to-oneself, amounts to conscience, as defined by Nietzsche in *On the Genealogy of Morals*: "The proud knowledge of the extraordinary privilege of *responsibility*" (2006: 37, italics in original). It would appear that conscience is indeed another word for being at once creditor and debtor to oneself. This link between confession, the question of identity and the creditor-debtor relationship that Nietzsche's self-description illustrates was further developed in his *On the Genealogy of Morals*. In his investigation of the descent of fundamental moral concepts such as conscience, guilt and duty, Nietzsche emphasized the crucial connection between morality and economy, stating that "the main moral concept 'Schuld' ('guilt') descends from the very material concept of 'Schulden' ('debts')" (2006: 39). Nietzsche stressed that morality can be traced back to mundane economic practices. However, these formulations display a double meaning, since they also suggest the moralization of economics, a process that Weber later investigated in his seminal work *The Protestant Ethic and the Spirit of Capitalism* (2002). Early on, Nietzsche and Weber both made the point that the handling of one's private economy is a moral issue, insofar as how we conduct our individual lives impacts the economy and the overall vitality of the social body.

Nietzsche forged the link between morality and economy by arguing that "the feeling of guilt, of personal obligation … originated, as we saw, in the oldest and most primitive personal relationship there is, in the relationship of buyer and seller, creditor and debtor" (2006: 45). Nietzsche's claim was that our moral faculties, or more broadly our ethical subjectivity, are fundamentally rooted in the creditor–debtor self-relation. Crucial in this subjectivity is the presupposition that the debtor is capable of making promises and is accountable, which requires that he develops memory, feelings of responsibility and a conscience. Hence there is, as Lazzarato has stressed, an intimate relationship between economy and what he terms "the production of subjectivity". In a paragraph on Nietzsche he writes: "Debt as economic relation, for it to take effect, has thus the peculiarity of demanding ethico-political labour constitutive of the subject" (Lazzarato 2011: 42). According to Nietzsche, the essential instruments in this ethico-political labour is mankind's terrible and strange mnemotechnics, that is, the techniques of punishment and pain that will make the debtor remember his answerability and indebtedness to his creditor (2006: 37–9). However, as Lazzarato indicates, referencing Foucault's notion of pastoral power, less violent ways of performing this ethico-political labour have been invented. There are other less coercive mnemotechniques that serve to inscribe feelings of responsibility and guilt into the mind and body of the subject, other instruments to conduct the subject's conscience (Lazzarato 2011: 128, 133).

That Nietzsche was aware of such instruments is quite clear from his investigation of what he calls the means of the ascetic priest in *On the Genealogy of Morals* (2006: 95–105). There, Nietzsche referred to "mechanical activity", "the small pleasure" and "herd-organization". While Nietzsche did not mention the technique of confession among these pastoral means, the confession appears as a parenthesis in a crucial section on the will to truth. At this place, Nietzsche considered what role the Christian ascetic ideal plays in a modern, secularized age, concluding that it lives on in the form of its uncompromising will to truth, which is the very core of this ideal (2006: 118). On this basis, Nietzsche advanced the remarkable argument that atheism is not opposed to the Christian ascetic ideal. Instead, atheism is the last phase and the logical consequence of the ascetic ideal, since ultimately it is the Christian will to truth that ends up undermining the belief in God. Or as Nietzsche asked:

> *What*, strictly speaking, has actually *conquered* the Christian God? [...]: Christian morality itself, the concept of truthfulness which was taken more and more seriously, the confessional punctiliousness of Christian conscience, translated and sublimated into scientific conscience, into intellectual rigour at any price.
>
> *(2006: 119; italics in original)*

It is, according to Nietzsche, in its practical form that the will to truth, the moral obligation to truth-telling, lives on after the death of God. This is precisely the thesis that Foucault develops in the first volume of the *History of Sexuality* (1978).

To bear witness against oneself – Foucault on the confession

Foucault's analysis of pastoral power directs attention to state power as being irreducible to either its legal–punitive function, or its securing of the population's life processes. The state also intervenes to shape the citizens' subjectivity, since it has inherited pastoral power understood as the imperative of caring for each individual through the continuous guidance of consciousness. Foucault (1982) suggested that pastoral power has proliferated across the institutions of the modern welfare state, imbuing it with an attention not only to the totality of the population but also to the individuality of each and every one. As a technique for guidance of the individual on the basis of the revelation of inner truth, the confession constitutes a key technique of pastoral power. It is a general technique which, in secular modalities, is used in welfare institutions like psychiatry, pedagogy, healthcare and in social services targeting the unemployed, indebted and impoverished segments of the population (Foucault 1978: 59).

Confessional practices thus take part in the "ethico-political" work that the welfare state requires of beneficiaries who are increasingly viewed as debtors. On Lazzarato's account, contemporary welfare states are undergoing a transformation whereby individual and collective rights are replaced by the logic of credit. In this process, welfare services are transformed into "creditor institutions" and beneficiaries are transformed into debtors "whose repayment means adopting prescribed behaviour" (Lazzarato 2011: 130). The welfare state intervenes on individuals, notes Lazzarato, addressing their mode of being, through techniques like the individual interview and individual monitoring, hence actualizing pastoral power (2011: 133). While this observation is critically pertinent, Lazzarato leaves aside the question of which components in the confession might be relevant for studying the moulding of the economic subject, in general, and the debtor subject, in particular. To begin exploring this question, we highlight some aspects in Foucault's genealogy of the practice of confession.

In his two lectures *About the Beginning of the Hermeneutics of the Self* (1993), Foucault undertook a brief historical exploration of the practice of confession. He begins by noting that Christianity is a very special type of religion, since Christianity imposes on its practitioners "the obligation of truth". This means that

> every Christian has the duty to know who he is, what is happening in him. He has to know the faults he may have committed: he has to know the temptations to which he is exposed ... Hence to bear witness against himself.
>
> *(Foucault 1993: 211)*

The first component to emphasize, then, is that confession is a practice of verbalization which "must go as deep as possible in the depth of thoughts" (1993: 220). It is premised on discovering and scrutinizing the truth residing deeply in the individual and verbalizing this truth to others. The second component, which Foucault traces to the first Christian centuries, is that confession requires that the penitent shows himself as a sinner. To pave the way for entering into a new and pure spiritual life, the confessor must first exhibit himself as dirty, sullied and shameful, as someone who has chosen the path of sin. Foucault speaks of "the theatrical representation of the sinner as willing his own death as a sinner. It is the dramatic manifestation of the renunciation to oneself" (1993: 211). In brief, there is no truth about the self without sacrifice, and no salvation without self-mortification.

The third significant element in the confession has to do with the object that the confession is directed towards: not actions, but thoughts. Foucault notes that the objective of Christian monasticism is not so much mastery of oneself in terms of actions, but rather obedience practiced as contemplation and self-examination (1993: 216). Hence, the area to be scrutinized in self-examination is "an area anterior to actions, of course, anterior to will also, even an area anterior to desire" (1993: 217). It is the movements of the thoughts, and particularly the uncovering of whether there are evil sentiments mixed up in the thoughts, which is the target of confessional practice. Hence, Foucault describes the confession as "a ritual in which the truth is corroborated by the obstacles and resistances it has had to surmount in order to be formulated" (1978: 61–2).

The fourth and final component in the confession concerns the production of desire. Foucault emphasizes that a major effect resulting from the invention of the confession is "the opening up of the self as a field of indefinite interpretation" (1993: 222). Foucault's investigations into the practices of confession in early Christianity should – as indicated – be seen in the context of his history of sexuality, and more precisely, as part of the "genealogy of desiring man" (Foucault 1985: 12). With this genealogy Foucault also seeks to problematize influential contemporary perceptions of man as a desiring subject as advanced from Hegel to Jacques Lacan. Foucault shows how during the transition from Greek to Christian regulation of sexual practices the contours of the Christian subject of desire emerge (1985: 91–3). The subject that begins to take shape with this transition is a subject that tries to clutter the desire which is expressed not only in its actions, but which also creeps into and lies in wait in its thoughts and feelings. Desire is a disguised danger of falling back into impurity, which can be hidden in even the most innocent thoughts and feelings, and which the Christian subject must therefore constantly scrutinize. Characteristic of this Christian subject of desire is that it

> is expected to exercise suspicion often, to be able to recognize from afar the manifestations of a stealthy, resourceful, and dreadful power. Reading these signs will be all the more important as this power has the ability to cloak itself in many forms other than sexual acts.
>
> *(Foucault 1985: 41)*

This suspicion results in the introduction of a distance or a division into the subject, in which that which separates the subject from itself is not manifest, but always hides in or under the obvious. This is why it is never possible for the subject to know or rely on himself fully, but he needs help from others who know better, in short, from the pastor. The desiring subject is thus flawed in a dual sense. First, this subject ought to be something else: it should be a pure and untarnished subject, and therefore it must constantly seek to reveal and refrain from its lustful thoughts and feelings. The Christian subject can thus, paradoxically, only reveal the truth about himself through a sustained renunciation of himself (Foucault 1993: 222). This idea of a more original, but now lost, "pure" state, which spurs the constant self-decipherment and self-denial of the Christian subject, is explicitly stated in the biblical myth of the fall of man (Genesis 3). Second, the Christian subject is flawed or lacking in the sense that no matter how much it examines itself, it will never be enough, because the more it examines itself and its desire, the more it must deny itself and its desire, and the more it denies itself and its desire, the more it must examine itself and its desire. This is why Foucault describes Christianity as a "hermeneutics of desire" (1985: 95).

Man as a subject of desire, whose roots Foucault locates in the Christian pastorate, is maintained today among other places in the ever proliferating relationships of counselling, coaching, guidance, education and therapy that permeate the Western welfare state, at once the product and precondition of its "worldly" pastoral government. However, the desiring subject is also a crucial element in the economy of consumer capitalism. Defined as a self-perpetuating lack that can never be fulfilled, desire constitutes a perfect underpinning of the consumer economy of capitalism. As Slavoj Žižek has suggested, capitalism creates consumers as subjects of desire, but also "manipulates the 'desire to desire', celebrating the very desire to desire ever new objects and modes of pleasure" (2006: 61). The modern, confessional subject that can be derived from Foucault, Nietzsche and Weber is ambiguous, being at the same time a self-analysing denier of desire and submitted to the obligation of self-fulfilment. With Žižek, we can speculate that the often internalized obligation, if not duty, to enjoy, will spur insatiable desire, which in turn is likely to accelerate the indebtedness (in its double sense) of subjects who seek to adjust to the offers and demands of the consumer economy.

Concluding remarks: balancing between moderation and desire

Lazzarato emphasizes that the current capitalist economy exerts its influence on subjectivity not only by producing a form of subjectivity infused with responsibility and reliability, but also by spurring desire-driven consumption. Following Lazzarato's hints regarding Foucault's notion of pastoral power, we suggested that the confession, in transformed, secular modalities, constitutes an essential technique in this ethico-political production of the debtor subject. We further suggested that the aim of contemporary confessional practices targeting the subject is not simply to renounce irresponsibility and desire-driven behaviour. It is rather to inculcate a "sustainable balance" in the subject between prudent, self-restrained behaviour and those desires driving consumption and spending. Recall that the expert in *The Luxury Trap* advised Malene against an excessively ascetic, self-denying economic practice. Her newfound control of her economy was "so impressive", and yet spending "only 2,000 DKK for one adult and three children is not sustainable". Sustainable for whom? one might ask. It would seem that the idea of a sustainable economy where production and consumption are mutually enforcing is transferred onto the subject itself. If this is the case, the creation of the economic subject through confessional techniques is essentially about creating a "balanced subject", straddling between moderation and desire.

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5
PURGATORY

Tom Boland and Ray Griffin

Introduction

Economic theology is concerned with "the ghost of dead religious beliefs" (Weber 1991: 178), and our contention is that purgatory, despite being jettisoned by Protestantism and marginal within modern Catholicism, informs economic orientations, especially among the less fortunate who are intermittently unemployed or "jobseekers". Inspired by Giorgio Agamben's theological genealogy of governmentality, we also suggest that purgatory is immanentized by welfare states, from workhouses to active labour market policies.

While all world religions have cosmology, theodicy, eschatology, morality and so forth, purgatory is an idiosyncratic and fleeting element of Christian theology. Purgatory briefly flourished in medieval times as a third space between heaven and hell, imagined as a concrete place where quite specific edifying punishments shrove off past sins – a remarkably earthly other world. Such ideas provide a strong "economic ethic" in Max Weber's terminology, but also a distinctly "irrational rationality".

The genealogy of purgatory

While the classic account of the history of purgatory by Jacques Le Goff is titled *The Birth of Purgatory* and contemporary sociology repeats this metaphorical naissance in titles such as "The Invention of Purgatory" (Willis 2008), the idea of purgatory is continuously "reborn" in a complex genealogy, drawing from mythology, Scripture, folklore, theology, and altered through criticism in changing social contexts. Thus, the genealogical approach developed by Michel Foucault with Nietzschean inspiration is followed herein (1977). A full account of the many interwoven influences which fed into ideas of purgatory and its associated devotional practices cannot be rendered here as space is limited, and even Le Goff's tome is insufficient to discuss all the threads and influences involved. Rather, the genealogical method suggests that tracing fragments of ideas and practices as they are transformed and intertwine promiscuously through history can help us rethink elements of contemporary culture and society. There is no singular "purgatory" which stands as an archetype of the concept, only various amalgams which emerge, crystallize, transform and proliferate.

Indeed, the term "purgatory" is absent from significant precursors of the idea; for instance, the Biblical account of the dead awaiting salvation in "Abraham's bosom" or the idea of "limbo". Each of these spatially resembles purgatory, because they are neither on earth nor heaven nor hell, not a final destination but a waiting place for the soul. However, purgatory is more than just a waiting place, because it involves purifying punishments. This is variously reflected in early church fathers, Clement of Alexander, Origen, Augustine and Pope Gregory the Great, who conceived of purgatory as a time after death wherein the soul would be purified by fire, drawing from Scripture:

> Now if any man builds on the foundation with gold, silver, precious stones, wood, hay, straw, each man's work will become evident; for the day will show it because it is to be revealed with fire, and the fire itself will test the quality of each man's work. If any man's work which he has built on it remains, he will receive a reward. If any man's work is burned up, he will suffer loss; but he himself will be saved, yet so as through fire.
>
> *(1 Corinthians 3:12–15)*

This passage from Paul's epistles was used most extensively in arguments for the existence of purgatory, although the idea of purification by fire is also present in prophetic books, most prominently in Ezekiel (22:17–22). These purifying flames place purgatory symbolically alongside hellfire, yet in some conceptions purgatory was a "refrigerium" for the relief of the soul, or conceived as a remote mountain, for instance, by the Venerable Bede, prefiguring Dante's classic "Mount Purgatory" in the *Divine Comedy.* Alternatively, Augustine tended to conceive "that the tribulations of this life are a kind of purgatory" (Le Goff 1984: 66). Thus, a diversity of conceptions of purgatory exist in the early Church, yet they are not central nor canonized, as many generations anticipated the imminent Second Coming rather than considering the inscrutable processes of the afterlife.

The importance of purgatory was incrementally strengthened during the early medieval period, as the image of God as a divine Judge comes to the fore. Furthermore, increasingly strong imaginary bonds between the living and the dead emerge as apocalyptic hopes fade; for instance, the Cluniac institution of the "Day of Dead" on 2 November 2 (Le Goff 1984: 122–5). For Le Goff, the idea of purgatory as a place is mostly consolidated in a slew of Scholastic debates in monasteries and in Paris from 1170–80, with Peter Comestor, and Saint Bernard as key figures. Popular tales such as *The Legend of the Purgatory of Saint Patrick* or the *Vision of Tnugdalus* also contributed to the diffusion of the idea of purgatory.

Broadly, conceptions of purgation increasingly focus on individual conduct, rather than ritual or collective salvation. In Christian theology (Walls 2002), salvation is not merely a matter of recognizing and confessing sins and then changing one's conduct. Sin is not only the transgression of moral precepts but also has consequences for the soul, so that repeated sins transform and corrupt the soul, turning it away from the Divine. Thus, sin is conceived somewhat like a disease or an encrustation upon the soul, which must be purged through painful suffering. If the sinner is not damned at the point of death, they may be purified or sanctified in purgatory or in a single moment of divine grace. This conception of pain or suffering as salutary or redemptive is particularly strengthened in the late medieval period (Gragnolatti 2005).

In Le Goff's account (1984: 222–5), purgatory is part of a general move towards tripartite conceptions within theology, inserting a "third place" between heaven and hell. Furthermore, it implies a category between "saved" and "damned", whereby sinners were not wholly bad nor wholly good, but in between, a sort of "liminal" position whereby the soul could be transformed

(Turner and Turner 2011). Of course, purgatory was not an escape from penance for sins or the obligation for good conduct in this world, "it is less harsh than hell but worse than the world" (Le Goff 1984: 171). As a third place, outside the temporality of the secular world or the eternity of heaven or hell, time also operated differently within purgatory. This was possibly inspired by the account of Saint Patrick's purgatory which became a place of pilgrimage in the eleventh century, which comingled Christian theology with folk cosmological conceptions of the "otherworld" as places where time could pass quickly or slowly with "past and future converging in the otherworldly present" (Carey 1987: 10). In tales of ghosts returning from purgatory – often to the site of their death or sins – they reported that one day there was like a year on earth. "Time is marked out by the progress made by souls" (Le Goff 1984: 353). Even as clock time rationalized the daylight-based routines of the medieval day, purgatory introduced a further abstract notion of time (Willis 2008). Finally in purgatory there are different grades of sinner and sins: the excommunicate, the indolent and the unshriven. Purgatory institutes a "penitential bookkeeping" (Le Goff 1984: 173) as a disciplinary technology within the pastoral power of the medieval church (see Foucault 1981).

Before this Scholastic ferment, Canon law had already institutionalized masses for the souls of the dead, but only those who had been relatively good, that is, those not yet damned nor saved – a rather undefined or liminal category (see Turner and Turner 2011). The Lateran Council of 1215 institutionalized annual confession, which implied that sins needed to be shriven, and that dying with the "stain of sin" required posthumous contrition and penance. In 1254, Pope Innocent wrote to the Orthodox Church explicitly urging them to accept the idea of purgatory on the grounds that heaven cannot receive impure souls and referencing the passage from Corinthians cited above, although the Orthodox Church eschewed this innovation until the Council of Florence in 1439. The doctrine of purgatory was officially incorporated into the Council of Lyons in 1274, with apparent popular support. The papal jubilee in 1300, whereby pilgrims to Rome could expect absolution from time due in purgatory, indicates how this initially obscure innovation had become part of the mainstream of theology and religious practice. The appeal of the theological innovation of purgatory can also be related to the expanding market economy of the thirteenth century: "It was now possible to purge sins that had not been washed away by confession. These innovations offered merchants hope for the salvation that, until the thirteenth century, the Church had denied to all usurers" (Le Goff 2009: 117).

Beyond facilitating usury, purgatory provided a model of time and the work of self-purification which facilitated the development of capitalism (Willis 2008). Of course, purgatory was not some sort of ideological trick for the smooth functioning of capitalism; rather, the genealogy of economy and religion were curiously entwined. Intercessory prayer and good works were initially communal, on the behalf of the departed, yet "Purgatory, caught up in a personalization of spiritual life, actually fostered individualism. It focused attention on individual death and the judgement that followed" (Le Goff 1984: 233). Purgatory instituted a sort of abacus of good deeds, contrition, penance and sins – and the Aramaic word for sins and debts is identical – translated variously into Latin and Vernacular bibles as sins, debts or trespass (Stimilli 2017). The idea of purgatory clearly implies the need to personally work to expiate these sins or debts, implying a diligent economic ethic.

The reincarnation of purgatory in capitalism and welfare

Famously, the abuses of purgatory in selling alms and indulgences to fund the Church and ease the conscience of the rich were protested by Martin Luther in 1517, and eventually rejected outright by John Calvin and others (Walls 2002). Eventually, Luther tends to criticize purgatory and indulgences as mere superstition, as does Article 22 of the Anglican Church:

> The Romish Doctrine concerning Purgatory, Pardons, Worshipping and Adoration, as well of Images as of Reliques, and also invocation of Saints, is a fond thing vainly invented, and grounded upon no warranty of Scripture, but rather repugnant to the Word of God.

Here, purgatory appears alongside other forms of "idolatry" of dubious scriptural warrant. Within many forms of Protestantism the soul, if not damned, is considered purified or justified upon the point of death. For economic theology, this might seem to confine the significance of the idea of purgatory to a brief historical moment of justifying usury, perhaps supporting early Renaissance individualism.

However, despite the Protestant rejection of purgatory, some elements are retained, for instance the positive valorization of suffering, whereby divine punishment "mortifies our sinful tendencies" (Walls 2002: 45). Indeed, through the "sublation" of purgatory, or even the "return of the repressed", the whole Protestant life ethic could be seen as a constant purifying trial, as expressed by the influential seventeenth-century theologian Richard Baxter or the popular works of the preacher John Bunyan (Fenn 1995). Within Bunyan's 1678 *Pilgrim's Progress*, "Christian" explains the works of God as a trial of the soul: "His forebearing at present to deliver them is on purpose to try their love; whether they will cleave to him to the end" (1965: 53). Effectively, Protestantism offers an abacus of debt and redemption as a metaphor for sin and purification, equivalent to the "penitential bookkeeping" of purgatory.

The "pilgrim's" progress through the world explicitly shrives them of their sinful tendencies, much like ascending Dante's Mount Purgatory:

> The trials that those men do meet withal
> That are obedient to the heavenly call,
> Are manifold and suited to the flesh
> And come, and come, and come again afresh.
>
> *(Bunyan 1965: 66)*

Rendering all life as a pilgrimage which purifies the soul is a distinctively Protestant innovation upon Catholic ritualistic or collective salvation. "The trials of life and ultimately death itself are means by which God punishes sin and brings spiritual renewal into our hearts" (Walls 2002: 40). Of course, this "immanentization" of purgatory means that no priests can claim special jurisdiction over the afterlife or extract alms or indulgences for intercession therein. Arguably, this contributes to the well-known economic ethic of Protestantism, yet, rather than displace Weber's diagnosis of how salvation by faith alone, good works and predestination inspired entrepreneurial capitalism, herein we seek to explore how purgatory supplied an ethic to the development of workhouses and welfare systems.

Weber never discusses purgatory, although others have suggested it contributes to capitalist work practices. For instance, Weinrich suggests that the idea of purgatory gives meaning to work, failure and success in the modern economy: "a pious, or not so pious prudence commands the sinner to seek, already in his earthly existence, to atone, through an asceticism not unlike that of purgatory for as many of the sins on his account as he can" (2008: 80). Debt is sin within this schema, and both morality and the practical fear of a final reckoning motivate each economic actor to constantly work to "redeem" themselves – in both the theological and economic sense of the word.

If the Protestant work ethic and the association of economic success with providential grace forms one key motivation within capitalism, purgatory provides another element: the transformation of time. Purgatory "created within the soul a tyranny around time: calculation, accounting and uncertainty" (Willis 2008: 257). As individuals constantly attempt to expiate for their sins or debts, or simply for moments of idleness, by renunciation, hard work and endurance, "it induced in the soul a sense of process and development but never closure or arrival – time was linear, but the destination remained an eternal horizon – the soul was now surely on the treadmill" (Willis 2008: 259).

The customary pattern of work is now supplanted by a constant fretful attention, interspersed, perhaps, with consumerist hedonism (Campbell 1988). But this, too, is part of the abacus of purgatory, a compensation for disciplined labour. Although the modern world is increasingly funded by debt, a future purgatory is made of present pleasures via credit, while life itself becomes an endless debt (Stimilli 2017).

Central to Weber's Protestant ethic thesis is the valorization of work as a calling, that is, a divinely ordained profession – a word which now means a specialized career but also the "profession" of faith. With subtle differences, central to both Calvinism and Lutheranism is the idea that work brings God's favour: "Unwillingness to work is symptomatic of a lack of grace" (Weber 1992: 157). Within this formulation, life and work become a test of individual mettle, with setbacks and failure merely opportunities to show fortitude and faith, to overcome suffering; "the soul's claims to grace are indeed being tested" (Fenn 1995: 24). Thus, while the successful entrepreneur or vocational worker may have felt assurance of salvation, this situation is not guaranteed, and clearly there are many who fail in business or in securing steady work. Says Weber: "Irregular work, which the ordinary labourer is often forced to accept, is often unavoidable, but always an *unwelcome state of transition*. A man without a calling thus lacks the systematic, methodical character which is … demanded by worldly asceticism" (1992: 161, our italics).

Weber's phrase "an unwelcome state of transition" precisely captures unemployment or job seeking, a transition forced upon individuals, devoid of the usual structures and values of work, implicitly a liminal process (Turner and Turner 2011). Purgatory, too, is an "unwelcome state of transition" of the soul which is cast into an in-between liminal situation where individuals are purified through suffering. "For, akin to his bliss in the beyond, his whole social existence in the here and now depended upon his proving himself" (Weber 1991: 320). To "prove" here means to demonstrate a quality, yet metaphorically "proving your mettle" implies passing through fire.

Clearly, the jobseeker's subjective experience is very different from the successful "elect", but similarly, the religious interpretation of the economic order as divinely guided remains (Agamben 2011: 286). The economic ethic of capitalism is not simply "rational" but also involves staving off despair and hoping fervently in pursuit of goals (Pecchenino 2015). For those currently and serially unsuccessful like jobseekers, an alternative model is necessary, as the Protestant ethic stresses signs of favour and good deeds. Here the idea of purgatory renders suffering and trials salutary, and even failure can correspond to a divine plan which encompasses even the "suffering of Job".

Weber (1992) famously argued that hope for salvation animates Protestantism, leading to a search for a "calling", which results in a newly disciplined way of living. Technically, strict predestination admitted no human action which could sway divine omnipotence, yet this pressure on individuals led them to adopt a form of life conduct oriented towards sober, rational industry. "Protestants were impelled to cultivate a lifestyle of repentance and amendment to achieve a sufficient state of purity prior to the dissolution of the body" (Throness 2008: 66). Similarly, the theology of purgatory is mainly significant because of the life conduct it induces. For those who lack work or fail in business, life can appear as a purifying purgatory designed to redeem a sinful nature – alternatively this purgatorial complex can be imposed by emergent government rationality (Foucault 2008). Purgatory becomes a model for the misfortunate, the poor and unemployed to understand their fate, but also inspires welfare planners to create forms of purgatory on earth.

Medieval society cared for the poor through direct charity, a gift relationship which spiritually improved the benefactor (Kahl 2005). Such charitable alms for the easing of purgatory or congregational prayer for individual souls were famously criticized by Luther, Calvin and popular Protestantism, who critiqued and parodied "alms-seeking" behaviour: "As soon as the gold in the casket rings / The rescued soul to heaven springs" – as parody has it. New modes of dealing with the poor emerge under Protestant states; penitential institutions reflecting Protestant theology proliferate after the Reformation, particularly English workhouses (Throness 2008), but also city-based poor relief in Northern Europe (Michielse and Van Krieken 1990). While such institutions have a complex history, interconnected to emerging governmentality (Foucault 2008), for Kahl there is a distinctive religious patterning to forms of welfare. Catholic countries, up until the twentieth century maintained informal and religious modes of poverty alleviation; Lutheran countries tended to provide work for the poor as a mode of subsistence and redemption; Calvinist and reformed countries tended to create workhouses or poor houses to punish and purify inmates (Kahl 2005).

Where the logic of purgatory shapes experience, work becomes an interminable, Sisyphean labour, especially within the curious labour of job seeking or being unemployed. Poorhouses, workhouses and contemporary welfare institutions, from labour exchanges through to state and privatized welfare and employment services constitute a sort of earthly manifestation of purgatory, complete with judgemental categorization, assignment of penance and privation, spatial separation and a distinctive experience of time. Upon becoming unemployed, an individual's entitlement to benefits is judged. If not cast out into the hell of destitution and homelessness, they are subjected to continuous judgement, first by the governmental apparatus of social welfare, and second within the labour market, with its providential and invisible "hand" (Agamben 2011). Thereafter, the duration of unemployment is not experienced as "free time" but as due penance for the suffering jobseeker, earned by his or her inability to secure work.

Since the famous *Marienthal* study, the principal theory of unemployment has been the "deprivation theory", which argues that those without work suffer because they lack work's associated social goods: status, purpose, regular activity, solidarity and a structured experience of time (Jahoda 1982). For critics, this can be considered an "ideology of work" which is imposed upon the unemployed, naturalized by politicians and even sociologists (Cole 2007). Of course, the category of "unemployed" is a modern governmental invention, as is the neologism "jobseeker". Clearly, the "deprivation theory" is less a theory of the experience of unemployment than an account of the absence of work (Boland and Griffin 2015). However, if the spirit of welfare is purgatorial, the presence of ideas about work within unemployment make sense; for economic theology, work is vocational action to achieve salvation, a pilgrimage through life, and thus, unemployment is marked by both purgatorial penances which mimic work – for instance constant job seeking and repetitive training, and the sensation of lacking "real work" is experienced as a stigma rather than a welcome respite (Boland and Griffin 2018).

The cultural interpretation of the meaning of unemployment informs the sense that the "dole" as an unreciprocated gift is effectively a debt, which marks the recipient as a sinner. However, such "passive" welfare measures of providing a subsistence income have long been accompanied by "active" welfare measures, which became a European Union and Organization for Economic Cooperation and Development (OECD) policy priority since the early 1990s, and which have a longer history in various US states. Such activation measures are generally divided between human-capital and work-first approaches, but also include supervised job searches, regular motivational interviews, compulsory internships and so forth, often backed by sanctions of reduced or removed welfare payments for non-compliance. For the OECD, activation policy is a major tool of economic management and a response to recessions: "maintain the motivation of jobseekers, especially of the long term unemployed, to actively pursue employment. It is also crucial to improve their employability and expand their opportunities to be placed and retained in appropriate jobs" (2015: 13).

Within even this brief technical overview, the purgatorial ethic emerges clearly: jobseekers are problematic, need intervention and can be divided into categories, long and short term. Rather than providing them with work, the key is maintaining their "motivation", a subjective attribute, which psy-science may purport to measure objectively, but which equally is a trace of the idea of the "stain of sin" where idleness and sloth corrupt the soul. These jobseekers need to be "transformed", made more employable through governmentalizing interventions of various sorts. The document uses the term "appropriate jobs", which is quite vague, but later in the document the necessity of "shoring up the earnings" indicates that these jobs will be quite "humble" or even "humiliating", that is, purifying the idle of the sin of pride! Furthermore, the document also envisages future social mobility – a redemption out of purgatorial unemployment into "vocational" work or entrepreneurship.

Activation policies involve complex "street-level" interactions in many different jurisdictions under highly variable economic and legal circumstances throughout the OECD, making it hard to generalize about them. Undoubtedly, there are many relatively benevolent immanentizations of purgatory. Indeed, the sheer variety of activation, from job search activities to internships through the involvement of cognitive behavioural therapy and behavioural economics indicate the deep influence of the purgatorial complex, as policymakers tinker almost experimentally with increasingly refined methods for transforming the unemployed.

Conclusion

Even as Protestantism criticized and dismissed the idea of "other-worldly" purgatory, it became a mode of interpreting "this-worldly" life. Clearly, the idea of purgatory can be seen as having a disciplinary influence within the pastoral power of the medieval church and animated its economic ethics. Yet, the emergence of purgatory as a second chance for redemption had counterintuitive results: "The burden from which religion relieves the soul seems to return in the form of a demand for purification which extends from this life-time to the next" (Fenn 1995: 11). Thus, purgatory impels believers towards an economic ethic, and thereby supports sober rational capitalism or work in a vocation.

Beyond this, purgatory gives a meaning to worldly suffering by providing a model wherein pain and penance have a purifying and edifying effect. Purgatory institutes "penitential bookkeeping" because "any sin may be expiated by penance" (Le Goff 1984: 181). In Calvinism, poverty appeared as a sign of damnation, and debts appeared as moral evils, even if they were to the state. For those who fall short of working in a vocation or have no providential luck in their enterprise, purgatory models a meaningful cosmos, whereby present suffering is expiation for previous sins. Welfare states, in an unfortunate irrational rationality, govern the unemployed to ensure they suffer, in the hope of transforming them into successful market actors.

Purgatory introduces equivalence and exchange into the meaning of life; suffering and work become expiation for prior sins. Thus, salvation does not occur through divine intercession or forgiveness; there is no gift without reciprocation (Mauss 2000). This narrowing of the gift to exchange so that there is no bounty or grace permeates modernity; everything must be paid for, by stigma, make-work, debt or suffering. Economic life figuratively becomes a pilgrimage, with those who stray from the path purified through edifying suffering in welfare purgatory. Yet, despite being an irrational rationality which fuels growth and demands "full employment" in overproductive and environmentally unsustainable economies, purgatory nonetheless gives meaning to work, life and suffering.

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6
FAITH AND TRUST

Wolfgang Palaver

Faith and trust are terms that we can find both in religious as well as in economic contexts. When Martin Luther – as we will see later – interpreted the first commandment of the Decalogue as the exclusive trust in God, he identified this type of trust directly with faith (Tillich 1999: 176). Such an identification of these two terms is not unusual in theological reflections but does not really match with their general meaning in our modern world. In his seminal study of the problem of trust in the modern world, the social theorist Adam Seligman observes an important difference between faith and trust concerning their objects. Faith aims at a transcendent God, whereas the immanent object of trust is man (Seligman 1997: 44). Seligman also recognized that the modern world is characterized by a decline of faith in a transcendent God and an increasing search for trust. This process of secularization has led to a "replacement of faith by trust" (Seligman 1997: 46–51) and may also help explain those types of trust in the modern world that are at least functionally nearly indistinguishable from faith. One of the most outstanding examples in this regard is the trust that money requires to function properly. Georg Simmel used in his *Philosophy of Money* both terms, faith and trust, to describe the confidence that money needs (Simmel 2004:177–8; cf. Giddens 1990: 26–7) According to Simmel, credit – an essential component of every monetary economy – requires a type of trust that "is most clearly embodied in religious faith". He described the meaning of believing in someone as expressing

> the feeling that there exists between our idea of a being and the being itself a definite connection and unity, a certain consistency in our conception of it, an assurance and lack of resistance in the surrender of the Ego to this conception, which may rest upon particular reasons, but is not explained by them.

Surrendering in such a way to immanent concepts, however, easily ends in idolatry if we evaluate it theologically. This danger will be addressed in the latter part of this chapter. Simmel provided us also with a clear example for the connection between trust/faith and money by referring to the "inscription on the coins of Malta – *non aes sed fides* –" indicating "the element of trust without which even a coin of full value cannot perform its function in most cases" (Simmel 2004: 177).

Simmel's observation of elements of "social-psychological quasireligious faith" (2004: 178) coming along with the institution of money refers to much older religious roots of money as well as to current entanglements between trust and economic institutions. Going back to archaic times, we will soon discover the origin of money in sacrificial rituals (Laum 1924). Today we can realize its connection with religious issues if we read "In God We Trust" on the US dollar bill. Following Simmel's *Philosophy of Money*, the Czech economist Tomás Sedlácek describes money as "institutionalized trust" that is ensured by "holy" symbols (2011). He also refers to the well-known fact that the word "credit" has its root in the Latin word *credo* that means "I believe" (Sedlácek 2011).

We can also relate the market to faith or trust. Most likely, markets did not exist in the very beginning of human culture, but as soon as they emerged they relied on a gift culture with its religious underpinnings. In our modern world, markets have become so dominant that the US theologian Harvey Cox describes them as religious idols demanding our faithful devotion:

> Faith in the workings of markets actually takes the form of a functioning religion, complete with its own priests and rituals, its own doctrines and theologies, its own saints and prophets, and its own zeal to bring its gospel to the whole world and win converts everywhere.
>
> *(2016: 108)*

Money and the market are good examples of how economic matters and religious attitudes relate to each other. These examples may lead us to much broader concepts in discussing the relation between economic and religious matters. One of the most famous approaches is Max Weber's study *The Protestant Ethic and the Spirit of Capitalism*, according to which it was essentially Calvinism that brought forth capitalism. Faith and trust play an important role in Weber's thesis because he recognizes in Calvinism's peculiar theology of grace, with its emphasis on solely trusting in God, the indirect source for a work ethic that seeks to gain a sign of religious salvation in successful work, leading to the accumulation of capital by ascetic Protestants and a restraining of consumption. The Jewish philosopher Walter Benjamin put forward a different approach on the relationship between capitalism and religion in a fragment written in 1921, in which he distanced himself from Weber. According to Benjamin, capitalism has not only been conditioned by certain religious developments but has become a religion itself: "Capitalism serves essentially to allay the same anxieties, torments, and disturbances to which the so-called religions offered answers" (1996: 288).

Furthermore, the German sociologist and economist Alexander Rüstow also provided illuminating insights into the relationship between religion and economic thinking in his book *Das Versagen des Wirtschaftsliberalismus als religionsgeschichtliches Problem* (The failure of liberalism as a religio-historical problem) from 1945. Rüstow found out that a specific form of *Wirtschaftstheologie* (economic theology) builds the religious basis of laissez-faire liberalism. This economic theology is rooted in Greek pagan religion as we can find it in Pythagoras, Heraclitus or the Stoics (Rüstow 2001 [1945]). According to economic liberalism, the free egoism of the individual automatically produces the greatest welfare of all. Bernard de Mandeville's formula "private vices, public benefits" and Adam Smith's image of the "invisible hand" are well-known illustrations of this ideology (Rüstow 1942 [1940]). More recently, the Swiss economist Hans Christoph Binswanger maintained that this kind of economic theology is still dominating in our world. In his book *Die Glaubensgemeinschaft der Ökonomen* (The faith community of economists) he showed that only faith in the positive contribution of the economy to the common good justifies the conceptual reduction of human beings to egoistically acting *homines economici* (Binswanger 1998).

All these examples and insights into the close connection between economic matters and faith are not a pure coincidence but follow – anthropologically understood – the fact that both realms have a common root in human nature. I think that economic activities and religion are closely intertwined and can never fully be separated. Going beyond Weber's insight into the relationship between the Protestant ethic and the spirit of capitalism, and going even beyond Benjamin's more profound claim that capitalism has become a religion itself, we have to understand how deeply economic activities of human beings are rooted in our religious nature. The French historian and sociologist Alexis de Tocqueville was clearly aware of the religious impulse animating economic productivity:

> In man the angel teaches the brute the art of satisfying its desires. It is because man is capable of rising above the things of the body, and of scorning life itself, of which the beasts have not the least notion, that he can multiply these same goods of the body to a degree of which the inferior races cannot conceive.
>
> *(1990: II, 148)*

Human desire ultimately cannot be satisfied in this world. One does not have to be a believer in the traditional sense to understand that human longing transcends our immanent world. Nietzsche referred in his *Zarathustra* to this side of human nature: "Joys want the eternity of *all* things, they *want deep, profound eternity*!" (1997: 313; italics in original). Similarly, also the atheistic philosopher Jean-Paul Sartre describes this religious nature of human desire when he states that man "is fundamentally the desire to be God" (1966: 652). In the Second Vatican Council, the Catholic Church referred to man "who feels himself to be boundless in his desires and summoned to a higher life" (Second Vatican Council 1965, no. 10). Pope Benedict XVI underlined the "fact that man is constitutionally oriented towards 'being more'" (2009, no. 14). It is this transcending nature of human desire that fuels our economic activities.

These deep longings of human beings are, however, at the same time confronted by harsh limitations. The most obvious one is human mortality. The rebellion of human beings against death follows, according to the Second Vatican Council, from human nature's longing for eternity. Man

> rightly follows the intuition of his heart when he abhors and repudiates the utter ruin and total disappearance of his own person. He rebels against death because he bears in himself an eternal seed which cannot be reduced to sheer matter. All the endeavors of technology, though useful in the extreme, cannot calm his anxiety; for prolongation of biological life is unable to satisfy that desire for higher life which is inescapably lodged in his breast.
>
> *(Second Vatican Council 1965, no. 18)*

It is the confrontation with death that demands a "religious" answer, whereby religion has to be understood broadly.

The relationship between death and religion broadly understood is especially well investigated by terror management theory, a social psychology following the work of cultural anthropologist Ernest Becker. It recognizes how much death anxiety has driven the development of human civilization: "Over the course of human history, the terror of death has guided the development of art, religion, language, economics, and science. It raised the pyramids in Egypt and razed the Twin Towers in Manhattan" (Solomon, Greenberg and Pyszczynski 2015: x). Terror management theory helps us understand how death anxiety is related to cultural or religious world views. Becker starts with death anxiety necessitating an existential self-esteem of cosmic significance that people only can get from others, easily ending up in competitive struggles for recognition:

> An animal who gets his feeling of worth symbolically has to minutely compare himself to those around him, to make sure he doesn't come off second-best. … [Man] must stand out, be a hero, make the biggest possible contribution to world life, show that he *counts* more than anything or anyone else.
>
> *(1997: 4; emphasis in original)*

Society, according to Becker, is a "mythical hero-system in which people serve in order to earn a feeling of primary value, of cosmic specialness, of ultimate usefulness to creation, of unshakable meaning" (1997: 5). This is true not only of archaic societies but is generally valid. Becker's broad use of the term "religion" allows him to apply it also to Western societies of the modern world. Mythical hero-systems try to outlive death by giving their members a feeling of lasting importance: "They earn this feeling by carving out a place in nature, by building an edifice that reflects human value: a temple, a cathedral, a totem pole, a sky-scraper, a family that spans three generations" (Becker 1997: 5).

According to Becker, who follows in this regard the American social philosopher Norman O. Brown, the "immortality ideology of money" was historically one of the most important means to fight death (Becker 1975: 72; cf. Brown 1985: 234–304). Humans long for money and wealth to seek immortality. Money is a "single immortality symbol, *a ready way of relating the increase of oneself* to all the important objects and events of one's world" (Becker 1975: 81; italics in original). How is money related to the sacred? It is through its connection with power that is always essentially "sacred power" (Becker 1975: 81; Brown 1985: 251)

> All power is in essence power to deny mortality. Either that or it is not real power at all, not ultimate power, not the power that mankind is really obsessed with. Power means power to increase oneself, to change one's natural situation from one of smallness, helplessness, finitude, to one of bigness, control, durability, importance. In its power to manipulate physical and social reality money in some ways secures one against contingency and accident; it buys bodyguards, bullet-proof glass, and better medical care.
>
> *(Becker 1975: 81)*

It is not so much that money has become a God for human beings but that it is deified because of its promise to defeat death. According to Becker, to say "money negotiates immortality and therefore is God" is an anthropologically sound thesis (1975: 83). Becker recognizes money as one of the most important driving forces in human history:

> Money has been the single red line connecting the various failed historical ideologies of immortality – from *lupeto*[1] called by a hundred other tribal names, through Pompeii, through the buying of indulgences in the Middle Ages, through Calvin and modern commercialism.
>
> *(1975: 84)*

Seeking immortality with the help of money means a restriction to the purely visible and immanent realm pushing all transcended spirituality aside: "The symbols of immortal power that money buys exist on the level of the visible, and so crowd out their invisible competitor" (Becker 1975: 84–5). This one-dimensional longing for immortality easily leads to violence between human beings because seeking powerful significance in this world often results in outdoing others. It easily and quickly causes mimetic rivalries and violence so well described in René Girard's cultural anthropology (Palaver 2013). According to Becker, "the ideology of modern commercialism has unleashed a life of invidious comparison unprecedented in history" (1975: 85). "Modern man cannot endure economic equality because he has no faith in self-transcendent, otherworldly immortality symbols; visible physical worth is the only thing he has to give him eternal life". Becker contrasts this one-dimensional longing for immortality by seeking money and wealth with genuine Christianity which he describes as a "real threat" to commercialism (1975: 86): "Christianity is one of the few ideologies that has kept alive the idea of the invisible dimension of nature and the priority of this dimension for assuring immortality. Thus it is a threat to any one-dimensional immortality ideology".

As an example of this Christian attitude Becker referred to Pope Paul VI's apostolic letter *Octogesima adveniens* that was at that time, in the mid-1970s, the most recent papal document in the tradition of Catholic social teaching. By contrasting the immanent search for immortality with the help of money, with Christianity's emphasis on transcendence, Becker tried to challenge the modern replacement of faith by trust. In the remaining part of this chapter I will show that Christian theology justly insists on the transcendent dimension of faith that must not be replaced by an immanent and ultimately idolatrous trust in economic institutions like money or the market.

From a Christian point of view it is important to distinguish between the use of money as a means, and an idolization of money that turns it into an end in itself, rivalling with God. We can just look at how money is seen in the New Testament. Whereas in the parable of the Good Samaritan money is treated as a useful tool that can help those who are in need (Luke 10:35), Jesus rejected at the same time the idolization of money because we cannot serve both God and mammon (Matthew 6:24). This repudiation of idolatry characterizes all monotheistic religions. It is especially highlighted in the first commandment of the Decalogue: "You shall have no other gods before me" (Exodus 20:3). This commandment means to direct our deep desires towards God as our highest good, our summum bonum. As an example, we can refer to the economic historian Richard Tawney, who mentioned the conception of God as the summum bonum as an important precondition to challenge an "idolatry of wealth" that is the "practical religion of capitalist societies" (2000: 284, 286).

Understanding God as our highest good means to put the desire for God above all our earthly longings. Traditional Biblical and Christian thinking has frequently underlined such an orientation of our desires. I am thinking here, first of all of the Jewish commandment to love God: "You shall love the LORD your God with all your heart, and with all your soul, and with all your might" (Deuteronomy 6:5). The protestant theologian Paul Tillich calls this way of loving God the "ultimate concern" in which genuine faith consists (1999: 14). We can find a somewhat similar expression in Luther's interpretation of the First Commandment saying that "upon which you set your heart and put your trust is properly your god". By defining our religious longing in this way, Luther was well aware that money – called Mammon in the New Testament – is our most common idol (Luther 2004: 10). The Protestant Theologian Karl Barth emphasized the importance of the First Commandment in a lecture with the title "The First Commandment as an Axiom of Theology" in Denmark after Hitler came into power in 1933 (Barth 1986). He of course criticized especially the idolatrous divinization of a nation but was also aware of the idolization of money. Barth underlined the fact that it was especially the Reformation that upheld the importance of the First Commandment to criticize Catholic tendencies towards idolatry.

Today, however, both Catholics and Protestants criticize the idolization of money or the market. In the tradition of Catholic teaching after the Second Vatican Council, the rejection of idolatry has become very outspoken (Pontifical Council for Justice and Peace 2004, No. 349). Pope John Paul II has been called a bridge-builder between the Catholic Church and the market. And it is definitely true that he saw the market inside clear boundaries as "the most efficient instrument for utilizing resources and effectively responding to needs" (John Paul II 1991, no. 34). But this positive attitude towards the market relies on important conditions. It first of all must not overlook the fact that there are goods like the natural and human environments which "cannot be safeguarded simply by market forces" (John Paul II 1991, no. 40). Dismissing this condition carries "the risk of an 'idolatry' of the market, an idolatry which ignores the existence of goods which by their nature are not and cannot be mere commodities". John Paul II also sharply criticized a "radical capitalistic ideology" (1991, no. 42) that does not consider the realities of marginalization and exploitation in our world and "blindly entrusts their solution to the free development of market forces". This magical trust in the market contributes especially to the pauperization of the people in the global south.

In his view of the market, Pope Francis basically follows John Paul II but emphasizes the negative consequences of an idolatrous attitude for the poor even more strongly. His harsh criticism of an "economy of exclusion and inequality" that "kills" (Francis 2013, no. 53) is closely linked to the "idolatry of money" (Francis 2013, no. 55). This idolatry causes a "globalization of indifference" which forces the weakest people to become "the outcast, the 'leftovers'" (Francis 2013, no. 53–4): "We have created new idols. The worship of the ancient golden calf … has returned in a new and ruthless guise in the idolatry of money and the dictatorship of an impersonal economy lacking a truly human purpose" (Francis 2013, no. 55).

Pope Francis also warns of the dangers of following a "deified market" and rightly claims that "we can no longer trust in the unseen forces and the invisible hand of the market" (Francis 2013, no. 56 and 204). He repeats his criticism of an idolized market also in his socio-ecological encyclical *Laudato si'* where he states that "we need to reject a magical conception of the market" (Francis 2015, no. 190). In an address Pope Francis gave in a meeting of "Economy of Communion" gathered by the Focolare Movement in Rome 2017, he showed that he is fully aware of the close connection between death anxiety and the idolatry of money: "This idolatrous worship is a surrogate for eternal life. Individual products (cars, telephones …) get old and wear out, but if I have money or credit I can immediately buy others, deluding myself of conquering death" (2017).

As stated above, this critical attitude towards idolatry of money or the market is shared today by all major denominations of Christianity. We can even move beyond Christianity and claim that the world religions of today are united in their endeavour to desacralize the market, money and other immanent goods. We can refer, for instance, to Mahatma Gandhi's understanding of Hinduism that rejects idolatry like the recent Popes and strengthens trust in God in order to desacralize worldly goods. In Gandhi's interpretation of the first mantra of the Isha Upanishad, in which he recognized a summary of the *Bhagavad Gita* as well as the truth that can be found in all religions, we can discover a summary of the Decalogue, especially of the first and the last commandment:

> If you believe that God pervades everything that He has created, you must believe that you cannot enjoy anything that is not given by Him. And seeing that He is

> the Creator of His numberless children, it follows that you cannot covet anybody's possession.
>
> *(Gandhi 1958–1999, vol. 70: 299)*

Gandhi emphasized the sovereignty of God and developed from this a doctrine of trusteeship that allows human beings to use God's property for their needs. "The man who takes for himself only enough to satisfy the needs customary in his society and spends the rest for social service becomes a trustee" (Gandhi 1958–1999, vol. 75: 345). In a lecture in 1916 on "Economic Development and Moral Development" he reflected on the religious conditions for a humane economy: "That you cannot serve God and Mammon is an economic truth of the highest value. We have to make our choice" (Gandhi 1997: 160). Gandhi's concept is again close to Islamic teachings on the economy. Because the Muslim tradition also emphasizes God's sovereignty, it equally teaches the trustee- or stewardship of human beings. As trustees of God, people are called to redistribute wealth in order to overcome poverty: "This redistribution of wealth … underscores the Muslim belief that everything ultimately belongs to God. Human beings are simply caretakers, or vice-regents, for God's property" (Esposito 2002: 165). A contemporary example for this attitude is the Islamic scholar Tariq Ramadan, who represents a theological approach in ethics. He criticizes the "dogmas of the new religion of the laissez-faire economy" and claims that the eradication of poverty and the preservation of the planet require "being stewards on earth" (Ramadan 2009: 245, 258).

The perspective of the world religions demands the desacralization of money and the market. Only as means can they become helpful tools for humanity. If we put our trust in money or the market, however, we endanger the life of other human beings, especially the life of the weak and vulnerable, and contribute to the exploitation of our planet. A de-deified market that is no longer master of the society but its servant can benefit human life (Cox 2016: 337).

Furthermore, it is important to understand that in order to function properly, the market itself relies on the frame provided by its political and sociocultural embedding. It was Alexander Rüstow, one of the fathers of the social market economy, who emphasized that the frame of the market is much more important than the market itself because it is the precondition for its proper functioning. The market relies culturally on a "network of relationships of trust" as it was justly highlighted by Pope Benedict XVI in his encyclical *Caritas in veritate* (Benedict XVI 2009, no. 32):

> If the market is governed solely by the principle of the equivalence in value of exchanged goods, it cannot produce the social cohesion that it requires in order to function well. *Without internal forms of solidarity and mutual trust, the market cannot completely fulfil its proper economic function.* And today it is this trust which has ceased to exist, and the loss of trust is a grave loss.
>
> *(Benedict XVI 2009, no. 35; italics in original)*

We should not put our faith in the market but contribute to a culture that provides trustful relationships contributing to the conditioning framework of the market. Religions and religious communities can, on the one hand, help de-deify the market and can therefore strengthen relationships of trust, on the other. Only genuine faith will ultimately enable us to build trustful relations.

Note

1 The more traditional Bantu people called the Europeanized younger generation *lupeto*, "men of money" (Becker 1975: 83).

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7
JUSTIFICATION AND SALVATION

Daniel M. Bell Jr.

Introduction

At first glance, it appears odd to bring these unabashedly theological terms into economic conversation. The very notion of "economic theology" strikes many as oxymoronic. What does heaven have to do with Wall Street, the spirit with material production? Indeed, in some economic circles the modifier "theological" is proffered as an insult.

Nevertheless, such a move is fitting, for every economy entails a theology. This is to say, economics is not simply about the allocation, production, and distribution of material goods and services. Rather, every economic vision entails, either explicitly or implicitly, an account of human nature and what constitutes the proper end of humanity, what we might call "the good life". Moreover, every economic vision includes an account of how the good life is attained. In other words, the theological concepts of salvation and justification are not as foreign to economy as first thought.

Among theologians, this is not an entirely novel idea. For example, already a generation ago Paul Tillich could praise Karl Marx as the most successful *theologian* since the Reformation (Tillich 1972: 476), while more recently Michael Novak, the noted Christian apologist for capitalism, acknowledges that capitalism is much more than an economic system, involving as it does moral and cultural forms as well (Novak 1993: 7–8).

Increasingly this is recognized by economists. Thus Stephen Marglin acknowledges, "Economics teaches a way of seeing the world" (2008: 294), and Robert Nelson, an economist who has done much to advance the recognition of economic theology, asserts, "To the extent that any system of economic ideas offers an alternative vision of the 'ultimate values', or 'ultimate reality', that actually shapes the workings of history, economics is offering yet another grand prophecy in the biblical tradition" (2001: 23). Economics, in other words, is a religion. Adding insult to injury (recall that the epitaph "theological" is an insult), Nelson goes on to suggest that economists represent a "new priesthood" (2004: 60, 2001: xv). If economics constitutes a vision broader than what is commonly conceived as the economy, if it offers a comprehensive vision of reality on par with a religion, then it is fitting and perhaps even salutary to approach it through the lens of the theological concepts justification and salvation.

Uncovering the theological: beyond moralism in economics and ethics

Such an approach, however, requires some preparation. To begin, it is worthwhile to expose the divisions that obscure the intrinsically theological nature of economics. Here we begin with moralism. Moralism in economics assumes that morality and the theological must always come to economics, as it were, from the outside. Consider what is perhaps the most common way of rendering a moral assessment of economy. A given economy is assessed morally by means of posing the question, "Does it work?" More specifically, among those inclined to raise the moral question, it is most often posed in terms of whether a given economic order aids persons who are poor in escaping their poverty or abets the forces that perpetrate and perpetuate that poverty.

Thus the assessment of economy proceeds in terms of effectiveness: is a given economic order effective at accomplishing *externally* posited moral ends? Noteworthy in this assessment is the implicit assumption that economic mechanisms, like the market, are value neutral, that the economy is a mere tool or instrument available to various moral ends, that moral values are finally *extrinsic* to economy.

Perhaps nowhere is this more readily apparent than in the prescriptions economists and theologians alike put forward on behalf of a moral economy. So Nelson argues that the market needs to be complemented by social capital in the form of moral values in order to constrain the essentially self-interested market mechanism (2001: 1–2). Moralism supplements economy with an ethical offset. This approach to economics and ethics is widespread in theology as well, whether the emphasis is upon the morally salutary influence of cultural institutions that inhabit civil society or governmental regulation and safety nets. Moralism names the assumption that moral or ethical values must be brought to economic mechanisms from the outside, as though morality were extrinsic to economic realities.

Appreciating the way economics is actually always already economic theology, encompassing a soteriology (that is, a doctrine of justification and salvation) requires that we move beyond the moralizing habit and learn to see economy as intrinsically moral and theological. Towards this end we would do well to change the question that is often put to economy on behalf of morality. Instead of asking, "Does an economic order work?" we ought to ask, "What moral/theological work does it do?" That is, instead of juxtaposing a supposedly neutral economics to an exterior morality, we should ask, what moral-theological work does it do in its own right, apart from moral or theological constraints imposed by non- or extra-economic actors and institutions?

For help in moving in this direction, consider a few standard definitions of economics. Lionel Robbins offered what is now considered a classic definition when he wrote, "Economics is the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses" (1952: 16). Economics is about human activity that coordinates means and ends in the midst of scarcity. Albert Rees helpfully illuminates that what lies behind the condition of scarcity is not a deficit in creation but an effect of human desire as he describes economics as "the social science that deals with the ways in which men [sic] and societies seek to satisfy their material needs and desires" (cited in Becker 1976: 3). Accordingly, a popular economics textbook observes that modern economy is driven by human desire exceeding the capacity to produce goods and services (Mansfield 1992: 7).

In other words, economy is about the nature of the human being. More specifically, economy is about human desire – what is desired and how that desire is satisfied. We could say that economy is about what people are for. And here we enter the realm of theology; or economy itself is revealed to be theological through and through.

This is obscured by the myth of economic neutrality, by the widespread conviction that economics is fundamentally concerned with morally neutral means that can be harnessed by a pluralism of (moral) ends. Consider, for example, one of the seminal voices in the apotheosis of the social sciences in the West: Max Weber. Weber, himself no mere dabbler in matters economic, describes the separation of means and ends as part and parcel of the modern "disenchantment of the world" (1946: 155). The sciences, which included the emergent discipline of economics, he says, are in the service of clarifying facts, not values and meaning, which properly belong to the realm of seers and prophets, sages and philosophers (Weber 1946: 152).

This distinction is readily on display in the history of the discipline of economics. When the American Economic Association (AEA) was founded in the late nineteenth century, 20 of its 50 founding members were active or retired clergy. Richard T. Ely, a leading economic light and one of the founders of the AEA, was at the time better known as a principal figure in the Social Gospel movement, an unabashedly theological effort to establish the Kingdom of God on earth (Nelson 2004: 59). But, alas, within a few short years the reality of theological and moral pluralism, and the desire to avoid being ensnared in the doctrinal disputes between modernists and fundamentalists led to the thoroughgoing secularization of the discipline and concomitant embrace of the idea of economic neutrality.

So, today, economics is largely understood as pure means. Milton Friedman is representative: "Positive economics is in principle independent of any particular ethical position or normative judgments" (1953: 4). As Marglin put it,

> The universe of economic ideals has shrunk to a single point: instead of competing images of a good economy, the only ideal in today's economics is efficiency. So all we have left to talk about are competing mechanisms for attaining stipulated ends – that is, all we have left to discuss is the "art" of achieving efficiency.
>
> *(2008: 175)*

With the entrenchment of economics in the realm of pure means as a kind of neutral calculator of opportunity costs, the moral-theological is externalized. Thus economics is rendered susceptible to moralization; values and the theological are thought external to economy and so imposed upon it.

Yet the modern exile of the moral-theological was never complete. Notwithstanding its self-image, economics always has been value laden. The means-ends distinction does not succeed in separating economy from ethics so much as it surreptitiously enshrines a particular moral-theological vision at the heart of modern economy and economics. Indeed, the moral-theological vision of economics is rather transparent, even if it is not obvious to all observers. For as previously suggested, every economy embodies a conception of what humans are for, of the nature and end of human desire, of the good life and how it is attained. Such conceptions are inherently moral-theological. To the moral-theological character of the dominant economic vision we now turn.

Justification and salvation in economics: three gospels

Justification and salvation are terms whose natural home is Christian theology. Simply stated, justification encompasses how a person moves (or is moved) from a state of unrighteousness or sin to a state of righteousness. Historically, this concept has been at the centre of Catholic and Protestant disagreements, with Protestants, like the Reformer Martin Luther, simultaneously insisting that justification is by grace, that is, it is an unearned gift from God (see Romans

1:16–17), while accusing Catholicism (whether rightly or wrongly is beyond the scope of this chapter) of rendering justification something that must be merited or earned. Salvation is a broad term that can encompass both the process of being saved or redeemed from sin (in which case it includes justification as a subset) as well as the end state or good life that is the result of the process (see Fenton 1983: 519–21; Gerrish 1983: 314–16). In what follows I argue that modern Western economics embodies a doctrine of salvation, meaning a vision of the good life redeemed from scarcity, as well as a doctrine of justification, or how that good life is attained.

Notwithstanding the way the secular, value-neutral character of economics is accepted as a given, economists are not averse to proclaiming the salvific potential of their discipline. Thus, Marglin summarizes the thrust of mainstream economics: "subject to some fine and not-so-fine print, a market system makes society as a whole as well-off as is possible given the resources available" (2008: 173).

Perhaps the most famous example of this salvific hope invested in economy itself, with the possible exception of Marx's *Communist Manifesto*, comes from John Maynard Keynes, whose essay "Economic Possibilities for Our Grandchildren" declared that humanity, under the tremendous power of capitalist accumulation, is well on its way to solving the problem of economic need (in 1930 he surmised that the solution was less than one hundred years distant), at which point it would be free to devote its energy to non-economic purposes, to return to "the most sure and certain principles of religion and traditional virtue", to live wisely, agreeably and well (Keynes 1963: 371, 367, 365). In other words, it is the economy that leads humanity to a new day of plenty, virtue, and harmony. In the same salvific vein, more recently the 1999 Nobel laureate in economics declared that had economic policy been better managed in the 1920s, "there would have been no Great Depression, no Nazi revolution, and no World War II", thereby articulating his hope that better economic policy will pave the way to a brighter human future (Mundell 2000: 331, 327). In a more libertarian vein, Friedrich von Hayek declared that both the origin and preservation of civilization depend on capitalism (1988: 6). Likewise, the premise of Friedman's work, so central to the contemporary dominant vision of free-market economics, is that the economy serves human freedom (Friedman and Friedman 1980: 1–3). It is a means of attaining and securing the promised land of liberty.

All of this is to say that intrinsic to economy, and not merely supplementary, is a moral-theological vision of the good life, a vision of what human salvation looks like. It may be a vision of freedom from want, from war, from coercion, for autonomy or traditional virtue or recognition (as I will explore momentarily). Whatever the content, it is nonetheless a clear vision of salvation, of the endpoint and purpose of human life and labour. Likewise, embedded within economy and echoed in the voices of economists is a vision of justification, of how humanity is to attain the salvific ends to which it aspires. Unsurprisingly, given what we have already explored, the market is central to the economic doctrine of justification. A free-market economy is the means of salvation, of securing the good life (see Bell 2012: 118–22; also Cox, 2016).

There are three major variations on the economic doctrine of justification and salvation, three different gospels regarding how the free market saves, how it justifies: the gospel of efficiency, of liberty, and of distinction.

The gospel of efficiency emphasizes the market as the most effective means for enhancing human welfare. It is perhaps best represented by Paul Samuelson, whose work was shaped by the progressive milieu that blossomed with Ely and the Social Gospel movement and whose work in turn shaped a generation of economists and policymakers in the first half of the twentieth century. Building on John Maynard Keynes' vision for the scientific management of society, Samuelson saw the market and its productive power, managed by government, as central to enhancing social welfare broadly speaking. Driving this conviction was his belief that one's economic situation both reveals and shapes the material and non-material activities that constitute living. Accordingly, he declares that knowing a person's economic status ("income" is the language he uses) suggests a great deal about that person's political opinions, tastes and education, travel, health, recreation and charity (Samuelson 1948: 61). In other words, Samuelson recognized that human welfare was principally dependent upon economic progress and so the market. Thus, although he envisions himself as a social scientist and not a moralist, his work does not shy away from labelling anything that hinders the efficiency of the market as evil. For example, in defence of free competitive markets he declares, "Too high a price, wastage of resources, and creation of monopoly profits are economic evils" (Samuelson 1948: 126–7, 602).

In the end, the gospel of efficiency amounts to a doctrine of justification that presents the market as the most potent tool for enhancing economic well-being, which is the keystone upon which stands every other form of well-being.

The gospel of liberty also casts the market as the means of attaining salvation, but what constitutes salvation is redefined in terms not of general welfare but of individual autonomy or "the freedom to choose". This is a vision that finds its paradigmatic expression in more libertarian voices like Friedman and Hayek. It found its foothold in the work of Lionel Robbins. Recall Robbins' definition of economics, cited previously, as a means for sorting between human ends and scarce resources with alternative uses. As this definition acquired broad acceptance, the implicitly utilitarian moral logic of Samuelson's vision, a vision that ultimately saw the market as the best means to a particular moral end, namely general welfare, gave way to a similarly consequentialist moral logic that focused not on general welfare but individual autonomy. Thus the market is simultaneously an expression and servant of human moral autonomy – the freedom to choose their own ends, economic as well as moral. In other words, the market saves not as it delivers a particular outcome or ensures the economic welfare of our grandchildren, but because it maximizes the opportunity for human choice. As Frank Knight put it, "the main function of economic organization … is co-operation in production for the purpose of increasing effectiveness in the use of individual means to realize individual ends, freely chosen" (1945: 102).

In this way, the gospel of liberty renders the doctrine of justification indistinguishable from Pareto optimality, where by means of the market mechanism the self-interested individual's liberty to choose is maximized in a manner consistent with the liberty of others. This market equilibrium simply cannot be improved upon by any kind of social intervention, no matter how well intentioned or morally motivated the one intervening might be (see Mankiw 2009: 147–50).

Finally, the third variant of the doctrine of justification, the gospel of distinction, attributes justifying power to the market by means of the market's ability to bestow recognition or distinction. As Adam Smith observed, what drives market behaviour is not so much crass materialism or hedonism but a desire for approbation, recognition, the shoring up of one's identity as valued, as significant. Smith articulated the justifying power of the market by means of the query, "to what purpose is all the toil and bustle of this world?" He observes that it is not merely supplying the needs of nature, since those can be met by "the wages of the meanest labourer" and yet we are greatly adverse to that labourer's situation. Rather, he deduced that the motive is recognition:

> To be observed, to be attended to, to be taken notice of with sympathy, complacency, and approbation, are all the advantages which we can propose to derive from it. It is the vanity, not the ease, or the pleasure, which interests us. But vanity is always founded upon the belief of our being the object of attention and approbation.
>
> *(Smith 1984: 50)*

In 1899, Thorstein Veblen coined the famous term "conspicuous consumption" to refer to the ways people consume in order to impress others (Veblen 2008: 48–9, 55). Veblen's identification of class imitation and competitive consumption remains compelling even if the nature of capitalist justification today does not correspond so neatly to Veblen's original vision where the highest income bracket in society sat atop a social hierarchy to which it was thought all aspired. While what is called the "bandwagon effect" certainly plays a significant role in contemporary capitalist consumption patterns, at least as significant is the "snob effect", that is, the effort to set oneself apart from others, to distinguish oneself by means of consumption choices (Leibenstein 1948: 165–201). Furthermore, the directionality of the emulation or imitation is more diverse than Veblen suggests. It is not only the denizens of the lower income brackets who aspire to the summits of wealthy styles and behaviours. Rather, everyone is immersed in an effort to achieve distinction. Moreover, the directionality is not simply one of moving in both directions on the economic ladder. Rather, distinction is established not merely by one's position on the hierarchical register of economic capital but also on the much "flatter" or dispersed register of cultural capital as well.

We might say that distinction is a three-dimensional struggle. Thus, as Vincent Miller writes,

> there is more going on than elites establishing their status thorough ostentatious displays of wealth and the lower strata of society parroting those above. Culture is a constant play of groups withholding, appropriating, and innovating in competition for social status.
>
> *(2004: 150)*

We live in an age of expressive individualism, which Guy Debord famously called, "the society of the spectacle", where image is among the most valuable of commodities (1994). In sum, the gospel of distinction construes justification in terms of persons' ability to achieve recognition, that is, accumulate social capital, through market-mediated consumption.

Belying its self-image as an a-moral and a-theological discipline of pure means, modern Western economics proclaims the good news of a salvation – be it material welfare, human agency or recognition – by the free market. The free market is the anointed means whereby humanity is justified, made right as it is ushered into an earthly kingdom of prosperity, liberty and dignity.

The economy of salvation

To conclude, we turn to outline emergent and future research agendas, shifting from the theology of economics to theological economics, that is, to how explicitly theological visions engage economics. In terms of visions of salvation, most theological treatments of economy acknowledge the importance of all three economic gospels even as they emphasize one or the other. With regard to justification or how the good life is attained, the dominant pattern, at least among Christian theologies in the modern West, as suggested previously, is that of moralism – espousing a moral vision as an extra-economic intervention in or constraint upon the market. Frequently this takes the form of espousing some version of a liberal welfare state to mitigate and compensate for market failures; sometimes it takes the form of advocating for more robust cultural institutions of civil society as a moral hedge against potential market excesses. Occasionally it takes the form of advocacy for socialism (as in the early Latin American liberationists).

Recent decades have witnessed the emergence of a theological economics more in line with the principal insight of economic theology, that is, it understands economy as intrinsically theological–moral and not merely additively so. Associated with the work of John Milbank, D. Stephen Long, William Cavanaugh, Daniel Bell, Luigino Bruni and Stefano Zamagni, this emergent theological economics envisions salvation in terms of the renewal of communion/community. As such it places the classic Christian concept of the common good at the heart of economy, with the circulation of goods and services understood as intended for and a means of extending and enhancing community, which necessarily incorporates but deepens (one might say "redeems") the dominant economic gospels of welfare, agency, and recognition.

Central to this emergent theological economics is the classic Christian notion of justification by grace. Recall that "justification by grace" as it plays out in the history of Christian theology refers to the gift character of salvation – the good life is not something that is merited or fought for but is a free gift. In terms of this emergent strand of theological economics, the economic corollary of justification by grace is the recognition that a fully or truly human economy is moved finally not by the agony of the commercial war fuelled by the relentless drive of interest maximizing Homo economicus. Rather, it is moved by the circulation of gifts in an endless charitable exchange that extends the circle of communion/community of interdependent creatures ever wider. Implicit in this vision is the realization that a truly human economy is not chiefly a matter of either conscripting or constraining disordered desires (a key concession in the historical emergence of the capitalist market and the core logic of the moralizing approach to economics) but rather depends upon the development of a genuinely virtuous economy.

Such an economy, it is worth noting, does not do away with markets, production, or profits but elevates them as part of a moral market, a virtuous economy that its advocates call a "civil economy" or even – in keeping with the recognition of the importance of grace – a "divine economy".

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8
GUILT

Camilla Sløk

In contemporary language, guilt is usually framed as a negative concept, as something to get rid of. To use an example: in his *Civilization and Its Discontents* (1930), Sigmund Freud looked at the cultural impact of sin and stated that its role was to socialize human beings through "guilt". Freud stated that the purpose of his book was

> to represent the sense of guilt as the most important problem in the development of civilization and to show that the price we pay for our advance in civilization is a loss of happiness through the heightening of the sense of guilt.
>
> *(2010: 55)*

Freud's understanding of guilt was in line with Friedrich Nietzsche who in *The Genealogy of Morals* (2017; first published 1887) understood guilt as the oldest and most primitive relationship between human beings. According to Nietzsche, "guilt" is first established as a covenant between parents and children, and from this relation into a societal order of punishment for transgression. Later, that is, with the coming of Christianity, "guilt" becomes universal and a matter that underlies everything in society. In this Christian perspective, guilt made the human nature appears as "wrong". Guilt is everywhere, in every relation, and the human being cannot perform anything without the dimension of wrongness. In Nietzsche's view, modern man will free himself from this and become an entrepreneurial human being, free to construct his own world and viewpoint on right and wrong.

I am going to challenge this well-established viewpoint that guilt is solely a false feeling to purge. If we view guilt from the perspective of economic theology, it might be understood in a more nuanced way than Freud and Nietzsche shaped the concept. From a theological perspective, and certainly an economic one, the concept of guilt as "owing somebody something" must have more diversity to it. By analysing the concept in its legal, moral and economic dimensions, I wish to show that "guilt" is coloured by more than a negative dimension. It also has positive dimensions, namely a relational one. It is a curse *and* a gift. We might only be seen as guilty because we are in a relation with someone who has the possibility of viewing things that way. Without a relational perspective, it is not possible to see in which ways guilt makes sense.

Thus, the fundament of guilt is *relational*. This tells us that "guilt" cannot only be viewed as false or constituting human nature as wrong. Relationships are more ambivalent and nuanced than just being about "guilt". Rather, we might from a theological perspective view relationships as matters of responsibilities. Who are we responsible for? For how long? And why? Guilt is embedded in relationships, and in the responsibility that is part of a relationship. And guilt thus might also be seen as a positive dimension of actually having relationships, responsibilities and further expectations of responsibility within that relationship. I am going to show this ambiguity of "guilt" as both negative and positive, as a curse and a gift, with the underlying premise that it is an intrinsic part of relationships and the expectations within it.

Chapter structure

I will show this ambiguity of "guilt" as both a positive and a negative relationship by looking at three concepts: 1) money, 2) gift and 3) sin. These three concepts are interrelated and show us how we start from the individual, close experience of relationships and responsibilities within the family and closest group, and from there move to a societal level, that is, the possibility of "money" as a societal covenant in which being "guilty" to pay your monthly endowments becomes part of the societal structure of relationships. Money is brought into social life as an exchangeable object because of the fundamental role of relationships in human social life. The relationship between "guilt" and "responsibility" shows us the nature of the way social life is structured. Nietzsche points this out in his analysis of the way "guilt" is conceptualized differently in pre-Christian, Christian and post-Christian times.

In the following, I am going to show the interrelatedness between guilt, money, gift and sin. I will start with a section on the etymology of "guilt". This points to the relation guilt has to the three concepts of money, gift and sin. I then unfold the concept of money, followed by a section on the gift. In that section, I am going to explain John Maynard Keynes' interpretation of war debt in terms of gift giving. This point is important in order to understand how "gift" relates to the idea of money/paying back for an offence. Keynes suggested to "forgive", that is, to tell Germany that it should *not* have to give back what had been lost in the Great War (Skidelsky 2010: 23). Keynes saw war reparations as establishing a sense of "guilt" between the offender and the offended, that is, the involved war parties, rather than forgiving and moving on. As we know, however, the victors of the First World War did not want to forgive. It has often been argued that this sense of imposed guilt, expressed in the form of money and shame, created resentment and thus the circumstances that led to the Second World War.

After this, the final section on sin unfolds in particular the discussion between Martin Luther and Erasmus of Rotterdam and their understanding of the human being as sinful and born guilty, as Luther would claim, or as born free, as Erasmus would claim. This discussion shows the Protestant view on human life as intrinsically relational and centred on our responsibility towards others. In this view, the human being is "guilty" since these expectations of responsibility cannot always be fulfilled. This, however, does not take away the responsibility.

The etymology of guilt

The three dimensions of guilt as money, gift and sin are etymologically intertwined. According to the *Oxford English Dictionary*, in Old English "guilt" is said to mean "crime, defect, failure of duty, sin". There has been some discussion of whether guilt is related etymologically to the verb *gieldan*, which means "to pay for" or "debt". The fundamental debt element of money is seen in the proto-Germanic language, where *geld* or *gelt* (in German, *Geld* = money; in Danish, *gæld*) has taken an etymological journey from the meaning of "debt", to "punishment", to "tax" to "payment". This means that, over time, debt has become money. Roger Smith explains how medieval German society had a man-price (*Wergeld*) for any man, in accordance with the potential cost of losing a man in war (Smith 1975: 203). Smith takes "guilt" also to be related to the Teutonic term *geld*, which means "to pay", but adds that the term is also linked to that of a "guild", a brotherhood of men who promise mutual aid and protection: "The guild was an association that grappled with the problem of guilt – in particular the problem of homicide" (Smith 1975: 205–6). Ultimately, those involved in a guild owed each other reciprocal loyalty. "Guilt" is, in this sense, related to reciprocity and not to be purged. This mindset was also used in the medieval constitution of guilds.

Money

While there is debate among etymologists about the root connections of "sin" (German: *Sünde*, Danish: *synd*) and "guilt", including whether the words are related to the meanings of "to pay for" and "debt", there is no doubt among anthropologists about the relationship between the social practice of "owing somebody something" and "debt", which later became what we today understand as "money". Felix Martin and David Graeber both define money in this way, as a social practice. Both were inspired by Mary Douglas, who stated: "*credit exists before the market*" (1967: 121; italics in original), which provides a very different perspective on Adam Smith's notion that market and money existed before the political institution whose purpose it was to protect the same matters (Graeber 2011: 24). Smith's understanding was that property, money and markets formed the very foundation of society and enabled credit. Claiming priority for "credit" in turn is an anthropological perspective on human practices of exchange, as opposed to classical economics, which prefers to look at money as an exchangeable object. For Douglas, Martin and Graeber, money is only a side effect of the more fundamental element of human interaction in regard to exchange: namely credit. The power of this insight is revealed by the Latin meaning of "credit", which comes from *credo*, which is defined as believe/think/accept as true/be sure, that is, to trust somebody when buying and selling. The first use of money as a mediating instrument is considered to have occurred with the Romans (Martin 2014: 83). However, *the social role* of debt existed long before money was used as medium of exchange. According to Martin, money is credit and debt rather than merely currency: "it is the underlying mechanisms of credit accounts and clearing that is the essence of money" (2014: 26, see also Macleod 1882: 188). Exchange, debt and money are all elements used solely for human purposes: money as credit is a social convention. The theological perspective on debt, money and accounting is reflected in the fact that in Mesopotamia in the third millennium BC, it was the clergy who took care of the accounting of resources (Martin 2014: 40, 57–9). The emergence of banking as an institution occurred in the Middle Ages and was discussed in Christian scholarship, for example by Thomas Aquinas, and Martin Luther, who both referred to Aristotle's condemnation of interest.

Gift

Anthropologists like Felix Martin and David Graeber have shown how the development of money came forth. Particularly Martin's point is that "money" is to be defined as "trust". But this conceptual connection can be translated even further: money is a relational object; it establishes and restates relationships. We owe somebody something when they have paid for our dinner. Either we pay back our share in money, or we return a gift like the one we have received.

Thus, one becomes blameworthy if one does not follow the social rules of the place one is in. In other words, one becomes "guilty" of not engaging in the social gift economy.

Marcel Mauss analysed the role of debt in his psychological and philosophical elaborations on the concept of the gift – "Le don" (Leacock 1954: 65; Mauss 1990/1924; Mallard 2011: 225). Mauss argued that we should perceive the gift first of all in its *social* dimension, and secondly in a financial and legal frame. For Mauss, a gift has a *hua* (spirit), which always comes back to its owner. This also means that any gift is accompanied by a debt to the recipient. The debt might be thankfulness, at the very least, but preferably, the receiver will return the gift at some point in time (Weiner 1992).

Based on his observations of Polynesian tribal communities, Mauss identified three practices that together point to a "complex notion inspiring economic acts" (1990/1924: 72–3; also see Malinowski 1922: 176–94; Sahlins 1972: 191–6). The first two of these are 1) *kula*, literally "circle", and 2) *gimwali*, meaning "trade" (Mauss 1990/1924: 20–2), which are also labelled as gift giving and barter exchange. The difference between *kula* and *gimwali* is the asymmetry in the *kula*, in which the giver is subject and the receiver is object. It has been discussed intensively among anthropologists why anyone would want to give too much. According to Gleicher, Mauss misunderstood the basic modus of giving. Mauss thought that the Maoris would want to give in order to relate to one another (Firth 1936: 10–11; Gleicher 2013; also Mauss 1990/1924: 12–13). Gleicher states that the opposite might be the case: gift giving may be an act of freeing the self from the community, tribe, clan and so on. Mauss' third practice, the potlatch, shows us this. Potlatch has been described as destructive gift giving, which is that two parties continue to show off in order to appear as being capable of giving the most. In the giving, the giver appears as superior. The superiority is connected to the recipient's dependency and the giver's freedom.

Gift giving is therefore not an exchange, but rather self-relief or "self-credit", as Gleicher calls it. This is relevant for our understanding of guilt. The question of the gift shows us that it is not innocent to give and receive gifts. To exchange gifts, to give gifts and to give too much are ways of placing "guilt" like a credit card in between giver and receiver that binds the two together. If we see children as "gift" in a metaphorical sense, the position of a child in between two parents shows us how a relationship is created that is bound up in expectations of giving and receiving: expectations that easily turn into someone claiming to have been giving more than the other. By having given too much, guilt and credit emerge as a human dimension of the gift.

First World War, war reparations and gift

The element of the gift also entered political discussions after the First World War: Who was to pay their debts for which guilt, and was there space to give the gift of forgiveness? These questions were discussed amongst others by John Maynard Keynes, whose main point was that war debt was an issue of responsibility: paying the war debt to the victor entailed responsibility towards the defeated as well as fairness regarding the suffering of the victor. Keynes' grand plan was to first eliminate Inter-Allied indebtedness (Carabelli and Cedrini 2010). If the United States forgave – in form of a gift – Britain's war debt to the United States, an ongoing cycle of mutual trade exchange could start. An initial gift for nothing, instead of ordinary repayment of debt, would encourage a spiral of magnanimity between the countries involved in the interdebtedness: both between the Allies, but also in relation to German debt (Carabelli and Cedrini 2010: 1023). If not only the United States forgave the money that Great Britain owed it, but also Great Britain forgave the money that Germany owed it in war reparations, then both the British and the German economy would be able to buy goods from the United States so as to build houses and repair infrastructure. Such a gift of course carried the risk of generosity, namely that the intended increase in peaceful economic exchange would not take place. This contrasted with the ordinary risk of meanness: asking the loser to pay for all damages eliminated their ability of advancing. Washington refused to take the risk of generosity, without however realizing what this meant for Europe (Carabelli and Cedrini 2010: 1024).

In France after the First World War, discussions on the war reparations were also heavily influenced by an activist movement of "solidarists" (Mallard 2011). This group succeeded for example in influencing the Versailles Treaty, which covered the reparation provisions made for the German Empire. The movement aimed at re-establishing the pre-war situation viewed the defeated party, Germany, as the perpetrator. The social bond, which this group defined in solidarist terms, between individuals and between nations required that Germany should pay large reparations to Europe. One of the solidarists, Léon Bourgeois, saw the German signing of the Versailles Treaty as a re-establishment of Europe's *internal* solidarity "by sharing the burden of the war equally among the warring parties" (Mallard 2011: 229).

The French solidarist activist movement focused on the social debt that everybody was born into. Any individual or nation was born with a social debt that they needed to pay back to maintain their existence (Mallard 2011: 228). Mauss agreed with this movement, though the solidarist line saw the problem of war debt as a legal rather than an anthropological issue. Mauss felt that too much pressure was applied on Germany to pay, which damaged the reciprocity of the relationship between winner and looser (Mallard 2011: 232). But both solidarist activists and Mauss viewed social debts as more complex than economic debts. A social bond goes beyond an ordinary contract. At the same time social debts are more limited than other similar debts, because social debts can be cancelled when considered to have been brought on by force. A debt created by force does not involve the necessary freedom to refuse engaging with the debt and the creditor. Thus, social bonds are both ontologically real, but can also in some cases be cancelled.

This ambiguous viewpoint on social debt as both present, but also potentially being too much, and something that can be annulled, rests epistemologically on a concept of freedom: as human beings, we are never wholly and entirely bound to the social bonds and debts we are born into. Instead, we are invited to see "social debts" as forced upon an individual who initially did not have any say against the debt. Therefore, debt should be dealt with as if both parties had debated the conditions of the contract in total freedom. Social bonds should in general, at the same time, be seen as part of human interaction with others in a social world: they are not "natural" but can be negotiated in concrete cases. This, in turn, means that the solidarist (and Maussian) understanding of debt presupposes some level of freedom. Such an understanding contrasts with the Lutheran understanding of social bonds, which are seen as inevitable. In a Lutheran context, "bonds" are not negotiable. They are fully part of human nature and part of the human interaction with other human beings in the face of God. I now turn to the concept of "sin", where guilt is seen as an intrinsic part of human life, to show how this Lutheran idea of the "bond" is very different from Mauss' ambiguous concept of social bonds.

Sin

In Christian cultures, guilt is related to sin. For the etymological relationship between the word "sin" in Germanic languages (*Sünde* in German, and *synd* in Danish), Schröder claimed that there is no single original meaning of the old Nordic word *synd* (sin), but that it has received its meaning only through the interpretation that has occurred with the Christianization of Europe

(Schröder 1929: 108; Müller 1839–1844: 747–52). With this understanding, Schröder was among those who interpreted the term "sin" through the meaning of the Latin word *sons-sontis*, which is etymologically in the same family as *ens*: "being" (Schröder 1929: 112). This means that the Latin root of sin is "being". This basic meaning became transported into the English, German and Nordic languages and became heavily soaked with the Christian meaning of "sin". In the Bible, however, the Greek word for "sin" is *hamartia*, and in biblical Hebrew it is *chata'a*. The meaning of these two words, however, is "missing the goal" and "making mistake", both in a literal and metaphorical sense. The "mistake" in the biblical interpretation is that human beings believe they can handle things without God and have therefore distanced themselves from God and his laws. Ultimately, this is what happened in Genesis 3, when Adam and Eve listened to the serpent and ate the apple from the Tree of Wisdom instead of listening to God's prohibition of the same. This goes to the core of how "guilt" is understood within a Lutheran context, namely as the fundament of human relations and human existence. Sin is fundamental. There is no human life without relationships, and therefore, responsibility for those relationships is part of the creation. That human beings have the ability to corrupt what they meet in turn brings forth the question of "sin" which is embedded in all being (*ens*).

There is, however, no continuous understanding of "sin" throughout the history of Christianity. For the meaning of "sin" in early Christianity, St. Paul's Letter to the Romans is the most influential. In chapter 7, St. Paul states that it is the law that creates sin. Here, he elaborates on the paradox of law, which makes what it should forbid into the actual object of destruction. The law destroys the human being who is incapable of being perfect. With this reflection, Paul wants to show how radically the New Testament stands in contrast to the Old Testament, which (according to St. Paul and the followers of Christianity) places all emphasis on the law. The New Testament, with the resurrection of Jesus Christ, proffers a suspension of the law, which implies that the attempt to live up to impossible laws should come to a halt. No one can do things perfectly. Therefore, God gave his son as forgiveness – once and for all – for the wrong-doing of human beings. With the Lutheran perspective on "sin", being becomes soaked in guilt. However, the point in doing this is to show the opposite: the human being is forgiven through Christ. In a Lutheran context, justification for all human sins has been made through the death of Jesus Christ on the cross (Luther 1518). This means that all human errors have now been made obsolete by God, and therefore, they should also be made obsolete by other human beings. Thus, forgiveness from "guilt" is possible.

This interpretation became the origin of the dispute in the early 1520s between Erasmus of Rotterdam and Martin Luther. The dispute in question was about whether the human being is born essentially good by nature, or evil by nature. In his book *De Libero Arbitrio* (1524) (On the free will), Erasmus presented the human being as good by nature and therefore responsible for his actions. For Erasmus, it was possible to choose between good and evil. This view of human nature inspired European humanism and the Enlightenment, represented by spokesmen such as Jean-Jacques Rousseau. Martin Luther, by contrast, used his 1525 *De Servo Arbitrio* (*On the Bondage of the Will*) to defend the viewpoint that the human being cannot, by himself, choose to do good. If that were the case, God's will would be obsolete. Only God has *liberum arbitrium*. Luther perceived Erasmus' perception of the free nature of the human being as an equation between *liberum arbitrium* (free will) and *vis voluntatis* (the skill of the will) (Luther 1908, vol. 18: 664, s.1). According to Luther, Erasmus stressed the skill of the human will too much. The human will was capable of deciding about the less important things, the *rebus inferioribus*, which are indeed subject to the human will (Luther 1908: vol. 18: 672, s.8–10 and vol. 18: 671, s.37). These issues could be householding, family, governing a firm and so on. However, even in these matters, the human being finds himself subjected to greater powers. These greater powers are

God's issues (*res divina*) and God's *operatio* (operation) (Luther 1908, vol. 18: 662, s.6). Human freedom is only to be understood from the perspective of God's *operatio,* which means that the human being is only to do *co-operatio*: no *operatio* in itself is ever possible for the human being. All questions of importance – that is, love, hatred, suffering and evil – are within God's domain and thus outside of human control (Luther 1908, vol. 18: 664, s.8f).

This, however, does not mean that freedom in Protestantism is an absolute concept. Risto Saarinen has shown how the concept of "favours" (*beneficia*) is to be understood as an act of God's freedom (2012: 12; also Holm 2005). Additionally, the receiver does not have to return the favours received from God. The receiver, the human being, is expected 1) not to be capable of returning, but instead 2) to show spontaneous gratitude (Saarinen 2012: 3, 6–7). Saarinen shows how Luther's concept of God's free gift, the *beneficium*, was inspired by Cicero's and Seneca's works *De officiis* and *De beneficiis*, respectively. Seneca made the intention of the giver the more important element compared to the actual gift or use of the gift (Saarinen 2012: 8, 14–16). Luther agreed with Seneca that the gesture of the gift was more important. It is not the gift itself that contains anything. Luther pointed this out in his 1520 tract "The Freedom of a Christian", where the service for the neighbour is also a service for God, and mutuality is realized between fellow Christians. Luther only differed from Seneca in the aspect of mercy, which Seneca did not employ. To Luther, the *beneficia* of God were also related to the mercy of God. Luther's theology presupposed the guilt dimension of the fall of mankind; only because of the guilt that was incurred at this moment was it possible to talk about mercy.

Martin Luther's understanding of a category for a genuine gift stands in contrast with Pierre Bourdieu's later contributions to the discussion of the gift. Bourdieu argues that gift giving is never sincere, but only works due to two dimensions: 1) the deception of reciprocity, and 2) the temporality connected to the deception (1998: 178). The deception is that both parties pretend that the gift is given out of a pure intention to give. However, everybody knows that at some point in time, the receiver has to return something that squares with what has been given. This brings us back to the question of "guilt". Is there a possibility to be in a relationship without expectations of responsibility for what the other one is doing? And to react to that? Bourdieu would claim that there is not. Paradoxically, Martin Luther, who repeatedly talked about "guilt", would state that *there is* a possibility of forgiveness and thus a freedom from guilt, namely in the reception of Christ as a gift that is given for the sake of being given. This possibility does not emerge in Bourdieu's understanding. The difference between the epistemology of Luther and Bourdieu around the gift is thus also a difference between the freedom and the duty of owing to pay back one's dues. For Luther, such a possibility of freedom exists for the one who wants it: the believer in the redeeming Cross. For the modern sociologist Bourdieu, this possibility does not exist. The Bourdieusian understanding of "gifts" as the glue that connects the social dots can also be found in studies of gift giving in organizations. Thompson, for example, sees the gift element of network collaboration as the primary form of collaboration, or at least as an attempt to make the reciprocity of gift giving the primary form of collaboration and the network logic the secondary (2003: 55). The gift is therefore not an alternative to an economic approach to the network (quantity); it is that which shows qualitatively how the network is to be perceived. Fleming and Rhodes have looked at networks within police organizations, and they describe gift giving as follows: "Networks involve friendship, loyalty, even altruism …, but above all, network culture is characterized by reciprocity" (2005: 196). This means that policemen become closely linked together because the public "does not know what the police men have to put up with". Lemmergaard and Muhr look at the way Christmas gifts in Danish businesses are used to create social value, or, in our context, social guilt, in order to connect or separate business partners in their future lives. Gifts are used as a means to manage image, and they send signals to business partners. Lemmergaard and Muhr illustrate the cultural aspect of gift giving: in Scandinavian culture, it is considered appropriate to give presents that are modest or moderate from the perspective of the receiver. Basically, the goal is to avoid too much indebtedness from the receiver, or in the words of Mauss, to avoid the potlatch, which would embarrass the receiver (2011: 770).

Conclusions

I have shown how "guilt" has its fundament in social relationships. Guilt construes relationships, both positively and negatively. For example, we owe our friend, family or colleague something when they have done a favour to us, such as inviting us for dinner. Either we owe paying back our share in money, or we return the dinner in the form of another dinner, a returned gift. The fact that gifts and gift giving have been interpreted in very different ways by Keynes, Mauss and Bourdieu only underlines the issue: a gift means that the whole concept of owing something to somebody else comes into the picture. If one does not fulfil or at least accept the various social expectations around gifts, one becomes guilty of trespassing the rules of the social. Not paying back runs the risk of becoming guilty of hypocrisy. Like money, debt and the gift, guilt is relational. Further, it is important to investigate the third element, that of sin. This concept has an intense Christian connotation. However, if we tone the various Christian colourings of the concept down for a moment, we see the sociological meaning of sin. This is because the concepts has, besides its etymological dimensions, a sociological meaning in its claim for a particular ontological approach to the world, and how human beings are present in that world. The Christian understanding of sin, when analysed *as a sociological phenomenon*, is to state that human beings are always related to one another and therefore always responsible to one another, too.

This dimension shows the third way of understanding "guilt", that is, as a part of what it mean to be human. To be human includes a requirement to be responsible against other human beings, all created, and the creation as such. The ontological concept of "sin" is the theological, and thus, able to become a sociological tool for showing that human beings are deeply embedded in responsibility. Max Weber's well-known analysis of the Protestant ethic stated that Protestantism created a particular type of capitalism due to the ability to postpone desire and invest profit in new machinery, that is, the opportunity to work. Such an understanding of the human being as having the capacity to postpone the will to enjoy, complies with the Protestant understanding of life as being ontologically about responsibility towards others. If one does not fulfil this responsibility, one becomes guilty. However, such a claim is only possible if human life *as such* is considered as soaked in relationality. "Sin" calls for this understanding of a radical relationship-ness that cannot be escaped.

The viewpoint that guilt is a false and repressing feeling is therefore worth challenging. If we look at guilt from another perspective, that is, the perspective of 1) relationships, and 2) responsibility, guilt becomes an inescapable curse but also a gift. Guilt, and accusations of guilt, are an entry point to consider and reconsider relationships and responsibilities. It paves the way for a dialogue and a negotiation on how we want to be related to one another in a world that seems to push the concept of "freedom" so hard that we are told to believe that we are not guilty of anything, nor necessarily responsible for the way things are.

For Freud, the price of civilization, since built on guilt, was human happiness. No civilization without guilt. And no happiness when there is guilt. This chapter has argued that there is much more to guilt when viewed as a relational concept with ambiguous character. This shift of perspectives is of vital importance in our times of resurging nationalism and partisan violence. We are balancing on the brink of a global loss of civilization. Dominant world leaders act as if guilt belongs to the past, all the while hailing the new, entrepreneurial Self that has all the rights, and no obligations towards other beings or creatures in our formerly, common world.

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PART II

Economic concepts and their theological anchoring

9
PROFIT AND INTEREST

Christoph Deutschmann

Introduction

This chapter will give an overview of the teachings and practices of the big religions – focusing on Judaism, Christianity and Islam – regarding the issue of capital profit. Capital profit can take many forms: interest on loans, dividends on shares, real estate rents, profit on merchandise or industrial capital, entrepreneurial income. The issue which found particular attention in the teachings of many religions was interest on credit. Lending money or other assets against interest is a practice that looks back to a tradition of at least 5,000 years:

> In historical times credit preceded the coining of money by over two thousand years. Coining is dated to the first millennium B.C., but old Sumerian documents, circa 3000 B.C., reveal a systematic use of credit based on loans of grain by volume, and loans of metal by weight. Often these loans carried interest.
>
> *(Homer and Sylla 2005: 17).*

Within the stationary logic of pre-modern, agriculture-based societies, interest-bearing credit often was a factor of social disruption. While interest on capital and mercantile loans was widespread, and considered normal even in Babylonia, the problems came from agrarian and consumption credits, especially if given in emergency situations, such as crop failure or famine. Under the prevailing conditions of agrarian subsistence economies, these credits often took an exploitative and ruinous character if they had to be repaid with an increment. The distinction between "interest" in the sense of the creditor participating in the risks and profits of the debtor, and "usury" as an exploitation of emergencies of the debtor by the creditor explained itself from the difference in the conditions of mercantile and agrarian economies. In ancient times, the liability of debtors did not extend only to their property but also to their personal freedom. Insolvent debtors, including their families, usually were subject to debt slavery. To avoid such socially destructive consequences, political rulers even in very early times strove to set up legal constraints to interest rates. The code instituted by Hammurabi in Babylonia (around 1800 BC), for example, fixed the maximum interest rate p.a. for grain at 33 1/3 per cent, and for silver loans at 20 per cent (Homer and Sylla 2005: 26); similar regulations could be found in ancient Greece, and in Rome. It made up the wisdom of Solon's reforms (in 594 BC) that they did not only abolish (temporarily) the legal constraint of interest rates but also of the institution of debt slavery.

Loans carrying fixed interest rates were almost uniformly condemned as "usury" and prohibited by the old religions, including not only Judaism, Christianity and Islam but also Hinduism and Buddhism (Weber 1972: 352; Visser and McIntosh 1998: 176). In Islam, the formal prohibition of interest is upheld up to the present day. The following account will start with the positions of Judaism and their historical changes (1), then proceed to Christianity (2), and to Islam (3), before discussing some general conclusions (4)

Judaism

According to the ancient Jewish law, it was forbidden for the Jews to lend money or material values against interest to each other, or to sojourners living with them. An exception from this rule was made, however, with regard to commercial credits to foreigners. The key prescriptions are included in the second, third and fifth Books of Moses, which are – as is well known – parts of the Jewish Thora as well as of the Christian Old Testament: "If thou lend money to any of my people that is poor by thee, thou shalt not be to him as an usurer, neither should lay upon him usury" (Exodus 22:25).

> And if thy brother be waxen poor, and fallen in decay with thee: then you shalt relieve him; yea though he be a stranger, or a sojourner; that he may live with thee. Take thou no usury of him, or increase, but fear by God; that thy brother may live with thee. Thou shalt not give thy money upon usury, nor lend him thy victuals for increase.
> *(Leviticus 25:35–7).*

"Thou shalt not lend upon usury to thy brother; usury of money; usury of victuals; usury of anything … Unto a stranger thou mayest lend upon usury; but unto your brother thou shalt not lend upon usury" (Deuteronomy 23:19–20).

The prohibition of interest within in-group transactions – and, moreover, the institution of periodical debt releases (Deuteronomy 15:1–3) – is usually interpreted as a device to prevent social conflicts and debtor–creditor polarizations within the Jewish community, given its mostly agrarian-based and stationary mode of reproduction in Biblical times. The exemption with regard to foreigners intended to avoid preferential treatment of foreigners, which would have resulted if foreigners took interest from Jews, but Jews were not allowed to do so in their turn. The "Deuteronomic double standard" (Nelson 1969), however, never did coincide completely with actual practice. It could not prevent the Jews from charging each other interest in an indirect way, as it was possible to circumvent the internal prohibition of interest with the help of a foreign straw man. Moreover, gain as such was not prohibited. Even in ancient times, socially approved forms of partnership between debtors and creditors were developed, allowing both to share risks and profits, and enabling the creditor to take interest legally (Visser and McIntosh 1998: 178).

The double standard, nevertheless, helped the Jewish community to maintain its social cohesion under changing historical conditions, and in an often hostile environment. This applied especially to conditions of diaspora, prevailing not only under the Babylonian and Assyrian conquest, but also after the destruction of the Temple in Jerusalem after 70 AD. Taking now the position of "foreigners" by themselves, and often being excluded from land and local crafts, Jews had no choice but to concentrate on trade, banking and finance as bases of their economic existence. Being guided by the Deuteronomic double standard, they had no ethical problem in charging their gentile debtors with interest. In the context of the Christian majority societies of pre-modern Europe, however, with their strict formal prohibition of interest (see below), the double standard gave rise to intense anti-Semitic stereotypes, which often erupted in violent riots against Jews. These stereotypes, which were expressed prominently in William Shakespeare's *Merchant of Venice* in the figure of the Jewish moneylender Shylock, were revived ideologically and politically in the militant anti-Semitic movements of the nineteenth and twentieth centuries. Nevertheless, with Jewish emancipation proceeding since the nineteenth century, Jews became integrated into the European societies also with regard to norms of economic conduct. Though never being repealed officially, the intra-Jewish prohibition of interest-bearing transactions has lost its practical significance. What continues to be sanctioned is only "usury" in the sense of *excessive* rates of interest. Legal creditor–debtor contracts (*hetter iskah*) have "become so accepted that nowadays all interest transactions are carried freely out in accordance with Jewish law, by simply adding to the note or contract the words *al-pi hetter iskah*" (Visser and McIntosh 1998: 1978; *RGG* 2005: 1863–4).

Christianity

In Christianity, the restrictions placed on interest were originally even more restrictive than in Judaism. A key reference is Luke 6:35, where Jesus seems to admonish his followers to lend freely:

> But love ye your enemies, and do good, and lend, hoping for nothing again; and your reward shall be great, and ye shall be the children of the Highest; for he is kind unto the unthankful and to the evil.

As Max Weber noted, the passage "lend, hoping for nothing again" is based on a translation error in the Vulgata (the Latin version of the Bible). According to the original Greek text, Jesus said only that creditors should be generous in granting loans to the poor, however, without explicitly rejecting interest (Weber 1972: 352). St. Jerome (340–420) and St. Ambrose of Milan (340–397), as the first authoritative Christian theologians interpreting the position of the church about interest, nevertheless, insisted that there was no scriptural justification for taking usury from anyone. Ambrose made an exception only with regard to the "notorious foes of God's people", the enemy whom it would not be a crime to kill; from this, he also tried to explain why God could allow the Jews taking usury from foreigners (Nelson 1969: 3–4). The Deuteronomic prohibition of interest, thus, became universalized; neither were Christians allowed to lend money against interest to each other, nor to foreigners.

For centuries, however, the church hesitated to put the official condemnation of usury into practice. Under Pope Leo the Great (440–461), the prohibition of interest was confined to the clergy, while laymen were criticized only morally because of "shameful gain". Not earlier than under the reign of Charlemagne, the official prohibition of interest-bearing credit became formally extended to laymen (Homer and Sylla 2005: 68). Moreover, there continued to be many forms of interest that were tolerated in practice, or not considered usurious. In medieval Europe there were many regular pawnbrokers, many of them being Jews, making secured consumption loans at rates of 32 ½ per cent to 300 per cent. In the early sixteenth century, even Christian pawnshops, the "Monti di Pieta", were set up in Italy to offer cheap credit to the poor and to counter the Jewish competition. In general, interest was considered legal if it could be interpreted as a compensation for a loss of the creditor. Commercial partnerships, where risks and profits were shared between partners, were normal and recognized institutions from

Roman times. State loans often carried interest, which got exempt from the usury laws "on the ground that the interest was so low that no one would voluntarily make the loan" (Homer and Sylla 2005: 72). Last, but not least, there was the institution of the "census", where nobles or states sold the right on an annual return from their property to an investor against cash. Since early feudal times "this was usually licit, rarely considered usury and very extensive" (Homer and Sylla 2005: 73). In many cases, the investors were monasteries and religious foundations, whose excessive financial claims against the peasants became a main reason for the revolts in the early sixteenth century.

With the rise of commerce and banking in the High Middle Ages, and with mounting financial needs of church and state due to the Crusades and permanent wars, the contradictions between the official condemnation of usury and economic practice became more and more obvious. Nevertheless, the church even intensified its campaign against usury, as Weber (1972: 352) notes. French Scholastic theologian William of Auxerre (1160–1229) condemned making more money from money as a sinful human intervention into the sovereignty of God over time; Thomas Aquinas (1225–1274) followed Aristotle in denouncing interest as unnatural and evil. Usury was declared a mortal sin: in Dante's *Divina Comedia*, the usurers find their place in the worst, seventh circle of the hell; usurers were also excommunicated. Moreover, usury became subjectified, as the mere intention to gain from a credit contract was declared sinful (Nelson 1969: 10–11; Homer and Sylla 2005: 68). Sometimes, particularly in times of disasters, misery or epidemics, public hysteria about usury developed, which could erupt in bizarre incidents like the following: "In Piacenza in 1478, when a torrential rainstorm followed the church burial of a usurer, the townsfolk dug up the corpse, paraded it in the streets, performed a mock hanging, then plunged it into the Po" (Parks 2006: 10). Jewish moneylenders and bankers, while de facto serving the indispensable financial needs of the states and the clergy, were – at the same time – taken as scapegoats of the public antiusury hypocrisy, often with the result of violent anti-Semitic pogroms.

All this did not prevent the church, the nobility, and the big merchant houses – such as the Medici – from accumulating considerable financial wealth. However, as Parks has shown, the actors had to invest considerable ingenuity to conceal the sources of their profits, or to enact them in a way not evoking the suspicion of usury. For example, interest payments had to be declared as "donations", or profits had to be concealed behind foreign exchange arbitrage operations (such as in the case of the Medici). As Jacques Le Goff (1990) has shown, the reconceptualization of purgatory as a physical place, dating back to the twelfth century, had a key function for the church to accommodate the rich, as it opened for the rich a privileged prospect on salvation via the purchase of letters of indulgence.

It was only the Reformation that gradually put an end to the rampant hypocrisy about interest. Martin Luther, while originally supporting the antiusury peasant movement of his time and its radical evangelical allies, later changed his position. As he argued in his script "Von Kaufshandlung und Wucher" (Luther 1524), it was the right of the state to institute rules to contain the sinful nature of man. Contrary to the evangelical radicals, Luther insisted that the church was not heading to erect the New Jerusalem on earth. The evangelical prescriptions about lending had no immediate relevance for the governance of the mundane world, as the state had to fight the exploitation of Christian generosity by the wicked and the lazy. John Calvin, who, differently from Luther, addressed his message not to a rural, but to a largely urban and commercial public, went even further, endeavouring a thorough reinterpretation of the Biblical scripts about usury. As he argued, the Deuteronomic prescriptions about usury were part of the laws of the ancient Jewish brotherhood, responding to its particular conditions, and not being applicable to Christianity. God could not have allowed Jews taking interest from

Gentiles if he had considered it evil. As the former wall between the Jews and the Gentiles had been broken down by Jesus Christ, usury could no longer be interpreted as unlawful and had to be considered part of normal economic conduct, except in cases of interest rates becoming excessive and exploitative. Calvin, thus, "is the first religious leader to exploit the ambivalence of the Deuteronomic passage in such a fashion as to prove that it was permissible to take usury from one's brother" (Nelson 1969: 73).

Spiritual "brotherhood" now meant to treat everybody equal *just by charging him with interest* instead of avoiding it or demanding it only from foreigners; tribal "brotherhood" was transformed into universal "otherhood", as Nelson puts it.

This meant a bold turnaround of the original Scholastic doctrine, which, given the rapid commercial development in Northern and Western Europe, found large resonance in the Protestant countries, and led to a gradual abandonment of the legal prohibitions of interest. "It was on the practical basis of urban industry and commercial enterprise that the structure of Calvinist social ethics was erected" (Tawney 1926: 108). As Weber and Tawney had shown, it was the very moral rigidity of the Protestant movements, particularly in their Calvinist, Methodist and Puritan variants, which helped create a social and cultural environment that involuntarily paved the ground for the development of capitalism. A system of harsh ecclesiastical discipline, permeating all spheres of social life, was established. In order to open his soul to God, the Puritan believer had to free himself from all mundane passions and distractions: "To win all, he renounces all" (Tawney 1926: 228). The capitalist habit of systematically calculating risks and profits developed as a practical consequence of the Calvinist and Puritan quest for self-purification and self-control.

In the Catholic world, the formal break with the traditional doctrine took somewhat longer, until 1830, when Pope Pius VIII suspended the prohibition of interest (*RGG* 2005: 1869). Today, the biblical condemnation of interest is still being upheld by evangelical grass-roots activists engaging in the antiglobalist and environmentalist movements. The official churches, however, have abandoned their traditional antiusury positions in favour of a general plea for "fairness" and "justice" in economic transactions. Such a development would not have been possible without the background of the growth dynamic of industrial capitalism developing since the early nineteenth century. In the context of an economic system where growth and not stationary reproduction became normal, it was no surprise that the traditional religious prohibition of usury appeared more and more as an anachronism.

Islam

From its origins, Islam had largely echoed the critical positions about interest and usury prevailing in Judaism and Christianity. Nevertheless, the verdicts against usury (*riba*) in the Koran do not appear consistently strict; as some interpreters (Dalkusu 1999: 110–11; Mills and Presley 1999: 9; El-Asker and Wilson 2006: 48–50) maintain, there is a tendency towards increasing severity in the rejection of *riba* from the early to the late stages of the Prophet's teachings. Without doubt, Muhammad, being a merchant himself, was intimately familiar with the complex conditions of trade in his time. The most resolute rejection of *riba* is included in Surah 2, which belongs to the latest phase of revelation, taking place in Medina:

> Those who benefit from interest shall be raised like those who have been driven by madness by the touch of the Devil; this is because they say: "Trade is like interest". But God has permitted trade and forbidden interest. Hence those who have received the admonition from their Lord and desist, may have what has already passed, their

> case being entrusted to God; but those who revert shall be inhabitants of the fire and abide therein forever … O believers, fear God, and give up the interest that remains outstanding if you are believers. If you do not so, then be sure of being at war with God and His Messenger. But, if you repent, you can have your principal.
>
> *(Surah 2:275, 278, 279)*

As the text reveals, the prohibition of *riba* does not mean a condemnation of profit in all forms. Profit gained in connection with trade is licit insofar as the Koran conforms to the Judaic and Christian tradition. What is clearly prohibited, is lending money at a fixed rate of interest, which, as the common argument goes, would mean a one-sided shift of the transaction risk from the lender to the borrower, and, even more, an unwarranted enrichment of the lender at cost of the borrower, incompatible with Islamic principles of equality and justice. The lender can claim the restitution of his capital, not more (El Asker and Wilson 2006: 50–1). Legitimate forms of profit can be arranged in different, bilateral and multilateral forms, providing a variety of alternative options for interest-bearing credit contracts. A widespread form are profit-loss sharing partnerships (PLS), either between a capital giver and an entrepreneur (*mudaraba*), or between two or more capital givers (*musaraka*) and a third party, where the partners share profits as well as losses according to rules previously agreed upon. A third, widespread, variant is the transformation of a credit contract into a sales contract (*murabaha*). Here, the bank does not advance credit to the customer intending to buy an object (e.g. a house), but buys the object in his commission. The object, then, will be resold to the customer, charging him with fixed repayment rates, or a lump sum, both including a markup in favour of the bank.

Since the bank's profit occurs under the etiquette of "trade", it is considered legitimate under Islamic rules (Presley and Mills 1999: 16; Steffen 2015: 66–7). In addition to the prohibition of *riba*, Islamic ethics includes further restrictions concerning money and trade, such as *zakat* (a tax to finance relief to the poor), *gharar* (interdiction of gambling), and the prohibition of dealings in forbidden goods, such as wine or pork. These restrictions notwithstanding, the Islamic world experienced a high level of economic prosperity during its "Golden Age" (roughly between the eighth and the twelfth centuries), with the Islamic caliphate extending from Spain in the west to India in the east. Craft guilds were formed, technology and industry were highly developed, trade networks stretched from the Atlantic Ocean to South China, including much of Europe. Highly sophisticated commercial and banking techniques were developed, including cheques, promissory notes, trusts, transactional accounts, and ledgers. Like in Christian Europe, the prohibition of *riba* in the Koran therefore did little to prevent the development of capital.

A marked difference between Christianity and Islam concerning the issue of interest has evolved only in the recent past. As shown above, the former strict prohibition of interest in the Western world had been largely suspended under the influence, first, of the Reformation, and – even more important – of the rise of industrial capitalism and its economic dynamism since the nineteenth century. By contrast, the religious condemnation of interest became even more pronounced in the Islamic world after the decolonization. The return to Islamic orthodoxy expressed itself in the Islamic banking movement evolving in the second half of the twentieth century. After initial experiments with noninterest agricultural credit cooperatives in Pakistan in the 1950, the movement started with the establishment of the Mit Ghamr Savings Bank in Egypt in 1963, a community savings bank giving local farmers access to interest-free credit. Despite several setbacks, sharia-conforming banking continued to grow worldwide since the 1970s. According to the *Economist* (13 September 2014), there were 300 Islamic banks and 250 mutual funds in 2014, controlling an asset volume of roughly $2 trillion (around 1 per cent of world assets); even some banks in Western countries have started to offer parallel Islamic banking services, too. In some Islamic countries (Pakistan, Iran, Sudan), the observation of sharia principles has been made legally obligatory for banks. Despite its rapid growth in recent years, Islamic banking has remained not more than a niche market; even Muslims in their large majority continue to entrust their money to conventional, not to Islamic banks.

While Islamic banks are facing few difficulties in attracting deposits, they tend to experience excess liquidity due to the low attractiveness of PLS investment credits despite their apparent risk-sharing benefits. Just because of the sharing of returns, a PLS bank is exposed to the problem of principal–agent information asymmetries to a much higher degree than a conventional one. Not only an intensive ex-ante screening of borrower applications is required, but also a continuous ex-post monitoring of borrower profitability, as the sharing of profits and losses gives the borrower an incentive to underreport realized profits or to overdraw losses. Due to higher information costs and monitoring problems, PLS credits often cannot compete with conventional ones. Further disadvantages for Islamic banks arise from their self-chosen exclusion from the interbank and government bonds market (Mills and Presley 1999: 27, 51). Contrary to their own claim of financing long-term investment and development projects, therefore, the bulk of the active business of Islamic banks concentrates on short-term and consumption credits of the trade markup (*murabaha*) type, whose compatibility with Islamic principles is doubted even by some Islamic economists (Mills and Presley 1999: 51).

After the global financial crisis of 2007–8, which left the Islamic banking sector largely untouched, the debate on possible advantages of Islamic banking has revived nevertheless. As a consequence of the bank rescue measures by governments and central banks after 2009, conventional interest rates have fallen to the "Islamic" level of zero, or even below. The critique of usury as a factor not only of distributional injustice but also of economic instability could gain new relevance against this background.

Conclusions

In his analysis of the evolution of the world religions, Weber pointed to the vast differences between religious conceptions of salvation, and between the levels of their intellectual systematization. Moreover, he distinguished between principle-based (*Gesinnungsethik*) and pragmatic (*Weltanpassung*) modes of adapting religious ethics to the conduct of everyday life (Weber 1972: 348–9). As Weber argued, Judaism and Catholic Christianity, as well as Islam, have mostly followed the pattern of pragmatic adaptation, though in very different ways. My overview over the positions of these three big religions on interest can be read largely as a confirmation of this interpretation. As we have seen, the authorities of all three denominations have found manifold ways to flexibly adapt the general prohibition of usury to changing social and economic conditions – conditions which, nevertheless, despite a growing role of commerce, banking and industry since the late Middle Ages, were characterized by the dominance of agriculture until the end of the eighteenth century. What has been confirmed also were Weber's views about the special position of ascetic Protestantism (Calvinism, Methodism, Puritanism) as an involuntary pacemaker for the rise of modern industrial capitalism. Even more so, the Calvinist transformation of Christian "brotherhood" into universal "otherhood" indeed appears to give some support to Walter Benjamin's famous comment on Christianity having not only "backed" the rise of capitalism but also "transformed itself into capitalism" (Benjamin 1985: 102).

A point that remains open in Weber's typology, however, is the exact meaning of the pattern of "pragmatic adaptation" with regard to the era of modern capitalism, after the victory of the democratic and industrial revolutions of the eighteenth and nineteenth century. Sure, ascetic Protestantism seems to have played an active role in these revolutions, but what about the

Lutheran and Catholic Churches, and what about Judaism and Islam? As we have seen, Judaism, as well as the Lutheran and Catholic Churches, have continued their course of pragmatic adaptation by largely suspending their former prohibitions of interest. This, however, meant to adapt to a social, economic and cultural environment very different from pre-modern conditions, and posing new and thorough challenges to these Churches. The capitalist globalization of markets and their increasing dominance over most spheres of society left less and less room for the Churches to keep up their own profile as a "higher" and independent moral and spiritual authority – a problem they are struggling with up to the present day.

The way taken by Islam after decolonization was different. The rise of Islamic banking in the twentieth century and the formal recourse to sharia principles in some Islamic countries came down to an explicit reception of advanced levels of capitalist rationality, though in practice leaving open ways for compromises. The traditional patterns of adapting sharia norms to social practice inherited from the times of the Prophet were made obligatory for contemporary Islamic societies too, despite the deep impact of capitalist globalization on these societies. The likely price to be paid for this is twofold: first, an even higher level of hypocrisy about *riba*, in particular in the wealthy milieus of Islamic countries; second, the transition from agrarian- or nomad-based to modern socio-economic structures, which still has a long way to go in many countries of Africa, the Near and Middle East, may be retarded even more.

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10
MONEY

Paul Crosthwaite, Peter Knight and Nicky Marsh

The religious studies scholar Philip Goodchild nominates a seemingly unlikely candidate as "the most significant object for meditation for both the philosopher and the theologian": money (Goodchild 2007 [2009]: 208). "A theology of money", Goodchild suggests, amounts to a vital "exploration of the nature and effects of money's mysterious power" in the modern world (ibid.: 7). This chapter considers various contributions to this project, and argues that it is the very "mysteriousness" of money – the fundamental inscrutability that any investigation of money ultimately comes up against – that is the underlying source of its power.

The history of money is a different (and still larger) topic than its theology, but aspects of the origins and development of money bear suggestively on the immediate concerns of this chapter. The standard, textbook account of the emergence of money sees it as an eminently practical and pragmatic response to the problem of the "double coincidence of wants" endemic to a barter economy (i.e. the blockage to trade that arises when I want your cow, but you don't want my corn in return). On this account, money is simply a commodity (typically precious metal, especially silver and gold) that solves this problem because all agree on its intrinsic value and general desirability (Menger 1892). The historical and anthropological records, however, show little evidence that the kind of pure, primitive barter economy that the "commodity theory" posits has ever actually existed, or that money developed in this way.

There is considerably more evidence to suggest, in contrast, that the origins of money are essentially sacred – based in ceremonies of sacrifice, fine, tribute, or gift conducted within payment systems instituted and enforced by religious and political authorities. Examples of such codes survive on legal tablets from ancient Babylonia and its neighbouring city states (Dodd 2014: 23–4); in the early Sanskrit religious writings collected in the Vedas and the Brahmanas, scriptures that form the bases of major branches of Hinduism (Aglietta and Orléan 1998; Graeber 2011: 56–7); in the rules that governed animal and other forms of sacrifice to the gods in ancient Greece and Rome (Dodd 2014: 25; Peacock 2011; Seaford 2004: 102–9; Semenova 2011; Taylor 2004: 65–7); and in records of the early-medieval Germanic system of compensatory fines known as *Wergild* ("man money" or "man payment") (Dodd 2014: 24; Hudson 2004: 101–5; Ingham 2004: 90–3). Related practices were identified as entailing elementary forms of money by twentieth-century anthropologists, most notably Marcel Mauss in his celebrated analysis of the Kula ring of Papua New Guinea, a gift-exchange system for circulating objects charged with the spiritual force of *mana* or *hau* (Dodd 2014: 30–4; Mauss

1923 [1990]). Crucially, in each of these cases the sacred power with which the protomonetary objects are endowed takes precedence over their "intrinsic", material properties.

The etymological links that branch out from such practices and rituals are also suggestive. The very word *money* derives from "Moneta", an epithet for Jupiter's sister and wife, Juno (Desmonde 1962: 124). The first Roman coins were minted in the Temple of Juno Moneta (Taylor 2004: 66), and the oldest altar to the goddess was located on Mons Albanus, "where a bull sacrifice, the central ritual of the Latin confederacy, was annually held" (Desmonde 1962: 124). Geoffrey Ingham notes the intriguing fact that

> In all Indo-European languages, words for "debt" are synonymous with those for "sin" or "guilt", illustrating the links between religion, payment, and the mediation of the sacred and profane realms by "money". For example, there is a connection between money (German *Geld*), indemnity or sacrifice (Old English *Geild*), tax (Gothic *Gild*) and, of course, guilt.
>
> *(2004: 90)*

Drawing on such connections, theorists have identified the roots of money in a state of "primordial debt" owed originally to the gods for the sheer fact of one's existence, but gradually claimed, in the form of taxes and other forms of tribute, by the sovereign powers who were the gods' intermediaries on earth (Aglietta and Orléan 1998; Ingham 2004: 90–2; Théret 1999). While the specifics of primordial debt theory are contested (see Graeber 2011: 55–71), the deep connections between money and religious faith and ritual are irrefutable.

For confirmation that modern money retains a close relationship with religion, one need only scan that most iconic of all monetary tokens, the US one-dollar bill. The literary and cultural theorist Jean-Joseph Goux offers this account of the "greenback's" potent symbolism:

> To the … left of the central motto *In God We Trust* … the "Great Seal of the United States" is inscribed: a truncated pyramid with a triangular eye rising above it, accompanied by the Latin mottoes *Annuit coeptis* ["He favours our undertaking"] and *Novus ordo seclorum* ["New Order of the Ages"] … . The State (and its Treasury), God (and our faith in Him) … these powerful, central signifiers converge, combine, and intensify each other so as to provide the bank note with its force … . The American bill … remains strongly marked by the emblems of civil religion: that is, by the imaginary realm of guaranteed value and fixed standards. The value of the bill still refers to a certain depth, a certain verticality. Somewhere, a treasure is present, a reserve, a fund, upon which this bill is staked.
>
> *(1989 [1999]: 116–17)*

Goux's semiotic analysis insightfully identifies how the invocation of religious and quasi-religious authority works to legitimate, stabilize, and reinforce monetary value. Yet the theology of modern money is more than a matter of mere association with the divine. As Henri Atlan has noted, "the divine metaphor of money as a vehicle and a sign of exchange, with its sacred character", is so insistent as to suggest that what is at issue is "more than a metaphor: truly an identification, a true presence of the divine in that which guarantees the truth of exchanges" (2010 [2013]: 132). In other words, money in modernity remains an *essentially* religious phenomenon – religious in its very nature. The precise character of modern money's religious ontology continues to be much debated, however. Two broad approaches – sometimes overlapping but nonetheless recognizably distinct – have developed around this question.

The first is associated with the so-called classical tradition of nineteenth- and twentieth-century social thought, a venerable lineage in which stand such giants as Karl Marx (1939 [1993]), Friedrich Nietzsche (1881 [1997]), Georg Simmel (1900 [2004]), and Karl Polanyi (1944 [2001]). For these and other thinkers, capitalism's "cash nexus" (Thomas Carlyle's term, influentially taken up by Marx and Friedrich Engels) destroyed every other expression of the sacred in social life – "drown[ing] the most heavenly ecstasies of religious fervour … in the icy water of egotistical calculation", in *The Communist Manifesto*'s famous words (Marx and Engels (1848 [2008]: 5) – even as it elevated itself onto a transcendent plane functionally indistinguishable from that of God. To this way of thinking, money supplants a God imagined as sublime, remote, and impersonal, a supreme being whose absolute power over every human value inspires both acute anxiety and fervent devotion. Marx in the *Grundrisse*, for example, argues that as the "general equivalent" – the neutral arbiter of all exchange – money is "the lord and god of the world of commodities. It represents the divine existence of commodities, while they represent its earthly form" (1939 [1993]: 221).

In his monumental *The Philosophy of Money*, Simmel offers the most extensive and systematic account of money's assumption of the place of God in human thought and experience. As he puts it in one of the book's key sections, in a desacralized age when "the elevation of the religious absolute as the ultimate purpose of existence" has "lost its power", "money in its psychological form, as the absolute means and thus as the unifying point of innumerable sequences of purposes", has come to possess "a significant relationship to the notion of God", rising "to abstract heights way above the whole broad diversity of objects" and inviting "confidence in its omnipotence" (1900 [2004]: 236–7). Indeed, Simmel ventures to suggest that "the frequent animosity of the religious and clerical mentality towards money matters" – evident most obviously in medieval Catholicism's prohibitions on usury – "may perhaps be traced to its instinct for the similarity in psychological form between the highest economic and the highest cosmic unity" (237).

The classical social-theoretical account of money's transformative power – which finds perhaps its purest expression in Simmel's opus – is strongly echoed by one of the most important recent studies of the conjunction of religion and economy, Philip Goodchild's indispensable *Theology of Money*. Goodchild's self-avowed affiliation to Simmel's thought (see Goodchild 2007 [2009]: 21) is evident, for example, in his claim that money offers itself as the "universal" and "supreme" "means of access to value", the "precondition for the realization of all other ends", and the "focus of attention and desire" – and thus "posits itself as God, the principle of all creation", whose "hold over attention is the worship it demands" (106). Money, Goodchild writes later, "replaces God as the metaphysical source of truth, value, and power. Money is therefore inherently theological because it is a source of the value of values" (218).

Elsewhere, however, Goodchild points to an alternate understanding of the theology of money, one in which money is less a cosmic, transcendent power, before which the faithful cower and bow in unthinking devotion, and more a culturally embedded phenomenon, which is invested with trust in complex, mediated, and reflexive ways. Goodchild makes the point that the structures of belief that undergird money differ subtly but significantly from those of religious faith as conventionally conceived: "unlike scripture, one does not need to believe in the promise or value of money; one merely needs to behave as though it held value in order to spend it and receive the offer it advances" (178). "Monetary transactions", he argues, "are invariably shared fictions", and to this extent belief in money might be understood as a form of religious belief less in the sense of overt veneration of some numinous, otherworldly agency, and more in the sense of adherence to a shared set of cultural rituals, practices, meanings, and traditions: "as every religious adherent knows, religious beliefs are only credible when they are shared with a community of believers" (167). Indeed, rather than us praying to money, it may be that money "prays" on our behalf (69).

This conception of the theology of money as concerned with how belief in monetary value is culturally conditioned, pragmatically negotiated, and performatively enacted has been prominent in recent years in strands of political economy, economic sociology and anthropology, and social studies of finance (see e.g. Beckert 2016; Bjerg 2014; de Goede 2005; Konings 2015; Maurer 2006; Zelizer 1997 [2017]). Martijn Konings' *The Emotional Logic of Capitalism* exemplifies this approach. Konings insists that "our secular age" – in which money stands as the defining social form – is "still … theological", but that "the structure of our faith differs from that of traditional believers" (2015: 51); we have experienced a "metamorphosis of the sacred" (Brown 1959: 248; qtd. in Konings 2015: 6). "Modern faith", Konings argues, does not make money into a "fetish" or "idol" to place on high and genuflect before; it does not "ascribe money inherent powers" or "mistake it for a thing-in-itself"; but the awareness that "money is a social convention, bound up with expectations and values" paradoxically "only makes our belief in it all the more organic and unconditional. The power of money works immanently, through the logic of its constitutive associations and attachments" (51, 7, 21). This is because money (in Konings' reinvention of Charles Sanders Peirce's semiotic theories) is not an idol but an "icon": an iconic sign, Konings explains, "has the curious capacity to signify metonymically, to express a constellation of which it is a mere part, deploying patterns of connectedness to express the character of the whole" (3). Hence, "we just 'get' [money's] meaning, even though this meaning remains conceptually elusive and we may not know exactly what it is that we grasp so easily or how we do so" (3).

Other scholars, such as Jens Beckert and Ole Bjerg, have also explored how tacit belief in money's value persists even as the ultimate sources of that value remain in crucial ways mysterious or ineffable. Under the international monetary system's present fiat money regime, money, as we saw in Goux's analysis of the dollar bill above, is notionally endowed with value by the state that – with all its sacral pomp and solemnity – issues it and authorizes its use as legal tender. Yet as Beckert and Bjerg suggest, in practice fiat money only functions insofar as citizens enter into unspoken agreement with one another to recognize that value. Beckert and Bjerg (like Goodchild and Konings) argue that social actors are not naively credulous in their use of such currency – placing unthinking faith in the objectivity and truth of its value – but rather recognize the mutual benefits of acting *as if* it were valuable (Beckert 2016: 98; Bjerg 2014: 110).

A logical consequence of this understanding of money as based on an active willingness to set scepticism aside and take things – quite literally – at face value is the deconstruction of the seemingly categorical opposition between real and fake money. In Jacques Derrida's words, "the circulation of … counterfeit money" can engender "the real interest of a true wealth. Counterfeit money can become true capital". Derrida thus asks:

> is not the truth of capital, then, inasmuch as it produces interest … by *working all by itself* as we say, counterfeit money? Is there a real difference here between real and counterfeit money once there is capital? And credit?

"Everything", he concludes, "depends on the act of faith" (Derrida 1991 [1992]: 124, italics in original; see also Brantlinger 1996: 24, 86–7). A singularly apposite characterization of the peculiar nature of monetary belief might then be Samuel Taylor Coleridge's famous assertion of the power of "poetic faith" – of literature's capacity to endow even "persons and characters supernatural" with "a semblance of truth sufficient to procure for these shadows of imagination

[a] willing suspension of disbelief" (1817 [2000]: 314; see Beckert 2016: 107; Bjerg 2014: 111; Shell 1982: 6).

Revealing though this analogy is, however, there is an important difference between belief in imaginative literature and belief in money. As Jochen Hörisch suggests, while "literature" or "poetic speech" – being overtly "fictional" – does not "even claim to validate its statements" or "to be covered by actual events or realities", money implicitly rests on the notion that though it may have no real value in itself, it is nonetheless ultimately "covered" or "backed" by something that is authentically valuable (Hörisch 1996 [2000]: 16–17). Hence Goux's claim that one of the ways in which the US greenback validates itself, even after the collapse, in the early 1970s, of the system of dollar-gold convertibility established at the 1944 Bretton Woods conference, is via the suggestion that "somewhere a treasure is present, a reserve, a fund, upon which [the] bill is staked".

People's willingness to use objectively "worthless" fiat money, then, would seem to owe something to a kind of folk memory of the "gold residing in the treasury of the state or the basement of the central bank" (Bjerg 2014: 112). Even decades after the closure of the Bretton Woods "gold window", "metallism" may thus "serve as a component in the ideology that functions to make state-proclaimed money work as money" (ibid.: 112). A dim background sense "that the money issued by the state is somehow backed by 'real value'", that is, helps this money "circulate as if it were actually backed by 'real value'" (ibid.: 112). Understood in these terms, it may be gold, specifically, that is the monetary equivalent of God. As the theologian Mark C. Taylor observes, "God and gold are believed to be the firm foundations that provide a secure anchor for religious, moral, and economic values". Going "off the gold standard" might therefore be understood as nothing less than "the economic equivalent of the death of God" (Taylor 2004: 6; see also Vogl 2010 [2015]: 61).

Yet as Taylor goes on to argue, the solid grounding that God and gold supposedly provide is itself "illusory" insofar as they are both themselves mere "signs" "grounded in nothing other than acts of faith" and "confidence": thus "in matters of economics as well as religion: *In the beginning is faith*" (Taylor 2004: 124; italics in original). Ultimately, then, even the apparently "inherent, real qualities" that give gold its "special" status – qualities that led Marx to describe gold as the "spontaneous" and "natural" form of "abundance and wealth" (words quoted approvingly by Goux in his opus *Symbolic Economies*) – "are nothing but the reflections of our own fantasmatic projections" (Bjerg 2014: 98; Goux 1990: 28; Marx 1859: 211).

Belief in the illusory value of fiat currency is supported, then, by belief in the no less illusory value of "precious" metal. So the question of how and why money continues (for the most part and in most places) to work remains difficult to answer from a logical standpoint. As Konings suggests, it seems that people just "get" money's basic functioning, even as the underlying rationale for that functioning remains obscure. Bjerg makes the point more starkly, concluding that "the fundamental constitution of money is somehow *unknowable*" and "does not lend itself to intellectual comprehension in the form of a coherent theory" (2014: 149, italics in original). Indeed, he suggests that it may be precisely *because* we do not know how money functions that it is able to function at all: nonknowledge of the thing is constitutive of the thing itself (Bjerg 2014: 151). A theology of money, then, would on this account be a negative or apophatic theology that addresses a phenomenon that exists precisely to the extent that it defies understanding of its existence, and is more amenable to statements of what it is not (not intrinsically valuable, not objectively real, etc.) than of what it is.

This notion of the fundamental unknowability of money bears significantly on what are perhaps the two most important monetary developments of recent decades: the expansion of private credit money and the rise of cryptocurrencies. Today, money created by commercial banks in making loans dwarfs in scale the coins and notes issued by central banks (in the United Kingdom, for example, something in the region of a mere 3 per cent of money in the economy is state-issued fiat currency; the remainder takes the form of deposits in individuals' and companies' accounts, most of it created by the banks themselves in crediting funds to their customers as mortgages or other loans [McLeay et al. 2014: 15]).

Credit money operates on the principle of fractional-reserve banking, whereby banks hold reserves equivalent to only a fraction of their deposits. In *Money: Whence It Came, Where It Went*, John Kenneth Galbraith famously introduces a discussion of the origins of fractional-reserve banking in early modern Europe by remarking that "the process by which banks create money is so simple that the mind is repelled. Where something so important is involved, a deeper mystery seems only decent". In fact, Galbraith recounts, the first banks would routinely initiate the process of money creation simply by transferring "coin on deposit" via "the stroke of a primitive pen". "Another stroke of the pen", in turn, "would give a borrower from the bank … a loan from the original and idle deposit … Money had thus been created" (1975: 18–19). Galbraith's demystifying account offers not so much a negative theology of money as a refutation of the very idea that money has a theological dimension (earlier in the book he complains that "much discussion of money involves a heavy overlay of priestly incantation" from those who, like "witch doctor[s]", cultivate "the belief that they are in privileged association with the occult" [4]). Yet in truth there *is* something profoundly enigmatic at the root of fractional-reserve banking: namely, the seemingly irrational or illogical leap whereby depositors come to believe that their bank is fully able to meet all requests for withdrawals precisely so that it does not in fact need to be (Bjerg 2014: 137–8). Again, this enigma is not incidental but constitutive: it is the very opacity at the core of the system that allows it to work.

Similar claims for money's total disenchantment, and similar evidence of its persistent (re-)enchantment, are evident in discussions of contemporary cryptocurrencies. Satoshi Nakamoto, the pseudonym of the inventor (or inventors) of the best-known such currency, Bitcoin, expressly conceived this new form of digital money as dispensing with the need for that which, as we've seen, is a key component of any monetary theology: namely, a latticework of trust extending across the social and economic fields. In Nakamoto's view,

> The root problem with conventional currency is all the trust that's required to make it work. The central bank must be trusted not to debase the currency, but the history of fiat currencies is full of breaches of that trust. Banks must be trusted to hold our money and transfer it electronically, but they lend it out in waves of credit bubbles with barely a fraction in reserve.
>
> *("Bitcoin", n.d.)*

Nakamoto's solution to the "problem" of trust is the blockchain: a public ledger, shared across all of the computers in the Bitcoin network, in which every transaction using the currency is recorded. As Nigel Dodd comments, "if money's users no longer have confidence in banks or states – or, perhaps, each other – to regulate and preserve the value of money, Bitcoin dispenses with the need for it by building trust into the software" (2014: 362). Once more, though, there is a "deeper mystery" here: specifically, "why on earth" Bitcoin and other cryptocurrencies, have "any value at all" (Lanchester 2016) – why people are willing to accept these (self-proclaimed) forms of money in exchange in the first place. All that one can offer in response is an answer that "concerns the arbitrary basis of all monetary value", and lies in a "proof which [goes] beyond argument" – the simple fact that Bitcoin demonstrably *is* readily exchangeable for a wide variety of goods and services. The "truthful answer" to the question of why Bitcoin has value, therefore, is "it just does, OK?" (ibid.). Here again, then, we see money's reliance on a foundational extension of trust and faith, which defies strictly logical explanation: trust in the persistence of a social consensus that affirms the monetary value of certain, more or less arbitrary, phenomena, and faith in some notional "big Other" or transcendent "spectral agency" (Žižek 1999: 339) that somehow grounds, regulates, and guarantees that value. Even in its most technically engineered, digital forms, money still harbours something at its core that surpasses understanding.

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11
DEBT AND CREDIT

Philip Goodchild

Introduction

The global financial crisis of 2007–2008 exposed the extent to which debt and credit are a central feature of contemporary economic life: individuals, corporations, financial institutions and governments all operate with high levels of indebtedness. Moreover, it also exposed how relations of debt and credit exceed the abstract model of a market with its tendency to return to equilibrium: while there certainly exist markets for the exchange of debt contracts, and while the demand for loans is influenced by the price of debt, the interest rate, there is no such restriction upon the supply. A debt is created simply by the issue of a promise. For example, when a government makes a promise to fund retirement pensions for its ageing population, it undertakes a liability, without necessarily having the resources to fulfil such a promise (Das 2016). Nevertheless, many citizens plan their lives on the basis of such promises. When promises are treated as holding value, and are transferred in exchange – whether the promise is a treasury bond, a corporate bond, a personal commitment, a securitized loan, a financial derivative, an insurance contract, a bank note, an electronic record of deposit at a bank, or a reserve account at a central bank – these are treated as an effective power to make purchases. Free-market exchange is facilitated by a network of promises and obligations, credits and debts. This financial network coexists with market exchange, facilitating and underwriting it, while operating according to a different logic. Where market exchanges are completed instantaneously, relations of credit and debt endure; where market exchanges are an opportunity to express preferences, debts relations are obligations; where market exchanges involve the transfer of goods or services, debt relations may involve the pledging of collateral; where market exchanges take place between nominal equals who exercise free choice, debt relations produce a situation of unequal power; and where market exchanges may take place between strangers who need have no further contact, debt relations establish bonds of trust and dependency. The overall level of debt in an economy, therefore, is a measure of the overall level of contracted trust.

Much contemporary economic analysis is grounded in rational choice: it begins with the situation of a free consumer in the marketplace who estimates the costs and benefits of available choices and seeks to maximize their own preferences. The costs and benefits of possible debt contracts can also be estimated in this way, so that credit appears to be an opportunity to apportion one's spending power during the course of a life to the moments when that power is most needed, such as in the purchase of a house. Nevertheless, this assumes the perspective of one who is able to survey the future in advance. The fundamental reason why debt cannot be reduced to exchange, or the economy to a market, is because of the degree of uncertainty about the future (King 2016: 42, 129): one who is in debt is no longer entirely free, since they are subject to the obligation to repay, whatever the changes in their employment prospects, asset values or the fortunes of those upon whom they are dependent. Financial networks of credit and debt require a fundamentally different mode of economic analysis from those constructed on the model of the market. This mode of analysis has to engage with promises, obligations, uncertainty and trust. In previous societies, these dimensions of human relations were regulated by morality and religion; in the contemporary global economy, they are regulated by finance and banking. Crucial human relations to others, to society and to the environment are regulated by debt (Paik and Wiesner-Hanks 2013). Now, if finance and banking cannot be fully comprehended by free-market economics, the question remains as to whether there is any legacy of morality and religion in their operation: does the analysis of economic life still require a theology? The theological dimension would concern the way in which trust and obligation are grounded, enabled and ordered in human relations.

Some of those who regard economic life as grounded in debt and credit, rather than exchange, appeal to Friedrich Nietzsche's second essay from *On the Genealogy of Morality* (1994 [1887]) as the founding text of their discipline (Deleuze and Guattari 1984; Dienst 2011; Lazzarato 2012, 2015; Stimilli 2017). While Nietzsche connected debt to religion, and specifically linked it to Christianity, the thrust of this strategy of analysis has been to offer an explanation of both debt and religion in terms of power relations. By contrast, theological criticisms of economics and finance seek to continue to regulate trust and obligation by traditional morality and religion: this offers a theology of economics, without exploring how finance and banking do in fact regulate trust and obligation (e.g. Bell 2012; Long 2000; Selby 2014; Sung 2007; Tanner 2005). A further stream of analysis starts from the creation of money as debt and explains exchange relations on the basis of debt relations, offering a new paradigm in macroeconomics (Keen 2012; Rowbotham 1998; Turner 2016; Werner 2005). None of these approaches take their analyses to be an economic theology. Nevertheless, taken together they offer a basis for exploring how trust and obligation are grounded, enabled and ordered through economic relations of debt and credit.

Genealogies of debt and credit

> To breed an animal *which is able to make promises* – is that not precisely the paradoxical task which nature has set herself with regard to humankind? Is it not the real problem *of* humankind?
>
> *(Nietzsche 1994: 38; italics in original)*

Nietzsche comprehended human nature in terms of responsibility, remembering the past and considering the future. A person capable of making a promise is at once one who is able to calculate the future and one who is capable of behaving regularly and reliably. Instead of understanding economic relations on the basis of a model of rationality, Nietzsche set out to explain rationality itself on the basis of economic relations (1994: 49). Measuring, calculating and comparing power with power emerge in the context of power relations enacted through contract, debt and exchange: these resulted originally from people comparing their power with each other rather than comparing their preferences for each others' goods. Only when people behave consistently can calculation and prediction take place; only when people can calculate and promise can they behave consistently. This knot is cut by constructing a memory through the infliction of pain: only something which hurts stays in the memory. Nietzsche situated this infliction of cruelty in the elementary relationship between creditor and debtor:

> Precisely here, *promises are made*; precisely here, the person making the promise has to have a memory *made* for him: precisely here, we can guess, is a repository of hard, cruel, painful things. The debtor, in order to inspire confidence that the promise of repayment will be honoured, in order to give a guarantee of the solemnity and sanctity of his promise, and in order to etch the duty and obligation of repayment into his conscience, pawns something to the creditor by means of the contract in case he does not pay, something which he still "possesses" and controls, for example, his body, or his wife, or his freedom, or his life (or, in certain religious circumstances, even his after-life, the salvation of his soul, finally, even his peace in the grave).
>
> *(1994: 44; italics in original)*

On this account, costs and benefits are arbitrarily imposed in order to make people predictable and rational. Nietzsche even explained the origins of sacrifice, asceticism and religious cults as systems of cruelty designed to imprint memory through pain (1994: 41); where suffering is senseless and unexplained, people were obliged to invent gods as the reasons for suffering, gods who would take pleasure in cruelty (1994: 48). In this respect, the power relation between debtor and creditor is deployed to make sense of the relation between the present generation and its forebears. Since a people only exists because of the deeds and sacrifices of its forefathers, these have to be repaid with sacrifices and deeds – and as each new generation receives greater benefits, it owes a greater debt. Unlimited debt, then, is the origin of religion (1994: 65). The crucial point is that even without the immediate presence of creditors who encourage compliance by imposing punitive terms, memory is the internalization of cruelty, fed by all the aggressive instincts that cannot be discharged within a society and so are consequently turned back against the individual in the form of a bad conscience (1994: 61). According to Nietzsche, Christianity makes this internalized debt infinite in original sin and eternal punishment, and even insofar the creditor, God, sacrifices himself out of love for his debtor (1994: 68).

It is this power relation based on unlimited debt that has been taken up for a political analysis of contemporary economic life by Nietzsche's followers such as Maurizio Lazzarato. Money has replaced God as the object of infinite obligation:

> We are no longer the inheritors of original sin but rather of the debt of preceding generations. "Indebted man" is subject to a creditor–debtor power relation accompanying him throughout his life, from birth to death. If in times past we were indebted to the community, to the gods, to our ancestors, we are henceforth indebted to the "god" Capital.
>
> *(Lazzarato 2012: 32)*

Such debt may take the form of the national debt, consumer debt, a mortgage or a student loan; it may simply be the moral obligation of those out of work to seek training and employment. Lazzarato emphasizes how power relations operate through debt: at the same time as obliging people to labour to repay their debt, people are obliged to internalize the morality of promising, by honouring their debts, and to internalize the morality of guilt for having entered into debt (2012: 30). Labour is first of all a work to be performed upon oneself to make oneself capable of discharging one's inherited debts; it is a work of interiorization, the formation of a conscience. The paradigm for social relations is not that of exchange but that of debt and credit: instead of an exchange of items of equal worth by people of nominally equal status, the relationship of creditor and debtor is founded on inequality and asymmetry. The creditor may impose terms upon the debtor so that what is counted as equivalent in exchange is what will serve as a guarantee of debt repayment. While credit should normally be understood as trust, when correlated with debt it is an expression of mistrust (2012: 57): if others are regarded as competitors, rivals and debtors, then the only basis for trust is their ability to pay. In place of the sovereignty of consumer choice, then, it is the cultivation of indebtedness, with its intensification of conscience, that is primary: the market economy is subordinate to the debt economy (2012: 75). Capitalism inherits from Christianity the capacity to induce unlimited debt (2012: 79).

What is distinctive about this approach is that it conceives debt and credit as continuity through time, inheriting obligations and setting the path for aspirations. By contrast, the analysis of debt and credit according to market choice translates everything into the present tense (Dienst 2011: 2), such that the choice for debt is simply a present preference to defer consumption. Power relations, obligations and the formation of subjectivity are subject to methodological elimination by such concentration on the present choices of the presumed sovereign consumer.

In a divergent analysis, David Graeber (2011) has offered a history of debt that also links it to the exercise of violence. For the evidence of history and anthropology is that most societies have operated economically on the basis of communality and hierarchy. In local communal societies, each contributes according to his or her own ability to others on the basis of their needs; in hierarchical relations, customs of offering to superiors become a basis for redistribution through patronage. No society before medieval times has operated primarily on the basis of barter or exchange: where exchange takes place, it happens between strangers, in a potentially hostile confrontation, where the aim for each is to take advantage of another (Graeber 2011: 104). Pure exchange was exceptional: in a human economy, other people are the greatest economic resource, and in any interaction the human relations are far more significant than any items exchanged. Likewise, all items have a history, and symbolize the human relations involved. For an item to be traded in a market, then, first of all requires that it be torn out of its context in a particular society: such is the conduct of slavers, conquerors, mercenaries, burglars and debt collectors.

Graeber traces the emergence of market capitalism back to the conquistadors, merchant adventurers, mercenaries, slavers and colonialists, people who operated abroad outside their social context, and who were in turn funded by financiers in the home country who would demand repayment at interest in order to lend, whatever the outcome of the expedition. As a result, the hostile model of exchange between competitors and rivals was brought back home for the financiers, and was adopted by the commercial elites and landed aristocracy: instead of credit being simply the grease that oiled a human economy in promises of deferred payment, debt was regarded as something that had to be repaid on time. Legal regulation of debts among financiers and merchant adventurers had a devastating effect when applied in local human economies which still grounded exchange in community and hierarchy. For once the failure to repay debt was criminalized, then the entire economy of obligation that constituted life for the local economy was itself subject to criminal strictures and proceedings, and credit and debt were discouraged in contrast to pure market exchange on the basis of coinage (2011: 335).

Debt reduces a human relation to an exchange; it is contracted between nominal equals, as if it were an exchange, even though for the duration of the debt a hierarchical relation takes hold (Graeber 2011: 120). The fostering of this perspective that regards all interactions as exchanges was itself a moral imperative to treat neighbours as if they were strangers. Such is the economic situation presumed by rational choice theory.

Dynamics of debt and credit

A rather different approach is to focus on the alchemy of the creation of money through the banking activity of maturity transformation: banks borrow in the short term and lend over the long term (King 2016: 91; Turner 2016: 58). Yet they need not take a deposit in advance of making a loan. When money is borrowed from a bank, the borrower gains an asset, the new purchasing power, and a corresponding liability, the obligation to repay the loan; similarly, the bank has a liability, the duty to honour payments, and a corresponding asset, the expectation of loan repayment. Each cancels out the other. Moreover, while the created money may leave the bank, other new loans made on the same day by other banks may lead to fresh deposits, with the majority of such transactions cancelling each other out – most of the newly created money returns. The remainder can be borrowed at the overnight rate from other banks, or transferred in the form of reserves at the central bank. The financial system has no reserve of value as the basis for money; it simply engages in swaps of the debts between financial institutions, central banks and national governments. The creation of money out of nothing in the form of credit and debt, facilitated by clearing operations, seems to be almost miraculous, creating something out of nothing (Bjerg 2014: 137–42). It is the birth of an effective power to turn ideas into realities through investing and purchasing, creating the economic world – a power that Marx did not hesitate to call divine (1988: 139). It does, however, come at the cost of growing instability and inequality (Goodchild 2007).

For if new money is created to fund the purchase of existing assets, such as property or financial assets, prices are driven up. Since there is an expectation of price increases, more money is borrowed to invest in rising assets, and the assets rise still further. Since asset prices rise, they offer good collateral for the issuing of loans, and losses from defaults are rare. Since losses are rare, interest rates can be lowered, and more money can be borrowed. The overall effect of this virtuous circle is greater wealth for owners of property, greater demands for consumption and greater overall production (Turner 2016: 72). Of course, those who do not directly gain, either from ownership of assets or improved employment and wage prospects, are left behind. Yet more problems start when such asset price bubbles burst. If, for whatever reason, there is a general hesitancy about borrowing for further investment, then prices stop rising. This, in turn, encourages a hesitancy about borrowing, so prices start to fall. Once prices start to fall, borrowers may find themselves in negative equity, while lenders may find that the loans they have issued are supported by insufficient collateral – for while the value of a debt is fixed at the time of contracting, the value of associated assets may change over time. In order to secure their solvency, borrowers and lenders may seek to sell assets before they fall further in value, so contributing to a price collapse. The resulting reduction in consumption leads to a fall in production, recession, bankruptcy and unemployment, and debt defaults which spread through contagion. A credit crisis emerges when financial institutions are unwilling to lend to each other because they doubt each other's solvency (King 2016: 37). In the credit crisis of 2007–2008, national governments intervened to maintain solvency in the financial system at the cost of their own taxpayers, and subsequently, their welfare recipients. Such crises and policy responses augment long-term instability and inequality. Indeed, it is quite possible that the alternative ways of reducing debt by default, inflation or devaluation may in fact increase debts overall, whether through the deflationary destruction of economic activity or through the inflationary dynamics that feed asset bubbles (Turner 2016: 222–7).

The fundamental problem, here, is that each promise, each debt contract, is undertaken in the faith that one will have the capacity to repay. This capacity, in turn, is dependent on the overall health and stability of the economic system, for if assets fall in value, opportunities to earn do not arise, or if one's own debtors run into difficulties, then one is at the mercy of economic circumstances. Each promise is a wager on the unknown, and the unknown itself is determined in part by the chaotic behaviour of positive feedback dynamics. Economic success would appear to lie in the hands of fate or the gods (Ramey 2016).

Theology of debt and credit

What is most striking here is that such promises, once made, have more than a merely personal significance. While a creditor might, in principle, choose to exercise mercy by forgiving a debt, this is only viable when a creditor has sufficient resources to meet their own commitments. As in Nietzsche's account of the internalization of conscience, a promise or debt has an impersonal or universal significance. Each debt is a Faustian bargain, offering limited empowerment at the cost of a life of servitude to the loan. Moreover, since debts have to be repaid in the form of money, a debtor has to obtain possession of money – which consists in the debts of others – in order to meet their obligations and maintain their creditworthiness. Since more money is usually repaid than borrowed, each creditor is therefore reliant on there being more debt overall in the economic system at the time of repayment than there was at the time of borrowing (Goodchild 2007: 13). A debt-fuelled economic system is addicted to growth; when growth falters it is the same as the bursting of an asset bubble – increasing instability and inequality result. In other words, the systemic obligation to increase indebtedness has become unlimited.

Yet a truly theological perspective on debt can only be formed when one distinguishes credit from debt by considering these apart from exchange. In an exchange relation, an offer of credit is matched by an undertaking of debt; credit and debt are inverse sides of the same relation. By contrast, to invest someone or something with credit may simply be to invest them with trust and significance. What happens to them matters; one is vulnerable to their fortunes. Credit can be a matter of psychological investment: what one notices, pays attention to, records and counts as significant (Stiegler 2010: 65–6). This is the primary way in which trust and obligation are ordered, yet it is one that eludes any scientific analysis because it is concerned with future possibilities alone; it has historically been guided by religion. Yet even today, each person is guided by an implicit theology of credit in the manner in which they order their distribution of time, attention, care, concern and devotion (Goodchild 2015: 223). For there are some goods in life which we cannot access through purchasing; these include goods which are only possessed insofar as they are offered. The only time I have is the time that I spend, and even if I spend my time on myself, I have it no more. The life that one leads is constituted by the offering one makes of time, attention, care, concern and devotion. Such an offering may be guided by promises; it may also be guided by faith. *The theological dimension of life consists in the way in which obligation and trust are grounded, enabled and ordered.*

It is in this respect that one may speak of a theology of debt: when attention, obligation and trust are grounded, enabled and ordered through the mechanisms of debt. In the contemporary economy, debts are typically calibrated in terms of money and settled with money, yet money, in turn, is typically constituted by transferable debt. Since a debtor is under an obligation to settle with money, and therefore acquire money, a debtor is also under an obligation to pay attention to money: to quantify goods and services by the amount of money which these might yield in exchange. Insofar as debtors only attend to money, then the needs and obligations of others only hold effective significance insofar as money is offered to meet them. The tendency to view economic life purely in terms of exchange as a market is an imperative that is reinforced by debt. Indeed, since preferences are only revealed to the extent that they are supported by money as effective demand, and more money enables one to make one's demands more effective, the most powerful and effective preferences will, over the long term, be those that aim at profit. Profit, in turn, is measured in terms of money. Money becomes the supreme value when it is both the perspective through which the world is measured and valued, in terms of prices, and the means through which the world is reconstructed, through purchase. Since it is the means of realizing all other values, money posits itself as the supreme value (Goodchild 2002: 128). This is to say that money lies above the sphere of human liberty. Just as one who undertakes a debt has to live subsequently according to obligation, one who measures value in terms of money is only valued insofar as he or she has money to spend. It is a case of selling one's freedom. One purchases all that money has to offer, in terms of a power of quantification, a measure for preferences, a means of realizing desires – and finds that, as a participant in a market society, one is obliged to work for money. Money might seem to promise liberty to those who acquire it, but it effects servitude for all who seek it. What is short-circuited in this process is the opportunity to measure preferences against reality itself, to determine which preferences should be realized; what is short-circuited is the weighing of needs and obligations apart from money. In short, money offers an image of liberty – the power to realize preferences – but it imposes servitude: the obligation to conduct life in order to seek money.

The theology of debt, therefore, offers both a genealogical and a dynamic account of the prevalence market relations and debt relations in contemporary economic life. While there are many goods in life that are not subject to exchange, including goods of participation, things that can only be mine if they are also yours, and goods of offering, things that can only be mine insofar as I give them to others, the theology of debt focuses attention solely on goods of exchange and appropriation, things that can be mine only if they are not yours. As such, the increasing ordering of economic and power relations through debt leads to a decline in the value attributed to other modes of political participation, other moral obligations and traditional religious commitments. This is an implicit theology embedded in practical and economic conduct; it is not an ideology or false consciousness adopted by a human subject, but an impersonal, autonomous perspective that seizes hold of human subjects through their willingness to use money and enter into debt. It is difficult to overemphasize how deeply this theological approach diverges from mainstream social science. Where social science appeals to an underlying reality composed of markets, institutions, productive powers, information and choices, the theology of debt and credit regards what is determining in the last instance as an orientation towards an unknown future in the form of attention, trust and investment. Where social science lays out a structure within which human agents respond, the theology of debt and credit exposes an ordering power and evaluative perspective to which human agents submit and are then bound. Where social science retains the act of evaluation for human choice, the theology of debt and credit posits itself as the supreme value and power to realize values. Money replaces God as the framework for ordering trust. This is a self-propagating process heading towards ecological, social and economic disaster. It is a spiritual power from which we all require redemption.

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12
FREE CHOICE AND CONSUMER SOVEREIGNTY

Stefan Schwarzkopf

Introduction

Undergraduate textbooks in economics, which are used to send thousands of economists into the world each year, hold the truth to be self-evident that the pursuit of private gain will result in the social good. Although this paradigm is not viewed without scepticism within mainstream economics, most economists still cling on to the mantra that people pursuing their own self-interest will ultimately overcome the problem of resource allocation better than costly bureaucracies. Free-market economies that allow entrepreneurs and consumers to follow their self-interest are thus said to function "automatically" (Nelson 2001: 268–302; Sloman 2006: 46). In this chapter, I argue that the political–ideological paradigm of the freely choosing consumer "knowing best" has a particular *ecclesiological genealogy* and thus forms part of the economic theology that advanced capitalist societies are based upon (Schwarzkopf 2011).

From the perspective of the economy's demand side, allowing actors to allocate their resources according to their own, independently chosen parameters is most often associated with consumer sovereignty theory. Put in simple terms, consumers' freely taken choices provide signals to entrepreneurs to allocate their resources accordingly, and thus meet consumers' demand. The ensuing competition between entrepreneurs to meet this demand faster, with better quality products and services, and at lower prices, then leads to a world that combines the best outcomes for all. Proponents of the consumer's sovereignty were quick to connect this economic ideal to the tenets of democracy: just as democracies legitimized themselves by majority vote, so could capitalist consumer economies legitimize themselves through the analogy between choosing and voting. According to this political philosophy of the "consumer king", the consumer is certainly not always rational, but ultimately best placed to form an overarching authority – a sovereign – to whom the market ultimately has to answer.

Many critics of this political–economic theory have pointed to the ideological origins of the sovereign consumer. These commentators often connect the idealization of "freedom of choice" to the rise of neoliberal political economics in the late 1970s (Clarke 2006; Eagleton-Pierce 2016: 20–3; Schwarzkopf 2018). The political ideal of the choosing and hence "sovereign" consumer, however, has roots that run much deeper than the well-charted rise of Austrian- and Chicago-style free-market philosophies. The enthroning of the consumer as the imaginary sovereign of a "market democracy" carries an enormous theological baggage. This baggage links consumption, markets and choice to immanentized forms of *eschatology*, a kind of "heaven on earth" in the words of Robert Nelson (1991). But there is more to it. The economic theology that is hidden in consumer sovereignty theory also provides consumer-centred market democracies with a legitimizing spirit in an *ecclesiological* sense.

Forming the "spirit" of consumer choice

In their seminal work *The New Spirit of Capitalism*, the two French sociologists Luc Boltanski and Eve Chiapello argued that capitalism always requires a legitimizing social discourse and a kind of shared mindset in order to function (Boltanski and Chiapello 2007). Max Weber, to whom these two sociologists obviously referred in their title, first identified this shared ethos that undergirded economic accumulation principles in the Protestant "economic mentality", the *protestantische Wirtschaftsgesinnung* (Weber 1993). According to Boltanski and Chiapello, however, this spirit had not left the "iron cage" of capitalism at the turn of the twentieth century, but was constantly being put back into it by incorporating anti-capitalist critique. The celebration of free consumer choice as organizing principle of an economically liberating as well as a socially just economic order came about through a similar mechanism, and it also drew on a set of modern Protestant economic leaders committed to making *this* world holy (Weber 1978: 538–50).

At the beginning of the new spirit of consumer choice stood the figure of the businessman as "robber baron". During the late nineteenth century, American commentators in particular pointed at the stultifying economic influence of industrialists and bankers like Cornelius Vanderbilt, John D. Rockefeller, Andrew Mellon, Andrew Carnegie and J. P. Morgan, and their unethical and immoral business practices of forming monopolies and of undermining labour rights and democratic planning processes (Bridges 1958). In order to build up an alternative vision of the American businessman and escape moral censure, economists and business leaders created the idea of the industrialist as public servant and of the capitalist market as a kind of feedback machine. Even monopolists, thus went the argument, could only have built up their fortunes by offering a product the consuming public actually desired. Rather than violating the democratic and competitive order of the market, the successful businessman brought order in the first place. Instead of rebuking the entrepreneur for trying to make a profit, economists and businessmen called on consumers to become more aware of their own power: if each dollar was equivalent to an economic "vote", then this new sovereign should awaken to his sovereign powers qua choice.

In 1905, the American economist Frank Albert Fetter, an important representative of the early Austrian school of economics in the United States, provided the first coherent outline of this thesis:

> Every buyer determines in some degree the direction of industry. The market is a democracy where every penny gives a right of vote … Every individual may organize a consumer's league, leaguing himself with the powers of righteousness. Will he read a yellow journal or a pink or a white one? A nickel or two will buy either. He has a dollar; will he go to the theatre or buy ten dishes of ice-cream? … Every purchase has far-reaching consequences. You may spend your monthly allowance as an agent of iniquity or of truth. You cannot escape a choice even by burying the money, for that is either a demand for gold or a gift to the issuer of paper currency.
>
> *(Fetter 1905: 212)*

Fetter was a Quaker who believed that God put each individual to the test and that each person therefore had the duty to develop themselves to pass that test. This endeavour did not cease to unfold itself in the market but held true in all walks of life. Thus, each choice a consumer made affirmed this consumer's beliefs and values, and it was these free choices that rendered markets *both* democratic *and* monarchic in their structure:

> A striking feature of the competitive method is its decentralization. Each helps to value the economic services of each. If one pays more for the services of the singer than for those of the cook, it is not because he would rather listen to the singing than to eat, but because by apportioning his income he can get the singing and the eating too. In the existing circumstances, the singer's services seem to him worth paying for, and he backs his opinion with his money. So each is measuring the services of all others, and all are valuing each. It is the democracy of valuation, while the method of authority is an oligarchy or monarchy.
>
> *(Fetter 1905: 220)*

Fetter's religiously inspired construction of the market as a permanent test ground of individual morality chimed with contemporary American social philosophies which interpreted the social order in the light of God's manifest covenant with his people (Moots 2010). Leaders of the American advertising industry stood firmly in this tradition as they began to promote the Protestant conviction that an individual's choice was a form of personal "testimony" and thus part of the pathway to salvation. The two foremost American advertising agencies, J. Walter Thompson (JWT), founded in 1864 in New York, and N. W. Ayer & Sons, founded in 1869 in Philadelphia, both enjoyed very close connections to the Christian publishing industry on the eastern seaboard and in the Midwest. In 1875, the Baptist Francis Wayland Ayer, founder of what was then America's largest advertising agency, N.W. Ayer & Son, wrote to a business friend who had expressed doubts over the moral worth of the advertising profession:

> I have put my hand to this plough and by the help of the Lord I am going to finish the furrow. Before I have finished, you will come to me some day and say that you respect me for my business as well as myself.
>
> *(Qtd. in Lears 1994: 93)*

Before settling in the advertising industry, Ayer had worked for periodicals like *National Baptist*, and he built his agency around servicing religious weeklies. While building America's number one advertising agency, he was a Sunday school superintendent and served for twenty-five years as president of the North Baptist State Convention of New Jersey (Hawkins 1999). About him it was said that he was "such a man as Oliver Cromwell would have been had Oliver been allowed to become an advertising agent" (Rowell 1906: 258).

The Protestant faith in the market as the realm of a religious "calling" was perhaps best represented by Bruce Fairchild Barton, co-founder of one of the largest advertising agencies in America, Batten, Barton, Durstine & Osborne (today BBDO), one-time Republican congressman and public relations advisor to US president Calvin Coolidge (Buckley 2003). Barton was born into a family of itinerant preachers, who in the 1880s settled in Oak Park, Illinois, where they formed the First Congregationalist Church. Barton attended Berea College, a Protestant liberal arts college in Kentucky, and began work as journalist and editor for various religious and consumer magazines during the 1910s and 1920s. Infused by the Protestant principle of proactively shaping one's own fate, Barton used his columns to promise "More Power to You" (Barton 1917) and "Better Days" (Barton 1924). In 1925, Barton published a book entitled *The Man Nobody Knows*, in which he portrayed Jesus as the "world's greatest salesman", an advertising executive whose charismatic powers instilled optimism and a sense of personality in all people he met (Barton 1925; Fried 2005: 4–20). In 1926, Barton followed this success story with *The Book Nobody Knows*, an interpretation of the Bible from the viewpoint of Madison Avenue, and a year later he summarized his secular sermons in the tract *What Can a Man Believe?* (Barton 1926, 1927).

Just as the advertising industry was strongly rooted in the religious fervour of the nineteenth century, the market and consumer research sector was also the precinct of distinct religious communities. The first generation of English and American market and consumer researchers was born into a religious constellation which ensured that notions of the individual conscience as the centre of salvation became the founding stone of the metaphysics of the market (Bercovic 2010; Valeri 2010). Early market researchers and consumer psychologists like George Gallup, Elmo Roper, Charles Coolidge Parlin, Walter Dill Scott, James McKeen Cattell, Edward Kellog Strong, Robert J. Silvey and Henry Charles Link; marketing theorists like Wroe Alderson; and firms that committed themselves to the techniques of market and consumer research early on, like Rowntree's in Britain and Quaker Oats in the United States, all belonged to a transatlantic commercial culture dominated by Baptists, Quakers and Evangelical Christians (Schwarzkopf 2012). Out of this large group of people, I will focus here on one market and consumer researcher whose publications highlight the direct line that can be drawn from Protestant theology to modern consumer capitalism. This protagonist, the Southern Baptist Henry Grady Weaver, was General Motors' first director of consumer research and a great popularizer of the market and consumer research agenda. In his role as consumer researcher, Weaver appeared on *Time* magazine's cover in November 1938, but he also authored widely read texts on the political–theological underpinnings of the American market economy (Marchand 1998).

In 1947, Weaver published a book entitled *Mainspring*, a bestselling Libertarian–Protestant apologia for free-market capitalism and its inherent Christian–Judeo "virtues of self-reliance, self-improvement, self-faith, self-respect, [and] self-discipline" (Weaver 1947: 26). In the book, Weaver rejected all government control of private enterprise by reminding his readers that "Christ spoke of the God of Abraham. The God of Truth. The God of Rightness. The God that does not control any man but who judges the acts of every man". Weaver also used the book to advocate a political structure that "unleashed the creative energies" of individuals, leaving them free to work and consume as they pleased (1947: 66, 5). In the book, Weaver brought together two strands of intellectual developments which together made up the metaphysical basis of twentieth-century consumer capitalism: the Protestant emphasis on life as individual effort and hard work, and the deist belief in universal harmony. For Weaver, competition was the "practical manifestation of human beings in free control of their individual affairs, arriving at a balance in their relationship with one another" (1947: 16). Attempts to regulate this "balance" through the meddling authority of political decisions merely destabilized the "natural order" that emerged between individuals in society (Weaver 1947: 16–19). To Weaver, there were "no substitutes for self-faith, self-reliance, self-development, individual effort and personal responsibility. Life on earth is no bed of roses. The end of man is not self-indulgence – but achievement. There are no short-cuts, and no substitutes for work" (Weaver 1947: 225).

With the arrival of liberal European immigrants in the United States during the interwar years, two strands of metaphysical reflections about market economies that had become separated during the eighteenth century finally came together again. Although the likes of Ludwig Mises, Friedrich Hayek and Ayn Rand were deeply suspicious of organized religion, their visions of the free-market order became infused with the religious idiom of American industry leaders.

As Bethany Moreton, Michael Novak, Robert Nelson, Jacob Viner, D. Stephen Long and many other authors have shown, from the 1920s onwards the culture of enterprise and free consumer choice retained the character of a theological project (Long 2000: 104–6, 203–7; Moreton 2009; Nelson 2001: 35–48; Novak 1982: 333–60; Viner 1960).

The market: neoliberalism's *corpus mysticum*

Critics of the above-outlined narrative might legitimately ask why all the talk of the market being organized through free choice was not merely a political ideology, propped up by phoney references to the Bible. After all, economists, advertising agents and consumer researchers did in fact try to defend the image of the American businessman against the charges of those who wanted to see stronger industry regulations and a break-up of large monopolies in banking, rail transport, steel, oil and telephone communications.

There are two reasons why the rise of the notion of free choice must be understood as a theological project and not merely as political ideology. The first reason is of a purely historical nature. The authors introduced above succeeded in changing American and European economic cultures and legitimized a more positive view of the consumer as sovereign chooser. They did so by couching their viewpoints in unmistakably religious terms. Political leaders like Ronald Reagan, a Presbyterian who graduated from a college in Illinois run by the Disciples of Christ, and Margaret Thatcher, daughter of a Methodist preacher, then translated these religious views into policies that "liberated" consumer markets from government controls (Filby 2015; Holmes 2014: 173–85). Ultimately, markets are part of a nation's political–institutional architecture. As Robert Bellah argued, political institutions such as the state, political parties and their leaders; public rituals (national anthem, oath of allegiance, flags adorned with mythical symbolism); and the veneration of collective memories of sacrifice can all give rise to political, secularized or civil religions. If political institutions can be rendered the subject of religious adoration, then the market as a set of institutions, too, can become the centre of an economic religion (Bellah 1980; see also Cox 2016).

The second reason why the ideology of free consumer choice should be interpreted within a theological framework is a conceptual one. At the heart of the notion of "consumer sovereignty" is the unresolvable contradiction that final and uncontested ("sovereign") authority cannot be exercised by a combination of individuals that are exposed to a myriad of influences and artifices that make up the market. Fetter was wrong: the political structure of economic valuation cannot be democratic and monarchic at the same time. Facing this aporia, economists and industry leaders of the liberal tradition took recourse to the medieval theological concept of the *corpus mysticum* and applied it to the economy.

According to William Harold Hutt, a London School of Economics-trained British economist who in the early 1930s coined the term "consumer sovereignty", this concept allowed both to accept that consumers could individually fail, and still to postulate that they collectively created social outcomes that reflected the collective will best (Hutt 1934, 1936: 257–72, 1940). Hutt and other Austrian economists explicitly rejected an approach to studying consumer markets that subjected individual choices and their outcomes to moral appraisals (von Mises 1949: 297). For Hutt, the term was useful because it

> [got] over the defects of the concept of "social utility" as a criterion of social economy … it conveys no suggestion that such sovereignty is defensible on ethical grounds, that it is right or just … and the same validity can be claimed for it that can be claimed for

> a decision by ballot, given similar rationality on the part of voters in an election and consumers in the market place.
>
> *(1934: 17)*

Elsewhere, Hutt equated consumer decisions with the general social will, Jean-Jacques Rousseau's *volonté général*: "The social will may be most truly realized when the greatest measure of sovereignty is vested in consumers" (Hutt 1936: 257). In other words, the market aggregated consumer decisions, and it was thus always right. Whatever *individual* mistakes consumers made in running after this or that fashion and falling prey to this or that marketing ploy, in its *totality* the market – as the manifest outcome of consumers' sovereign decisions – knew best how to allocate social and economic resources.

Crucially, this political–theoretical conceptualization of the consumer market shared many more similarities with the Greek idea of the *ekklesia* as the eternal and sovereign legislative assembly, than with the *agora* or the *emporion*, that is, the market as space where political ideas where challenged and goods bought and sold (Davidson 2012). In the ideal Athenian democracy, the *ekklesia* was the subject of popular sovereignty and the collective voice through which the popular will expressed itself. "The market" (as in *agora* or *emporion*), on the other hand, was a space which was clearly subjected to legal regulations, temporal limitations and moral suspicions.

The affinity between consumer sovereignty and *ekklesia* is significant since it was the latter, and not the *agora* as open space of competition and discourse, which served as role model for Christian theologians who used this term to denote the sacred status of the newly founded Church. Within the Church, there were individual sinners, heretics, and much discussion amongst the congregants was misguided by lack of faith – that much was clear even to Saint Paul (Galatians, 2). As a whole, however, the Church (*ekklesia*) was holy and could not fail. According to medieval canonists, the Church as entirety of those who were called forth to confess (*eklegoi*), consisted of much more than simply the total number of individual members. As both the subject and the object of faith, the *ekklesia* formed a *corpus mysticum* with the figure of Christ as its head (Ephesians, 1:23; Lubac 2006).

Following the fourteenth-century political philosopher Marsilio of Padua, it was possible to transfer this concept of the *corpus mysticum* to the secular sphere and conceptualize the state and the crown as a collective and eternal body, now with the king as its sovereign head (Gewirth 1951). As shown by Ernst Kantorowicz (1957), the *corpus mysticum* with reference to the Church became secularized into a description of the incorporated crown and, eventually, the state and the political community in general. Thus, the political community, king, state and realm were now invested with a mystical character of their own. According to Edmund Morgan (1988), a further secular translation occurred during the seventeenth and the eighteenth century, whereby royal sovereignty, the right to legitimate rule embodied in the king (Crown), became transferred to "the people" themselves, bringing about the idea of popular sovereignty and of the "general will" as the new *corpus mysticum*. I argue that Austrian economics – albeit without explicit reference to medieval and early-modern theological concerns – then transferred the idea of the *corpus mysticum* into the sphere of the market. This sphere of courses needed a new sovereign: the consumer (Schwarzkopf 2011).

According to consumer sovereignty theory, the market for goods and opinions, which is made up of a scattered mass of short-sighted consumers and voters, is ultimately transformed into a superstructure, a mystical body, which shows all the hallmarks of reason, beauty and virtue. The sociologist and consumer researcher Paul Lazarsfeld once elegantly summarized this idea of a transubstantiation as follows: "Where the rational citizen seems to abdicate, nevertheless angels seem to tread" (Berelson et al. 1954: 311).

Conclusions

Neoliberal economic theology has created a vision of the market in the image of the medieval Church: outside of the market there is no hope for creating justice, wealth and economic growth, in the same way as outside the Church there was no salvation (*extra ecclesia nullam salus est*). Social philosophers who stand in the economic–theological tradition have pointed to this and other theological baggage within contemporary neoliberalism before (Milbank 2013; Ramey 2016). The problem that remains now is to use this discovery so as to create further empirical insights and conceptual tools for social analysis.

One way in which the theological genealogy of the idea of the sovereign consumer and its roots in the concepts of *ekklesia* and *corpus mysticum* might be used to develop new lines of research is by juxtaposing this genealogy with the more familiar theological critique which links the economy to the *oikos*, and economics to the concept of *oikonomia*. Unlike the *ekklesia*, neither *agora* nor *oikos* were institutions that relied on notions of sovereign power. Although Greek authors portrayed the head of the household as a lordly patriarch, Aristotle presented the *oikos* in terms of an essential equality between husband and wife, father and children (Mitchell 2009: 1–3). The *oikos* implied house-fatherly authority, but not necessarily sovereignty. Thus, if a theological critique of the economy is aimed at its managerial and power-related character, then the current focus on the genealogical linkage between *oikos* and divine economy needs to be complemented with a genealogical inquiry into the afterlife of the concept of *ekklesia* in modern economic thought. Dotan Leshem's *Origins of Neoliberalism* hints at this afterlife, and Giorgio Agamben relates *ekklesia* to liturgy, angelic bureaucracy and the tenuous links between acclamation and democracy (Leshem 2016: 3, 10; Agamben 2011: 144–7; also Milbank 2017: 85).

Secondly, I argue that we need a much more detailed comparative analysis of how theological concepts have been used in societies outside Europe to legitimize consumer markets. After all, it was not just Scottish Enlightenment philosophers like Adam Smith who developed theologically infused conceptualizations of how social order emerged out of distributed action. In Islam, we also know of a tension between concepts that denote the wider religious community of Muslims (*al-Umma al-islāmīya*) and those that denote a more localized "house" (*Dār al-Islām*). While this differentiation appears to correspond to the early Christian distinction between *ekklesia* and *oikos*, more research is needed to compare how Christian and Islamic philosophers employed theological concepts in order to delineate the realm of resource allocation, management and market interaction.

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13
PROPERTY AND OWNERSHIP

Christina McRorie

Introduction*

Although in ordinary language "property" (from *proprius*, one's own) refers to physical objects, in economic, legal, and philosophical discourse it refers to rights, or claims, to things. It is a kind of relationship, and of conceptual identification and ordering; with "private property", we recognize that an owner holds a claim to a thing that excludes others to at least some extent. The root of private is in *privatus,* the past participle of *privare*: to separate, bereave, or deprive; in this the English language retains a linguistic resonance of the theoretical and moral priority of the public, in the suggestion that individual ownership *withdraws* a good from the community. Property nevertheless inalienably retains a social dimension, given that ownership claims can only be legitimated in community. Indeed, only collectively is it decided what goods can be owned and by whom, and what sorts of rights and responsibilities that ownership confers – and, moreover, whether certain goods are even really *good* at all. Theological analysis of economic discourse and customs surrounding property and ownership thus indicates quite a bit about the value assumptions and commitments of a society.

This chapter brings theological analysis to property and ownership in three related but distinct senses. First, it offers a theological genealogy of concepts related to property in modern thought. Secondly, it considers several potentially theological valences of assumptions regarding property found in contemporary economic theory and culture and practice. It suggests specifically that these are marked by two divergent moral analyses of property – one appreciative, the other suspicious – that both have antecedents in earlier Christian habits of thought. Severed from the theological narratives that held the insights of these analyses in constructive tension, these have ossified into opposing theories of justice in political economy. Thirdly, this chapter offers a theologically informed critique of this state of affairs. It does not do so by purporting to find heretical theologies at work within either economic theory or culture, as if these were the causal root of this or that problem today (although some proponents of economic theology have taken this approach; this chapter introduces this scholarship as it relates to ownership).

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Rather, it simply suggests that were key value assumptions undergirding economic theory and modern culture *to be read* as theological, the theologies discerned there would be found wanting according to the standards of the Abrahamic traditions. Economic theology as a lens for critical analysis thus provides a method for assessing the patterns of thought that consumer culture and mainstream economics may encourage. The conclusion of this chapter proposes that such patterns are especially problematic where they conceive of ownership as conferring rights that are not balanced by corresponding duties to the common good.

Economic theology as genealogy: theological conceptions of property in the history of Western thought

Divine ownership and limits on the prerogatives of human possession

The Abrahamic religious traditions have historically claimed that God is the only true owner of all land and goods (cf. Lev 25.23, Psalm 24.1; Quran 20.6, 53.31). (While other traditions have influenced Western thought and contemporary economics, this chapter focuses on these, and in particular on the legacy of Christian thought.) In this view, humans *use* these as property, but do not properly *own* them (see e.g. Taleqani 1983: 88; Tamari 1987: 36). In possessing created goods and exercising dominion over the earth, humans model God's example, and co-create with God to order and perfect creation (this latter is an aspect of Jewish thought in particular; see e.g. Sacks 2005). This analogy between human and divine *dominium* (both ownership and rule) legitimates the institution of private property.

Since all goods remain properly God's, however, in the shared view of these traditions human ownership is more accurately understood as a kind of stewardship, which entails responsibilities. In Jewish thought, the philosophy of property originates from limits placed upon on the use of land through specific commands such as "do not destroy" (*bal tashit*) (e.g. Gordis 1971: 332), and to observe periodic Jubilee years which return land to its original "ownerless" status (Tamari 1987: 37). In Islam, humanity's role as divine vice regents (*khilafa*) is the conceptual foundation for the moral aspects of ownership, including the necessity of "purifying" wealth through charitable giving (e.g. Bonner 2005; Chapra 1992: 207). Thomas Aquinas' articulation is classic for the Christian view: because God has ordained that the goods of creation be used to meet humanity's needs, "whatever certain people have in superabundance is due, by natural law, to the purpose of succouring the poor" (ST II-II 66.7). Such theological limits ruled out wanton waste, and (at least theoretically) cast luxury and excessive accumulation as suspect. Until recent centuries, the theological focus was upon individual action, and "justice in acquisition and exchange of property and in almsgiving" (Soane 1986: 507). In light of an expanded awareness of the contingency of social patterns and outcomes, in the modern era this has expanded to include social justice, as in the claim in Catholic social thought that a "social mortgage" exists on all property (John Paul II 1987: 28.). Both approaches have been informed by the widespread assumption in early Western economy that given the divine provenance of and intentions for all property, the community had ontological and ethical, if not always practical, priority over the individual in matters of ownership (see e.g. Bruni et al. 2016: 2).

Christian ambivalence: a theological synthesis

In Christian thought in particular, ownership is further fraught as a result of humanity's fall, which damaged human moral agency and introduced the dangers of "the world" (on this theological trope, see Pyper 2000: 761). Much like state-sanctioned violence, the institution of private property was understood as a concession to and check upon fallen humanity's tendency to sin (e.g. Aquinas ST I 98.1; II-II 66.2). This additional legitimation of property thus also contained the seed of its moral condemnation.

This condemnation also has roots in Christ's own example of voluntary poverty and instructions to "sell what you possess" and "take nothing for the journey" (Matt 19.21; Luke 9.3; Mark 6.8), and the New Testament claim that the Christian community in Jerusalem shared "all things in common" (Acts 2.45 and 4.32; González 1990: 71–91). Such passages appear to cast communal ownership and renunciation as preferable to private ownership, and have ensured that property has remained "a troublesome topic" in Christianity (Johnson 2007: 24). Although most frequently associated with Francis of Assisi, the tendency to treat possessions as temptations of the world can be seen as early as the writings of the Desert Fathers and the "two-tier" ethic of the late antique and early medieval world (Brown 2012; see also Avila 1983 for the argument that patristic thought is fundamentally communitarian), and more recently in the life of figures such as Dorothy Day. It may be interesting to note that it is uncommon to encounter such a totalizing anxiety regarding ownership in either Jewish or Islamic thought, even in their mystical and ascetic aspects; this is a moral description of property bequeathed to modernity primarily through Christian thought.

The Christian ideal of radical renunciation was only ever adhered to infrequently, and the more common Christian view was more sanguine about property's inverse moral justification. Even in this, however, private property remained an artefact of positive – rather than natural – law, and therefore to a certain extent *unnatural* (Noonan 1957: 28–9; Porter 2005: 21). Alongside affirmation of property's licitness existed the suspicion that it is nonetheless spiritually dangerous, and that the wealthy especially must be on guard against being "possessed" by their possessions (Finn 2013: 95–7). Christian thought accordingly demonstrates a concern for the subjective, as well as objective, handling of property. One of the most enduring formulations of how to navigate this is found in Saint Augustine's distinction between enjoyment (*frui*) and use (*uti*). Possessions, he maintained, are not to be inordinately desired for their own sake, but merely *used* as a means to enjoy the only real true and intrinsic good: God (*De doctrina* 1.4; see also Mathewes 2004). In this view, only the individual with the appropriate dispositional orientation towards their property will be detached enough to make correct external use of it.

Economic theology as a critical lens: modern culture

The first thing to note before inquiring into whether contemporary culture presupposes a theology of property is the astonishing rate with which property – or, what has been called the "throughput" of our lives – has proliferated in recent centuries, due to specialization and technological advancements: it has been suggested that the average American household now contains some 300,000 items (Hartman 2011: 9; MacVean 2014). While property itself has multiplied, its forms have also shifted, and expanded. Property in humans (either in slavery, or through the marriage contract) is no longer morally or legally accepted, and new forms of intangible property have emerged in diverse domains. These latter include drug formulae, artistic creations (through the use of copyrights, patents, trademarks, and the like; see Fisher 1999), polluting rights, internet domain names, and sequences of human DNA, inter alia.

Given such expansions, it is perhaps ironic that ownership in modernity is no longer "about" the physical property owned, or, as Jean Baudrillard puts it, "the craving for objects is objectless" (1998: 78). As other chapters in this Handbook explain in more detail, in consumer societies, desire is directed more towards the emotional experiences and symbolic social, or "sign", values that acquisition and consumption yield. At the same time, unprecedented material abundance has prompted the emergence of so-called "post-material" values, such that autonomy and self-expression are prioritized more than economic and physical security (Inglehart 2008). However, neither of these developments signals an end to *pleonexia*, or the endless thirst for more, and the belief that "enough" is simply not possible (see MacIntyre 1984: 137 on this as the unrecognized vice of modern individualism). Rather, the acquisitive drive has undergone a transformation that displaced pleasure from the act of possession, and relocated it instead in desire, such that "wanting rather than having is the main focus of pleasure-seeking" (Campbell 1987: 86). This desire is not satisfied with the consumption of particular objects, and so new and different property is continually required.

The modern separation of Christianity's suspicion of and appreciation for property

Despite the secular, pluralistic, and allegedly "disenchanted" (Taylor 2007) character of modernity, it may be possible to discern in contemporary culture traces of earlier theological habits of thought. In particular, the two competing narratives regarding property that populate (and perhaps vex) the modern social imagination both have antecedents in Christian thought. In this, theological narrative held in creative tension the conflicting insights that property is at once both necessary for orderly social life, and yet also a dangerous temptation to wield power. In modern thought, these insights no longer temper each other; they have come unstuck, as it were, and separately developed into opposing approaches to political economy.

One of these is summed up well in Pierre-Joseph Proudhon's dictate "property is theft" (2005). This view is articulated most fully in the Marxian analysis that private property ideologically justifies the expropriation of value from those who must sell their labour (e.g. see Marx 1844 [1978]: 79). In this view, private property is an intrinsically unjust social process that allocates privilege, and in so doing generates coercion and domination. To be clear, this analysis does not indict all forms of ownership; in contrasting private property as a "social power" with both "personal" and "social property", Marx's intention was specifically to critique *capitalist* property (Marx and Engels 1872 [1978]: 484–5). Although this political perspective does not endorse radical renunciation, arguably it trades on and develops a classically Christian unease regarding ownership – although whereas before, property was the consequence of sin, in this view it simply *is* sin. This view remains a minority position in contemporary academic and public discourse.

By far the moral narrative that has gained more social traction is the view in which property is natural, and naturally justified. One key aspect of this emphasizes its necessity as a protection against domination. Offering what could appear as a secular reinterpretation of the theological claim that property is a consequence and remedy for humanity's fallen sinfulness, David Hume described it as the natural "remedy" for the fact that goods are scarce in light of humanity's "selfishness and limited generosity" (1896: 494). The concern about domination applies above all to the state. Indeed, it is possible to read the development of property in modern political thought as a process in which the Roman "modalities of power" of *dominium* (property) and *imperium* (state power) have become "structurally disentangled", with the ideal that they would become counterbalancing (Meiksins Wood 2012: 31, 128). The influence of an essentially Roman conception of property is also visible in modern legal systems, which today retain something of its absolute conception of ownership (including the right to alienate or abuse property, *ius abutendi*) in their emphasis on rights over responsibilities (on Roman property law and its influence in modern civil law, see Mousourakis 2015).

Supporting this is the related line of reasoning that locates property's justification in its generation, and views it as the natural reward for labour. One influential conceptual step in this direction was made by John Locke's claim that "every man has a property in his own person" (2003: 287). Working with a labour theory of value (unimproved "Nature", he opined, accounts for no more than 1 per cent of the value of final goods (ibid.: 296)), Locke thus justified private property as an extension of the individual through labour. To be sure, Locke himself added the theologically grounded proviso that one must leave "enough, and as good" natural resources for others to improve upon (2003: 291; for more on the theological foundations of Locke's view of property, see Waldron 2002). Arguably, however, the conceptual jump had already been made, not only to what C. B. Macpherson (1962) has called "possessive individualism", but also to a thoroughly individualist view of possession.

Philosopher Robert Nozick develops this view further in his argument regarding the near-total absence of moral duties incumbent upon those who invent goods. Combining Lockean reasoning (albeit shorn from its theological foundations) with a Millian harm principle, Nozick reasons that a researcher who "synthesizes a new substance that effectively treats a certain disease and who refuses to sell except on his terms does not worsen the situation of others" by withholding it, and therefore does not morally err in pricing it as he wishes (1974: 182). The researcher owes others nothing; they have no claim to what he owns, save that he not use it to actively harm them.

Such a view seems to suggest that property is not fundamentally a gift, but a human creation. In this, it is possible to discern a rough parallel to a theological view of creation ex nihilo: we create value, jobs, wealth, and ultimately property as if out of nothing. Being the cause of all these, we then naturally assume we are at liberty to use them as we will.

Economic theology as critical lens: economic theory

The previous section considered how selected elements of modern discourse and practice might be read as theological. What of economics itself? With Marxian scholarship as the most obvious exception, generally the second of the two above-mentioned moral descriptions reigns in economic theory. It tends to implicitly characterize private property as a form of power both pragmatically and morally preferable to others, and especially to "social control" over resources (e.g. Heyne 2008: 27). Perhaps in part due to a "shift of emphasis from duties to rights" in the natural law philosophy out of which classical economics was born (Langholm 1998: 164), economic analysis of property centres on rights, and prescinds from questions of duty and justice.

Indeed, such questions may seem obviated by the widely held assumption that if only property rights are clearly defined (and if transaction costs are zero), market negotiation yields the most socially efficient allocation of resources (Coase 1960; for an overview of the law and economics literature generated by this insight, see Medema 2009: 160–96; see also Vining and Boardman 1992, regarding the assertion that private assets are used more efficiently than those collectively owned). More than this: some research suggests that strong property rights are associated with higher levels of trust and norms of civic cooperation (Knack and Keefer 1997: 1252) and with economic growth and democracy (Weimer 1997: 8–9) and, as Milton Friedman has famously argued, reduce the likelihood of social discrimination (Friedman 1962: 21, 108–18). The extension of formal property rights is thus often the policy implication of research that applies economic theory to "real world" problems, and is above all held up as the solution to "the tragedy of the commons" (e.g. Cowen and Tabarrok 2015: 361). In some cases, the mere extension of property as a conceptual heuristic is supposed enough to garner welfare gains, by illuminating how incentives might be more efficiently aligned (see e.g., Roth 2015). Echoing Hume, such reasoning presents a kind of analogue to the theological description of property as consequence of and remedy for sin; economically, clearly defined ownership rights properly order humanity's incorrigibly self-interested nature.

In economic theory, property is not merely instrumentally useful; it is further assumed (and not infrequently stated) that "private property rights … are human rights", because "property rights protect individual liberty" (Alchian 2008). Within these it is possible to discern an ethically neutral – if not outright appreciative – view of commodification. Economists do not tend to express concern over what has been called the "crowding out effect", in which treating a good (such as a natural resource, or interpersonal service) as alienable and vendible property leads to instrumental, or "economic", rationality displacing the non-market values and social customs that had previously governed treatment of that good (Sandel 2012: 113–25; and before that, Titmuss 1971). To be sure, research indicates that commodification may also reinforce and "crowd in" non-market values and motivations; its social impacts are not uniform (Frey 1998: 444).

In the latter part of the twentieth century, institutional, feminist, Austrian, and other non-mainstream theorists have begun to draw attention to how property is always embedded within and shaped by cultural and institutional contexts. Some argue that where mainstream scholarship elides this, property rights are "reduced to an arbitrary initial premise" which, if not questioned, renders economic theorizing "tautological, [and] founded on an implicit defence of the status quo" (Langholm 1998: 187). More research is undoubtedly needed that views "culture and institutions as separate but linked", and addresses how these each influence the economics of property rights (Storr 2013: 89).

Economic theology as critique: aftereffects of uncoupling rights from duties

The previous two sections considered whether and how contemporary economic theory and practice may be read as containing (or encouraging) functionally theological assumptions. One of the purposes of such a diagnostic process is to enable normative critique of these assumptions. This final section turns to this, and introduces two lines of ongoing critical inquiry ripe for further development, the first addressing consumer culture in general, and the second analysing economics in particular as a "way of thinking". This chapter's own argument is that treatment of property in both tends to overemphasize liberty and rights, and to underattend to duties and responsibilities. Moreover, contemporary representations of property elide the temptation to sin it inevitably presents – including not only that of socially unjust domination, but no doubt also the temptation to use ownership and consumption to cope with what Reinhold Niebuhr has called the "anxiety of finitude" (1996).

Culture and popular practice: the danger of idolatrous owning

A significant strand of reflection probes the relationship between current economic and environmental injustices and/or cultural developments, and distorted conceptions of God, property, and ownership. Some find the fault primarily with religion, as did ecologist Lynn White when he traced the roots of the contemporary ecological crisis to Western Christianity's anthropocentrism and instrumental (that is, dominion-based) approach to nature, which led to viewing it as disposable property (1967).

More frequently, however, critics point to capitalist culture as the origin of problematic habits of thought. Some theologians express concern that these trade on distorted theological claims, and as such encourage false worship – for example, because capitalism assumes an anthropology invested with the attributes of an "imperial", self-possessing God, who acts out of absolute freedom through unconstrained choice (Meeks 1989: 68, 99). Naturally, such mistaken "God concepts" in turn ideologically support the unjust distribution and use of goods. Correcting these, then, may yield critical insight into how to address contemporary injustices, as well as address implicitly heretical patterns of thought. Kathryn Tanner's comparison of capitalist practices of ownership with the non-competitive "vision of economy" and ownership found within Christian theology operates along such lines (2005: xi).

For others, the problem with ownership today is not that it is heretical, but actually *idolatrous*; capitalism and economics have deified the market (Cox 2016), money itself (Goodchild 2009), or, ultimately, arbitrary choice and power (Long 2000). This latter claim is advanced in particular by "Radical Orthodox" theologians who hold that secular conceptions of property are premised upon a nihilism at the root of modernity (Milbank 2008).

A related line of critique takes up the spiritual and psychological aspects of ownership as it relates specifically to consumption. As noted, in recent consumer society, the drive to acquire and consume property is shaped by desires to experience emotion, express identity, and be perceived by others as a specific "social self" (see Schor 1998: 1–63). Critical theorists have argued that the enjoyment promised by consumption functions as an "absolute referent … the strict equivalent of salvation" (Baudrillard 1998: 49). One need not enlist theology to find aspects of this problematic; a number of "producerist" critiques of consumerism are secular in nature (Berry 1993; Lasch 1991 offers a history of others). To these, theological analysis adds an attention to the idolatrous aspects of such cultural habits (e.g. see Bell 2012).

Not all theological critical reflection on property focuses primarily on God concepts. Catholic social thought, for example, has long used natural law to argue that a prioritization of rights over duties fundamentally misconstrues the moral dimensions of ownership (Himes 2005; O'Brien and Shannon 2010). Likewise, it is possible to raise concerns about inordinate desires for possessions without necessarily wedding this to an economic theological critique, although such critiques are often complementary.

Finally, a theological critique is also useful for drawing attention to the affective impact of current patterns of thought and practice – claiming, for example, that perhaps what moderns seek in ownership is an experience of wholeness, security, and agency that is not ultimately possible apart from the experience of redemption, and friendship with God. On this reading, consumerism merely enables historically new manifestations of what is ultimately a perennial feature of the human condition: a desire to avoid reckoning with the fact that we do not even "own" our very selves – that we merely enjoy (or suffer) our lives as gifts over which we ultimately do not have control (see e.g. Mathewes 2004).

Economic theory as impeding normative reflection on the political economy of property

It is an ongoing question how much of contemporary cultural practice can be traced to patterns of thought animating economic discourse. What is certain, however, is that the much-reputed aspiration of economic theory to value agnosticism confounds our ability to use it to discern, describe, or deliberate between good and bad (or, just and unjust) forms of, desires for, and effects of claiming property. Were such neutrality possible, economics would offer to modernity a lingua franca with which to peacefully manage pluralism, by sparing us the bitter cup of politics and value judgements. In human social life, however, no such neutrality is possible and, as is now often pointed out, reports of the value neutrality of economics in particular have been greatly exaggerated (e.g. Mayhew 1999: 732–7).

At best, economic theory ignores and occludes how market prices mediate socially determined values, and thus imposes upon us what Charles Taylor has called a kind of "ethical inarticulacy" (1989: 56–7). At worst, economics unreflectively suggests to those who use it a distinct set of values. Consider, for example, the presupposition that growth is a social good. Depicting growth as the result of demand, economic theory may thus encourage habits of thought in which demand (or, theologically speaking, desire) is good. But, of course, not all desire *is* good, and nor are all "goods", for that matter; this is one of the insights prompting the debate over the inadequacies of using economic indicators such as GDP as social indicators (e.g. see Stiglitz et al. 2010).

In addition to suggesting theologically undesirable modes of valuation, economic theory's implicit normative endorsement of commodification may also suggest morally blinkered approaches to political economic issues. Consider, for example, Lawrence Summers' notorious 1991 World Bank internal memorandum, which assumed the desirability of a "world-welfare-enhancing trade in air pollution and waste", and lamented how "under-populated countries in Africa are vastly *under* polluted" (emphasis in original, cited in Hausman and McPherson 2008: 227). From a purely economic point of view, Summers' observation that the extension of property rights over pollution could generate Pareto improvements is unassailable. Were it serious, however, such a proposal would demonstrate a stunning lack of awareness of the complexity and socially fraught history of the issues at stake.

There is thus much room for further theological reflection on the reasoning used to justify the extension of property rights in new domains, and on the terms of those new rights. Rapid expansion of intellectual property (IP) rights, for example, has led to wealth creation for some, but has left others behind, and actively excluded some from goods previously accessible (e.g. see van den Belt and Korthals 2013). Indeed, recent developments present in new garb many of the promises and perils of earlier such expansions, such as the British enclosure of the commons. It is the concluding suggestion of this chapter that many of these perils stem from the increasing cultural and legal acceptance of (what might be called) a Nozickian theology of property, in which the rights of ownership are nearly absolute prerogatives of exclusion earned through property's (ex nihilo*?)* creation; they are not tempered by duties to the neighbour. Perhaps we should be troubled by the thought that, as Paul Heyne's famous text *The Economic Way of Thinking* suggests, we would have a clearer sense of things if "we substituted for *property rights* the phrase *what people think they can get away with*" (Heyne 2014: 256, italics in original). A theological lens has much to contribute to illuminating why and how we arrived here, extrapolating the theological and ethical implications of our legal, cultural, and economic practices, and adumbrating how, in light of the various values we profess, we might do better.

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14
PROSPERITY AND WEALTH

Simon Coleman and Martin Lindhardt

Christianity, prosperity, and capitalism

Prosperity can come in many forms: good health, material plenty, or harmonious social relations. Religions have historically encouraged followers to seek all of these goals, and have often suggested that they are linked not only with each other but also with the gaining of divine favour. It might therefore seem that a Christian theology based on such sentiments would be uncontroversial; and yet, the Prosperity Gospel – as a high-profile representative of currently burgeoning neo-Pentecostal movements around the world – has in recent decades attracted many followers but also passionate criticism, often from fellow Christians as well as from secular commentators. An examination of both the popularity and the notoriety of the Prosperity Gospel tells us much about intersections between religion and the economy, but also about implicit assumptions concerning the appropriateness or otherwise of such intersections.

From one perspective, a focus on a theology of wealth takes us back to classic social theory. In *The Protestant Ethic and the Spirit of Capitalism* (1905), the German sociologist Max Weber famously traced the influence of religious ideas on the cultivation of economic dispositions. According to Weber, the rise of capitalism in the Western world was dependent on more than particular political, material, and economic structures, or a simple desire for wealth: he saw the latter as a human universal, so that it was unhelpful in explaining empirical and historical variations between economic systems. Rather, Weber pointed to the expansion of a specific ethic or attitude towards life, which he called "the spirit of capitalism" (ibid.: 151). What characterized such an attitude was that work and the acquisition of wealth were not merely means for the satisfaction of material needs but also ethical maxims for the conduct of life as a whole.

This new worldview had significant roots in Protestantism. Weber contrasted the "worldly asceticism" of John Calvin (1509–1564) and British Puritan Richard Baxter (1615–1691) with Catholic monastic asceticism, which drew the individual away from everyday worldly life and attempted to surpass worldly morality (2012 [1905]: 87). The Protestant Reformation and Martin Luther's (1483–1546) theological redefinition of "the calling" as a duty to fulfil worldly obligations imposed by occupational position also marked an important break with traditional asceticism. But for Weber it was especially with the rise of Calvinism and the doctrine of predestination that a capitalistic business sense, combined with intensive forms of piety, began to penetrate and dominate the lives of Protestants. The Calvinist understanding that Christ had died only for the chosen few meant that the question "Am I one of the elect?" sooner or later became compelling for believers (ibid.: 113–14). For most Calvinists, success in worldly affairs was taken as a clue pointing to the likelihood of being saved. Good works, however useless they were as means of *attaining* salvation, became indispensable as *signs* of salvation. In practice, this stance implied "that God helps those who help themselves. Thus the Calvinist … himself creates his own salvation, or, as would be more correct, the conviction of it" (ibid.: 118).

Once capitalism had emerged, however, the ethic gained a life of its own and broke free from its religious roots. Weber famously quoted Benjamin Franklin (ibid.: 57–9) who, without making any religious worldly references, presented a worldview in which the rational and systematic pursuit of profit was seen as virtuous. Wealth became an end in itself to the point that it appeared "entirely transcendental and absolutely irrational" (ibid.: 62).

There might seem to be worlds of difference between the asceticism of Weber's Protestant Ethic and the emphasis on enjoying the products of wealth apparent in many parts of the contemporary Prosperity Gospel. Yet, in both ideologies a sense of salvation is associated with the presence and even abundance of material resources; and, crucially, economic well-being is perceived as a positive moral and spiritual state – though, as we shall see, the exact status of such morality may sometimes be called into doubt.

Context and scope of the Prosperity Gospel

The Abrahamic religions display related but not identical attitudes towards material prosperity. While Jewish attitudes have been far from uniform, there has generally been little evidence of the positive attitude to poverty displayed by many strands of Christianity. The emphasis that the Torah places on providing charity for the poor (Greenspoon 2015) may derive in part from the need to aid less prosperous members of a nomadic and then agrarian economy. According to Deuteronomy 14:29, tithing was to be regarded as an obligation, so that "the stranger and the fatherless and the widow shall come and eat and be satisfied" (see e.g. Teacher 2003 [2004]). Later, the Jewish medieval philosopher Moses Maimonides defined eight degrees of charity, focusing in part on the purity of motive of the giver.

While in theory Judaism, Christianity, and Islam all condemned loans carrying interest rates as usury, in practice such restrictions were interpreted very differently, according to circumstance. In the diaspora in urban contexts in Europe, for instance, Jewish populations relied on trade, moneylending, and finance, and charged interest to non-Jews – thereby risking anti-Semitic attacks against a population that was readily identifiable and associated with economic power. For Muslims, the Koran and Hadith (sayings or traditions of the Prophet Muhammad) contained many injunctions relating to economic life, though again some of these applied only to Muslims and not to non-believers. The need to avoid interest-bearing loans and speculative interest remained important throughout the Muslim world, focused in part on the idea that money created out of money, with no improvement through labour, was contrary to the revealed word of Allah (Rudnyckyj 2014). To this day, Islamic finance is a considerable global industry, but one concerned with ensuring the sharing of risk and avoiding undue speculation.

The medieval Roman Church established itself as a political and economic entity at one remove from royalty, and by 1100 the papacy probably owned up to a third of the arable land in Western Europe (Ekelund et al. 2011). The Church also gained income from such sources as pilgrims' donations to sacred shrines and the selling of "indulgences", or reductions of time assumed to be spent in purgatory after death. At the time of the Reformation, one of Luther's complaints was precisely what he regarded as the fraudulent character of such transactions, and he was concerned instead to emphasize both that salvation related to faith, and that the believer did not require an intermediary in order to reach God.

Such debates over the morality or otherwise of the possession of faith continued into the early modern period in Europe, and the lives of Puritan colonists in North America. Certainly, prosperity is a long-standing theme within American revivalism. Robert Wauzzinski (1993) traces the relations between nineteenth-century Protestant evangelicalism and the Industrial Revolution, noting that ideological tendencies of the period conflated "the materialistic progress of capitalism with the coming of the kingdom of God" (ibid.: 220). However, the specific theological and cultural character of the Prosperity Gospel, which forms the basis of this chapter, may be traced to the interweaving of three important streams: the emergence of Pentecostalism with its emphasis on divine healing; a widespread American emphasis on individualism; and finally – and most controversially – nineteenth-century New Thought metaphysics, which emphasized the power of the mind to shape material reality (Bowler 2013; see also Walton 2012).

The impact of the movement grew in the decades following the Second World War, in part because a charismatic revival brought Pentecostal themes into mainstream churches, and also because a number of prominent American preachers such as Kenneth Hagin and Oral Roberts began to enlarge their vision of the miraculous results that Christian faith could be expected to achieve. Denis Hollinger notes (1991: 59) how in 1947 Roberts claimed to have "discovered" the significance of 3 John: 2, with its perceived emphasis on prosperity: "Dear friend, I pray that you may enjoy good health and that all may go well with you, even as your soul is getting along well" (NIV). The foundation of Kenneth Hagin's Rhema Bible Training Center in Tulsa, Oklahoma, in 1974 is generally considered a key development in the history of the Prosperity Gospel (also known by this time as the Faith Movement), because this Center has trained numerous leading Prosperity preachers, many of whom have returned to their home countries and opened new ministries after completing their training (Coleman 2000, 2004: 422–3).

The current breadth of the Prosperity Gospel is difficult to measure because it is by no means confined to specific ministries. The message of material abundance in the here and now is dominant within so-called third wave Pentecostalism or neo-Pentecostalism, but is also preached within classical Pentecostal congregations and Evangelical churches more broadly, both in the United States and beyond. Some of the largest Prosperity-oriented churches in the United States claim non-denominational status and few leaders advertise themselves as Prosperity preachers (Bowler 2013: 4). Moreover, as noted by Kate Bowler (ibid.) congregational estimates cannot account for the millions of Americans who attend the conferences of Prosperity preachers, read their publications, or watch them on television.

The message of Prosperity has also had a huge impact on Christianity in other parts of the world. Within African Pentecostalism, and especially within newer churches, this Gospel has become, if not hegemonic or mainstream, then at least a very dominant theological theme (see Gifford 2014). One of the best-known Prosperity churches in the world is the Brazilian Universal Church of Kingdom of God, which has branches in many countries and continents. The world's largest congregation, Yoido Full Gospel Church in Seoul, South Korea (with perhaps half a million or more members), presents an influential version of Prosperity ideas. The Redeemed Christian Church of God is a successful Nigerian charismatic denomination run on broadly Prosperity lines, which has expanded globally over the last three decades, typically following the migration patterns of its aspirant members away from West Africa and into Europe and America. In the Philippines, Brother Mike Velarde, a former businessman who founded the El Shaddai movement in the early 1980s, even preaches aspects of Prosperity thinking to a Roman Catholic following of possibly over ten million (Wiegele 2005: 4).

Prosperity theology

Prosperity theology parallels classical Pentecostalism in its emphasis on the second baptism of the Spirit and charismatic gifts, but is distinctive in the degree to which it focuses on divine healing and material prosperity. Believers generally emphasize the goodness of God and the inspiration of the spoken word, as deployed either by God or by believers themselves. So-called "positive confession" is therefore not an admission of sin (as in conventional Roman Catholic confession to a priest) but rather a statement that lays claim to divine beneficence, giving well-being to the person but also equipping them to be more effective in converting others to the faith. As a performative linguistic practice, often reinforced by speaking in tongues, this form of confession is given biblical justification by such injunctions as "It is with your mouth that you profess your faith and are saved" (Romans 10:10, NIV).

Linguistic agency is typically also complemented by the deployment of material resources in order to produce further abundance. In the 1950s, Roberts introduced the so-called "seed-faith" concept, promoting a dynamic sense of giving (including to his ministry) in order to expect a "blessing" at a much greater rate of return than was originally invested. This type of giving was well adapted to the needs of entrepreneurial ministries that were prepared to bypass more traditional denominations, forming believers as both spiritual clients and donors. In due course, it reinforced and helped finance the activities of the media ministries (television as well as radio) that Roberts was developing. While Hagin did not emphasize seed faith to the extent that Roberts did, he used language in ways that combined Pentecostal assumptions concerning the power of speech acts with New Thought notions of the connections between inner and outer selves and worlds. A key text for Hagin was Mark 11:23: "Whosoever shall say … and shall not doubt in his heart, but shall believe that those things which he saith come to pass; he shall have whatsoever he saith" (KJV).

Economics of the Prosperity Gospel

A characteristic of the Prosperity Gospel that has been subject to critique from mainline theologians is its generally unabashed use of economic concepts in teachings and preaching, especially in relation to tithing and donations, alongside a tendency to present the relationship between believers and God in almost contractual or cost-benefit terms. In practice, however, this Gospel is anything but a uniform or centralized movement and the use of economic language is subject to considerable historical and denominational variation. Yong rightly refers to "the pluralistic shades of prosperity embraced by Christians around the world" (2012: 16). Bowler (2013: 7) distinguishes between what she refers to as "hard" and less doctrinaire, "soft" Prosperity preaching and teachings, a distinction that can also be observed elsewhere in the world. Hard Prosperity teachings make financial miracles an everyday prospect and involve assertions of strict causality between acts of faith (such as tithings, extraordinary offerings in church, and prayers) and the reception of material blessings. Preachers often insist that 10 per cent of a person's income always already belongs to God, and that keeping that money for oneself is a form of robbery, which may result in curses (Gifford 2015: 87).

An illustrative example of how a terminology of investment and profit is employed is provided by Paivi Hasu, who quotes the prominent Tanzanian prosperity teacher Christopher Mwakasege:

> To give offerings is not part of your daily expenses. It is part of your capital that you invest in the company of Lord Jesus. God does not want you to give offerings as part

> of your daily expenses. God wants you to give offerings as your capital that you invest in the company. Those of you who understand matters of stocks and shares know that they are not part of your expenses; they are your investment. You believe that the company that you have invested in will make profit and you will get returns. God wants you to have enough money to continue buying more of his stocks in the company of Lord Jesus. This means: continue giving. And when you continue giving in this way Lord Jesus continues making profit and he will return back to you.
>
> *(Quoted from Hasu 2006: 688)*

What Mwakasege presents here seems to be a conflation of worldly and heavenly economies, a theological line of thinking in which everyday economic concerns and calculations merge with an orientation towards the transcendental in ways that clearly challenge modernist understandings of economics and religion as separated spheres.

Bowler (2013: 98) describes how formulas for receiving financial blessings grew increasingly specific in America in the 1970s and 1980s with some believers whispering their desires as they placed their envelope with tithes in the offering and others scribbling confessions on dollar bills. Similar practices are found elsewhere in the world. Born-again Christians in Tanzania often hold coins and bills to be donated in a church tightly in their hands and pray intensely, telling God what kind of counter-gift they desire (Lindhardt 2009: 52). Hasu (2006: 689) has described how some Tanzanian born-again Christians keep records of how much they have tithed and how much they have received, comparing these financial activities to having "opened a depositor's book" (ibid.) and describing tithing as placing savings with God. The understanding of tithes and other donations as investments or savings rather than mere symbolic gestures of appreciation is clearly reflected by the perceptions that the size of a donation should correspond to the nature of a request made to God. In other words, similar to how big economic investments are more likely to generate large profits, an ambitious request to God should be accompanied by a substantial donation (Lindhardt 2015: 153).

The presentation of offerings is often a central and highly ritualized part of services in Prosperity-oriented ministries (e.g. Lindhardt 2009). Placing envelopes with tithes or other money donations in a basket during a service may be accompanied by singing, dancing, intense praying over money, and prophetic declarations that God will bless those who give. The ritualization of offerings serves to highlight the theologically central role of giving money as a way of committing to God and establishing a relation with him. At the same time, it downplays the transactional or commercial aspect of the exchange relationship between believers and God and instead turns offerings into an act of sacrificial giving that challenges ideological boundaries between short-term contractual and long-term covenantal relations (Coleman 2004: 422).

What Bowler (2013: 110) refers to as soft Prosperity had become increasingly dominant in North America by the 1990s. The softer message has a more therapeutic touch with preachers (such as Joel Osteen and Joyce Meyer) offering tools in the forming of relationships and focusing on emotional healing, self-esteem, self-mastery, and the actualization of latent potentialities. The gradual transformation enabled the Prosperity message to broaden its appeal and establish new points of contact and overlap with popular culture in the United States. Different variants of softer teachings can also be found elsewhere in the world, not least in Africa where some prominent preachers such as the Ghanaian Mensa Otabil emphasize professional excellence, the need to overcome African inferiority complexes, and the building up of a winner's mentality (Gifford 1998: 82–3).

An African case study

As previously mentioned, the Prosperity Gospel has made a tremendous impact on Pentecostal/charismatic Christianity in different parts of the world, not least on the African continent. Some scholars have seen the expansion of this Gospel in Africa as an example of Americanization and have pointed out how its message provides ideological support for capitalist interests (Brouwer et al. 1996). However, a more dominant scholarly trend, not least within anthropology, has been to focus on the processes through which the Prosperity Gospel has been adapted modified and rendered relevant in local contexts. Research has shown how local expressions of the Prosperity Gospel in Africa are shaped by cultural concerns about the morality of money and wealth and by different cultural notions of prosperity. For instance, Naomi Haynes' important work demonstrates how Zambian Pentecostals/charismatics have holistic understandings of Prosperity as including well-being at different levels such as spiritual development, strong family ties, and harmonious social relationships (Haynes 2013).

In Tanzania, expressions of the Prosperity Gospel have been shaped by a context of harsh competition from other providers of spiritual assistance in financial affairs and by a widespread cultural concern with the legitimacy of wealth that has been generated through alliance with occult forces. Most traditional healers in Tanzania provide clients with so-called business medicines (*dawa za biashara*) that can supposedly attract clients to a shop or a market stall. At the same time, in recent decades there has been an increase of rumours in Tanzania about rapid accumulation of wealth through witchcraft. According to popular belief, wealth acquired through witchcraft requires immoral sacrifices such as the death of a close relative. In principle, the use of business medicines and the witchcraft of wealth are two different things. However, healers are often suspected of being witches, owing to their self-proclaimed ability to identify witches and protect people against witchcraft (according to popular belief, only a witch can know and fight off a witch). Hence, using business medicines provided by healers is seen as an open door to the world and powers of witchcraft, which is why most people who use business medicines do so secretly.

The widespread assumption that some kind of extraordinary assistance may be necessary in financial affairs resonates well with the message of the Prosperity Gospel and has facilitated its hearty reception by many Tanzanians. But at the same time, Prosperity preachers in the country are at pains to distinguish themselves and their "religious product" from the services of traditional healers and to emphasize the moral legitimacy of wealth given by God. Preachers repeatedly stress that wealth derived from a divine source comes without conditions and sacrifices. Furthermore, the moral legitimacy of the exchange relationship with God is established by an emphasis on transparency. For instance, the public testimonies of born-again Christians who have experienced economic success which they attribute to divine blessings stand in clear and demonstrative contrast to the secrecy and opacity that surround the use of business medicines and the witchcraft of wealth. The ritualized offerings during services where congregants openly pay their tithes and make donations that will supposedly result in divine blessings provides a powerful contrast to the secret and immoral sacrifices, for instance of a relative, that, according to popular belief, are required in order to prosper through the use of witchcraft (Lindhardt 2009, 2015). In practice, many Prosperity preachers and ordinary born-again Christians recognize that witchcraft or business medicines are more efficient than divine power in terms of generating fast wealth, but insist that God-given wealth is preferable because it comes without conditions, lasts longer, and is more legitimate. Despite such attempts to emphasize transparency and legitimacy, it nevertheless remains difficult to convincingly authorize wealth as derived from God. As a consequence, wealthy born-again Christians who attribute their financial success to divine blessings do sometimes face suspicions or even open accusations of witchcraft (see Lindhardt 2015).

Broader considerations

Numerous examples of neo-Weberian models for understanding the Prosperity Gospel exist. Chesnut (2012: 215) summarizes such approaches by stating that "on the plane of macroeconomics it is clear that prosperity theology, in both practice and theory, reinforces and even promotes the existing global capitalist order". In these terms, Prosperity theology shares with liberation theology a concern to emphasize the positive material effects of Christian activity, but searches for instant, individualized benefits rather than longer-term, collective and systemic ones.

An alternative explanatory model adopts a more Marxian perspective associated with forms of mystification in its reinterpretations of a revived but also revised "neo-"Protestant Ethic (see also Coleman 2011). Jean and John Comaroff (1999) place Prosperity orientations in the wider context of what they see as "millennial capitalism", which offers a sense of religious participation in a market whose benefits nonetheless remain ever more unattainable for most people. A globalizing and neoliberal economy, constituted by unpredictable shifts in demands for labour and challenges to the legitimacy of both the state and civil society (ibid.: 294), encourages a combination of hope and despair, as well as a new version of the Protestant Ethic that – in line with our Tanzanian example above – promises the ability to gain wealth without perceptible production. The Comaroffs point to what they see as the paradox of these "occult economies", which encourage the pursuit of new, magical means for otherwise unattainable ends, while also encouraging mistrust of people held to enrich themselves by illegitimate deployment of the forces of production and reproduction (ibid.: 284).

More recently, Jean Comaroff (2015: 13) has noted that faith-based organizations seem to thrive in many contexts where "the architecture of modern social institutions" seems to be eroding, even as "the solid lines between the sacred and profane, the private and public – lines that seem synonymous with liberal modernity" are "under attack in many places". Such comments appear especially timely in the context of current political and economic debate in the United States, currently led by a self-styled populist president who seeks the support of Prosperity preachers (as evidenced by the presence of Paula White and Bishop Wayne T. Jackson at Donald Trump's inauguration ceremony), and whose hyperbolic language and reframing of "reality" comes close to the "name it and claim it" discourse reminiscent of some Prosperity discourse.

Nonetheless, despite its frequent characterization by critics as a crude or simplistic version of the Gospel, Prosperity Christianity is a complex and variegated phenomenon, operative at a global scale, which articulates the connections between "religious" and "economic" spheres of activity in numerous ways, even as it encourages believers to apply linguistic and ritual resources to the project of producing hope, risk-taking, and subjective buoyancy in the face of deep personal and structural challenges.

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15
POVERTY

Brian Hamilton

Introduction

The truly surprising about the Christian understanding of poverty, the thing that sets it apart even from other religious perspectives and certainly from modern economics, is that poverty is seen as somehow *good*. Make no mistake: poverty is first and foremost an evil, a consequence of sin. The God of the Bible is a God who hears the cry of the poor, and intervenes on their behalf against their oppressors. The God of the Bible is a God who promises an end to poverty altogether. It's by way of the Christian tradition that the West has come to identify poverty as a social problem at all, and its abolition as integral to the meaning of justice. Yet for Christian theology there is another side to the meaning of poverty, which is ultimately a dialectical concept. Poverty is a sign of the world's rebellion against God, yes; but poverty is also a sign of faithfulness to that same God, and more than that, a sign of salvation. The whole history of Christian reflection on poverty has been animated by the attempt to make sense of these apparently incompatible affirmations.

Before beginning to explore the Christian tradition in its own right, it is perhaps necessary to justify the legitimacy of a theological approach to what seems today a strictly analytical category. In the first section, then, I will argue that the modern economic concept of poverty is actually derived from the theological concept. Poverty is originally a moral and theological idea, not a statistical one. Next, I will outline the dialectic of poverty as it appears in the biblical text itself. Finally, I will discuss three major ways that the Christian tradition has tried to make sense of the theological significance of the poor: as objects of mercy, as spiritual exemplars, and as the site of God's liberating action in the world.

The invention of "the poor"

The idea of poverty seems self-evident to us now, but it has not always been so. The idea of "the poor" has not always existed. Poverty is a concept with a specific historical provenance in the ancient Near East. That is not to say, of course, that other cultures in other times and places have not had their own language for talking about those who have much and those who have little, about those with power and those without; they certainly have, and those languages deserve to be explored in their own right. But the language of poverty spoken in the West needs to be understood in relationship to its own peculiar origins. So much of Western political, economic, and legal vocabulary comes from ancient Rome, but not the language of poverty: Roman culture had no concept of "the poor".

Romans talked about individual poor people, and even about the moral obligation to help them. But the poor were not regarded as a distinct social category, and at least for most of Roman history, poverty was not conceived as a social problem (Osborne 2006: 2). If help came to those in need, it was not because they were "the poor" but because they were "the people", entitled citizens of a Roman city. If almsgiving was expected, it was because everyone had the obligation to build their city up. As Paul Veyne puts it in *Bread and Circuses*, his classic study of Roman gift giving, "paganism helped some of the poor without naming them" (Veyne 1990: 30). To say that Roman culture had no concept of the poor, then, is not in the first instance a moral critique; it is simply to note that they carved up society differently than later Western thinkers did, and conceptualized their obligations to one another differently.

The division of society into rich and poor, strong and weak, comes not from Rome but from the ancient Near East. It is central to the meaning of justice already in the ancient Mesopotamian Law of Ur-Nammu, the oldest surviving law code, dating to the twenty-first century BC: "The orphan was not delivered up to the rich man; the widow was not delivered up to the mighty man; the man of one shekel was not delivered up to the man of one mina" (Pritchard 1969: 523). The invocation of the orphan and the widow as emblems of the poor, and their care emblematic of justice itself, became standard throughout the region, and thus made their way into Israel's religion, too. God is the one who "upholds the orphan and the widow" (Ps 146:9), and it is central to Jewish law that "you shall not abuse any widow or orphan" (Ex 22:22; cf. Dt 24:17–18, Jas 1:27). The Jewish prophets railed against those who "trample the head of the poor into the dust of the earth" (Amos 2:7), and it comes to be understood as part of Jesus's defining mission to "bring good news to the poor" (Luke 4:18).

The Jewish and Christian traditions certainly put their own stamp on the idea of poverty, and I'll try to say what makes them distinctive in the next section. But the essential focus on justice for the poor is not an innovation. That focus was already pervasive in the wider culture. It was ultimately through Christian preaching in the fourth and fifth centuries that this ancient Near Eastern concept made its way into the Western lexicon. "To put it bluntly", writes Peter Brown, "in a sense, it was the Christian bishops who invented the poor" (2002: 8). Or to quote Veyne again, a much less sympathetic interpreter of Christianity: "the triumph of the Christian religion enabled a strong minority to make an entire society sensitive to poverty" (1990: 33). Christian preachers explicitly opposed the "love of the city" central to classical philanthropy to the "love of the poor" central to the Jewish and Christian sense of justice, and slowly transformed the social imagination of their societies. Society was no longer divided into citizen and non-citizen, but into rich and poor.

Christian preachers began to present the poor as privileged citizens in the kingdom of heaven, thus inventing a social class and integrating them into the main social body in one fell swoop (Holman 2000, 2001). From late antiquity through the Reformation, it remained integral to the ideal of a Christian society that some important portion of the resources of the whole community be pooled and used for the care of the poor. The theological rationale was simple. It was believed that God created the riches of the earth for everyone in common, not only for a select few. Poverty itself was taken to be a symptom of sin, proof of a community turned against God's design, and the moral measure of human economies lay in how well they distributed natural resources to those who needed them most. Up through the Middle Ages, ecclesial institutions were understood to be primarily responsible for that distribution – whether through stand-alone organizations like Basil of Caesarea's Basiliad (Schroeder 2009) or the common parish (Tierney 1959). Beginning in the fifteenth and sixteenth centuries, secular organizations took greater control – independent hospitals run by the laity, for example, or civic mechanisms like John Calvin's *bourse française* (Pattison 2006). But never was the basic political obligation to care materially for the poor put seriously in doubt until early modern Christian political economists – most famously, Thomas Robert Malthus – turned this rationale on its head.

The most decisive (though certainly not the only) theological influence on early modern political economy came from the British natural theologians of the seventeenth and eighteenth centuries, who celebrated the proliferation of discoveries in the natural sciences as testimony to the power and glory of the Creator. One of Adam Smith's signal achievements was to extend the presuppositions of natural theology to the study of human society and behaviour: the regular patterns of human activity were read as evidence of God's creative and providential ordering of the cosmos (Oslington 2011). Against the earlier resurgence of an Augustinian insistence on the brokenness and distortion of the created order, natural theology tended to be much more optimistic, looking to explain even apparent evil in terms of God's careful design – a novel kind of mechanistic theodicy. As Smith puts it in his *Theory of Moral Sentiments*, "every part of nature, when attentively surveyed, equally demonstrates the providential care of its Author, and we may admire the wisdom and goodness of God even in the weakness and folly of man" (2010: sec 2.3.3). Poverty was one form of "weakness and folly" that came to be so explained. Adam Smith himself had surprisingly little to say about poverty (Gilbert 1997). He takes economic inequality as a given, but seems to think that poverty is a relatively unimportant problem for dynamic economies. He assumed that workers' level of subsistence will improve over time, as wages keep rough pace with the growth of capital. Even the realities of real destitution did not trouble him too deeply.

It was Malthus who turned "the dismal science" towards a more direct consideration of poverty, and he made sense of it in the same natural theological framework that Smith had. In his 1798 *Essay on the Principle of Population*, Malthus famously presented extreme poverty as, in effect, a natural corrective to the unsustainable overpopulation of the earth. He called famine "the last, most dreadful resource of nature" (Malthus 1992: 42) to cut down the population of the earth to levels it could manage to feed. He advocated the immediate abolition of traditional poor laws, which functioned only to multiply the numbers of the poor more quickly. The reality of poverty was not a thing to be mourned or condemned, for Malthus; it was simply part of the mechanics of human society. In fact, after famed natural theologian William Paley (of God-as-clockmaker fame) read Malthus' work, he revised his own theodicy to affirm that the natural occurrence of poverty flowing from competition over scarce resources was part of the "discipline and trial" God imposes for our moral and spiritual development (Waterman 1983).

Poverty was no longer seen as an evil that God opposes, and the poor certainly were no longer seen as privileged members of the heavenly kingdom. On the contrary, poverty had been integrated into the natural functioning of the economic order, even if God had designed that order to gradually improve the standard of living of the population as a whole. It should be clear by now that the development of the language of poverty in the West has been thoroughly theological, in one way or another. The early political economists began to strip the language of poverty of its moral weight, transforming the biblical warning that "there will never cease to be some in need on the earth" (Deut. 15:11) from a divine judgement to a statistical truism. But even they did so on the basis of an overt theological commitment to the basic orderliness and ultimate goodness of what they took to be the mechanics of the created order. Despite the apparent analytical neutrality of contemporary economic discussions of poverty, treating poverty in a theological frame is thus no alien imposition. The question, rather, is one of the *varieties* of the theology of poverty.

The dialectic of poverty in the Bible

The fundamental intuition of the earliest traditions in Israel, as Gerhard von Rad attests, is that poverty is "an evil out of which nothing of value can be extracted" (1966: 107). And that condemnation was first of all a practical commitment. Although it was already common in the ancient Near East to make the care for the poor central to the meaning of justice, the Jewish tradition developed a more concrete jurisprudence about poverty than other nearby cultures had done. While the poor appear routinely in the prologues and epilogues of other surviving law codes, they are almost entirely absent from the laws themselves (Lohfink 1991: 37). In Israel, property rights are more explicitly limited, and protections for vulnerable people are more explicitly enumerated than other cultures had done before (Baker 2009). The most decisive condemnation of poverty comes at the level of theology: Jewish theology begins to imagine the possibility of an *end* to poverty. In Deuteronomy, the end of poverty comes through obedience to God's law: "there will be no poor among you … if only you will obey the LORD your God by diligently observing this entire commandment that I command you today" (Deut. 15:4–5).

Among the later prophets and the early followers of Jesus, that expectation takes on an apocalyptic form. Calling on the language of Isaiah (61:1), the author of Luke-Acts presents Jesus as claiming to have been anointed by God "to bring good news to the poor", and indeed "to proclaim the year of the Lord's favour", the jubilee that would bring an end of poverty and to oppression of all kinds (Luke 4:18–19). In the Acts of the Apostles, the author even claims to have seen the promise of Deuteronomy accomplished in the earliest Jerusalem community: "there was no poor among them", since they no longer claimed private ownership of anything (Acts 4:34). The common ancient Near Eastern refrain that God hears the cry of the poor thus develops in the Jewish and Christian traditions into the much stronger theological affirmation that the ultimate result of God's action in the world will be the total abolition of poverty. This condemnation of poverty is unquestionably primary, and so Christian theology speaks primarily of God's option for those who suffer poverty, God's judgement on those who inflict and sustain it, and God's promise to overcome it.

Yet within God's *No* to poverty, already in the Bible, there is also a subtle and nebulous *Yes* – an affirmation of the poor as uniquely close to God, as an emblem of the faithful, as uniquely capable of mediating God's saving presence. This side of the dialectic is very difficult, and even dangerous, to pin down. To romanticize poverty or prattle on about its "virtues", as Gustavo Gutierrez writes, is "to play with words – and with persons" (1988: 164). Yet there is no question that the Bible sometimes speaks about poverty in positive terms. In the Hebrew Bible, there is nothing of the asceticism that the Christian tradition would later develop. The closest thing to voluntary poverty is the exclusion of the Levites from landownership in Israel, and the commandment that they live instead on the offerings made in the Temple (Deut. 18:1–2). But notably, this arrangement is never described as a kind of poverty. To call it poverty, in Israel's idiom, would have already been to say that God was opposed to it. Therefore, this affirmation language about the poor cannot in the first instance be interpreted as talking about any kind of voluntary poverty.

When positive language about poverty begins to appear, it is instead as an outgrowth of the eschatological hope that poverty will be abolished. The consummation of God's reign will be known when "the firstborn of the poor will graze, and the needy lie down in safety" (Is. 14:30). The poor come to stand in for a faithful Israel, who will enter first into God's new city, trampling over the dust of the cities of the powerful that God has laid low (Is. 26:5–6). The "afflicted and poor" (*ani wadal*) are the just ones who remain in Israel after God casts out the proud (Zeph. 3:12). Even the king who will bring Israel's salvation is described as "poor" (Zech. 9:9). Because their presence and priority are quintessential to God's eschatological reign, the poor begin to take on a salvific significance here and now. The language of poverty gradually begins to resonate with both material and moral meanings at once. Jesus's teaching and ministry reflected this same elision of material and moral meanings of poverty. It's clearest, perhaps, in the Beatitudes, when Jesus promises the kingdom of God to "the poor" (Luke 6:20) or "the poor in spirit" (Matt. 5:3). Although the distinction has seemed significant to many, the Hebrew that haunts both expressions is probably *anawim*, which appears in the passage from Isaiah that Luke offers as Jesus's central programme – "The Spirit of the Lord is upon me, because he has anointed me to bring good news to the poor" (Lk. 4:18; cf. Is. 61:1) – and which commonly means both poverty and humility.

Jesus himself is depicted as living a life of relative poverty, and as encouraging his followers to do the same. Jesus is depicted as coming from poverty. As the poor king that Zechariah had described (Matt. 21:5, Jn. 12:15), he is the embodiment of that faithful poor that dwells in Israel. He is also depicted as remaining relatively poor throughout his ministry, and even as appealing to that poverty as a badge of authority (Matt. 8:20, Lk. 9:58). In the synoptic gospels, Jesus instructs his disciples, too, to travel without money (Mk. 6:8, Mt. 10:9, Lk. 9:3). The Apostle Paul reflects a similar tradition when he invokes his poverty as part of his credentials (1 Cor. 4:11). A certain kind of material poverty had become, in the self-understanding of the early followers of Jesus, a sign of their faithfulness. For these followers, poverty even came to be read back into their understanding of the incarnation itself. This is the idea that becomes known in the Christian tradition as *kenosis*, or self-emptying, using a term drawn from the famous hymn Paul quotes in his letter to the Philippians (2:5–11), though there without an explicit appeal to the economic metaphor. In Christ, God willingly *becomes poor*, and thereby saves us. The theological challenge, then, is to make sense of the positive senses that the biblical tradition invests in the language of poverty without unsettling the primary critical meaning of the word. The theological challenge is to articulate how poverty might be a sign of faithfulness, even a salvific one, to a God who promises the abolition of poverty. That challenge has been the motor driving Christian reflection on poverty from the beginning of the tradition.

The theological affirmation of the poor

The Christian tradition has developed a huge variety of ways to make sense of the dialectic of poverty. Even the natural theology of Smith, Malthus, and Paley can be read as an attempt to resolve it: poverty's salvific character rests in God's use of what is in itself an evil to correct and guide humankind, as a kind of Augustian *remedium peccatorum*, and to keep the social machine running smoothly (Waterman 2002). But three main ways of articulating the theological affirmation of the poor have emerged over the centuries, and in this final section I want to outline those (often overlapping) theological strategies and give a couple of major examples of each. The first strategy is to affirm the poor as objects of mercy, the second to affirm the poor as spiritual exemplars, and the third to affirm the poor as the locus of God's saving action in the world.

The poor as objects of mercy

Many of the major charitable efforts in the Christian tradition have tended to understand poverty in terms of extreme need, and to understand the poor themselves as utterly dependent on the mercy of those with the means to help them. This was especially true in the patristic period. As Peter Brown writes, "the poor" in the later Roman Empire were not the *classes dangereuses* of modern Europe, or the merry beggars of Arabic poetry, or even the "self-reliant tribesmen" of ancient Israel, but "a passive and anonymous group: they are seen as the recipients of gifts and as the objects of protection" (2002: 14). In Basil of Caesarea's sermons, for example, the poor are "recipients, passive and powerless", "comparable to abandoned infants" (Holman 2001: 97). In John Chrysostom's famous sermons on the parable of the rich man and Lazarus (Lk. 16:19–31), Lazarus is depicted with "poverty and disease besieging his body to the extreme degree" (Chrysostom 1984: 29). The poor's need itself generated a moral obligation that others help them – not only because their dependence on the mercy of others was so extreme, but also because precisely in its extremity it was analogous to the utter dependence of all believers on the mercy of God. In Chrysostom's words:

> Need alone is the poor man's worthiness … We show mercy on him not because of his virtue but because of misfortune, in order that we ourselves may receive from the Master his great mercy, in order that we ourselves, unworthy as we are, may enjoy His philanthropy.
>
> *(1984: 53)*

On this understanding, the poor come to stand in for all of us. Their material neediness becomes a symbol of the spiritual neediness of all creatures. Giving to the poor, in turn, becomes a kind a sacrament of God's gift of mercy. Thus almsgiving becomes an almost salvific act in the early Christian period, a way of "storing up treasure in heaven", a way of participating in God's own work. It becomes a re-enactment of God's own condescension (Anderson 2014; Brown 2012).

This is in some ways a rather ingenious resolution of the biblical dialectic of poverty. Material poverty in itself is still recognized as an evil that God is working to overcome (or at least alleviate). What's "good" about poverty is metaphorical: spiritually, everyone is poor (passive, receptive, utterly dependent) before God. Coming to terms with our own poverty is a central part of the spiritual life, and doing so involves performing real, concrete works of mercy for the materially poor. Here we see the beginning of the distinction between "spiritual" and "material" poverty that, though not directly attested in the biblical text itself, becomes so important to the way that the Christian tradition tries to make sense of the biblical dialectic. The major problem with this solution is that, by defining the poor strictly in terms of their extreme need and dependence, the poor are stripped entirely of their agency. The materially poor become, in the very worst interpretations (though certainly not in all), mere conduits for the salvation of the rich.

The poor as spiritual exemplars

The early centuries of the Christian tradition also saw the development of another way of talking about "spiritual poverty", not only as the *fact* of our dependence on God but as the *faithful response* to that dependence. This way of talking about poverty sometimes overlapped with talk about the poor as objects of mercy, but these logics did not always or necessarily coincide. The idea of spiritual poverty as a kind of virtue took on a life independent of Christian reflection on destitution and almsgiving. The most prominent site for the development of this second logic was in the monasteries, where the idea of *voluntary* poverty was worked out in detail for the first time in the Christian tradition. The earliest varieties of Christian monasticism took the form of what Max Weber would have considered a "world-rejecting" asceticism, founded on the conviction that the common sphere of human relationships (including the reigning economic order) was profoundly corrupt, and that salvation could be found only by abandoning it (Weber 1978: 541–51).

It might be rightly argued that the critique of an oppressive accumulation of wealth so important to the Hebrew prophets is implicit in the early Christian flight from the city. But what is made explicit are not the evils of poverty, but its virtues. The idea of "spiritual poverty" as a practice of detachment from worldly concerns recurs throughout the Christian tradition – sometimes connected to a concrete renunciation of goods, and sometimes as a purely interior practice. It has arguably become the most common way of making sense of the "goodness" of poverty we find in the biblical logic. In the case of Athanasius' *Life of Antony*, for example (1980), spiritual poverty is understood in a way that intersects with the evils of material poverty on the margins, but for the most part the two concepts run on independent tracks. The "spiritually poor" rarely overlap with the "materially poor". Theologians can write endlessly about spiritual poverty without saying a word about material poverty, and vice versa. The use of the word "poverty" to describe both realities almost comes to appear as an equivocation, and a risky one at that. As Gustavo Gutierrez writes, "the double and contradictory meaning of *poverty* implied here gives rise to the imposition of one language on another and is a frequent source of ambiguities". It can cause us to fall into "very vague terminology and a kind of sentimentalism which in the last analysis justifies the status quo" (1988: 163–4: italics in original).

The poor as the locus of God's saving activity

In their own ways, both of the last two modes of articulating the "goodness" of poverty make a claim about God's saving activity. In casting the poor as objects of mercy, the Christian tradition has insisted that salvation is a matter of participating concretely in God's own mercy. In casting the poor as spiritual exemplars, the Christian tradition has insisted that salvation is a matter of devoting oneself completely to God. But in those cases, the involuntarily poor themselves are only indirectly involved, if they're involved at all. The first logic tends to reduce the poor to passive vessels; the second tends to draw a hard line between "saving" poverty and the poverty of the involuntarily poor. The last logic I want to present casts the materially poor as active participants in the work of salvation.

The classic representative of this approach is Francis of Assisi (Thompson 2012). Francis helped legitimate a new form of life that, during the twelfth century, had brought the monastic spirit in from the desert and out of the cloister. These *pauperes Christi*, as they were commonly known, laid claim to a life of poverty and itinerant preaching in imitation of the first apostles (Brooke 1975). Unlike the poverty of the monks, theirs was no private exercise in virtue; their poverty was meant to be seen and recognized socially as true poverty. True poverty entailed a rigorous repudiation of material possessions, as it had already for Antony, but more importantly, it entailed publicly switching sides in a real social antagonism between rich and poor. For Francis, that meant dramatically renouncing the wealth and standing of his parents (his father a successful merchant, his mother part of the old Perugian aristocracy), and going to live instead with the lepers at the foot of Assisi. The poverty he embraced meant living on bare necessities, dressing in worthless clothes patched with sackcloth, "appropriating nothing to oneself" (Later Rule 6.1, in Armstrong et al. 1999; Esser and Grau 1989). Poverty truly meant – as he says repeatedly in the Earlier Rule – living like and with other poor people [*sicut alii pauperes*]. "The brothers should rejoice", he urged in the Earlier Rule 9.2, "when they are living among people who are considered worthless and despised, among the poor and the weak and the sick and the lepers and the beggars by the side of the road".

My interpretation of Francis's political theology advanced here differs in an important way from Giorgio Agamben's deeply insightful work on monastic poverty (Agamben 2013). Agamben reads Francis as dissolving the contradiction between a clerical form of life premised on a *separation* between law and life (the priest's moral standing is detached from his official efficacy) and a monastic form of life premised on the *collapse* of law and life (a monk ceases to be a monk when one's vow is broken). Francis abandons the law altogether; he lives "as if the law were not". For Agamben, the political significance of Francis's example lies in the way he undermines the category of "right" altogether. I think, by contrast, that Francis remains deliberately embroiled in the political conflicts of his day, and that Agamben is making the mistake of reading later Franciscan conflicts over the legal status of their poverty back into Francis (Hamilton 2015). Francis's poverty was not primarily a spiritual posture, or even a legal one, as it later became for the Franciscan Order (Lambert 1998), but a condition of life marked by instability, stigma, and material need. His theological rationale resembled the patristic idea of God's condescension, but with a twist: he wanted to imitate God not only in works of mercy for the poor, but in becoming truly, concretely one with the poor. This condescension was not just a matter of generosity but of solidarity. God saves the world by becoming poor. To find God at work in the world, therefore, one must look to the poor.

The logic of the medieval poverty movements was taken up and developed by a host of liberation theologies (loosely so-called) in the twentieth century. The moniker of "liberation theology" originally comes from the Latin American movement that began in the 1960s, represented most famously by Gustavo Gutierrez's *Theology of Liberation*. At the end of that book, Gutierrez attempts to move past the dichotomy between "material" and "spiritual" poverty to an idea of poverty as "a commitment of solidarity and protest" (1988: 171). The "redemptive value" of poverty (ibid.: 172), such as it is, can only be found in entering into the condition of poverty out of love for the poor, and in an effort to struggle for its abolition – a struggle that is tantamount to salvation itself in its social-historical dimension. In North America, the most direct inheritor has probably been Dorothy Day, who helped found the Catholic Worker Movement in 1933. Day, in turn, learned to emulate Francis from her co-founder, Peter Maurin (Day 2009; Day and Coles 2003; Day and Sicius 2004). Like Francis and Gutierrez, Day understood voluntary poverty as a matter of concrete self-identification with the involuntarily poor, and a protest against their poverty: "To love the poor", she insisted, "one must be one with them" (Day 1950). The tradition of US-American black theology, too, stands in this trajectory, and is one of the most important sites of theological reflection on poverty in the twentieth century, though it is too rarely considered under this heading (e.g. Thurman 1996).

There are problems and risks associated with this theological approach to poverty, too. It does tend to locate the work of salvation more solidly on a socio-historical plane than the Christian tradition has often been comfortable with doing, for example. Justifying this location is, for example, an important part of Gutierrez's project of liberation theology. But in my own judgement, at least, it does a better job of accounting for the dialectical meaning of poverty than other traditions have done. It maintains the importance of works of mercy, but without the paternalistic treatment of the poor. It maintains the importance of "spiritual poverty", but insists that it be integrally connected with the reality of material poverty in the form of solidarity.

Conclusion

I have tried to make three main arguments in this chapter: (1) that the genealogy of the language of poverty reveals it as an originally theological language, (2) that the concept of poverty that Christian theology inherits from the biblical tradition is inherently dialectical, and (3) that the history of Christian reflection on poverty can be accounted for as an attempt to make sense of that dialectic. What sets the Christian theology of poverty apart from most modern understandings is that poverty carries a positive significance as well as a negative one. Poverty is not just a problem to be solved or a population to be managed, though theology is in some ways founded on the condemnation of poverty as inimical to the design and desire of God. Poverty is also the site and form of God's work of salvation, and a sign of faithfulness to the God who promises to overcome poverty. As Christian thinkers engage more directly with the economics of poverty, it is this theological dialectic that should continue to drive the engagement.

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16
CORPORATIONS

Perry Dane

Introduction

Corporations are entities that legal systems treat as juridical persons distinct from the human beings who own or control them or act in their name. They are typically described as "artificial" persons – "invisible, intangible", creatures of the legal imagination (*Darthmouth College v. Woodward* 1819) – as distinguished from "natural" persons. Corporations take a variety of forms. The most prominent in contemporary discourse are for-profit, limited-liability, shareholder-owned companies. Their shares are often publicly traded, and the actual operation of such firms is often left to managers rather than their nominal owners. The largest of these for-profit corporations have millions of shareholders and employees, and often operate across the globe. But many small businesses also take the corporate form. And even some large ones are closely held by a few shareholders or leave effective control in the hands of their founding family or other core stakeholders.

The universe of corporations also includes, however, non-profit entities including mutual benefit corporations such as cooperatives as well as "public benefit" charitable corporations such as religious and welfare organizations, universities, and hospitals. Non-profit corporations do not have shareholders, though they might have members. In any event, they do not distribute profits as for-profit companies do.

The notion of corporate identity has also been applied historically to other forms of human collective organization, including medieval guilds and cities and even the state (Enlow 2001).

The legal history of the corporation is complicated, partly because of the ambiguity of the term. In the West, some of the roots of the idea appeared in Roman law. The Church early on ascribed legal personhood to certain religious orders and foundations. European commercial corporations trace back to certain enterprises founded in the High Middle Ages. Many of the great mercantilist enterprises such as the East India Company were also joint-stock companies. The real development of the modern business corporation, however, as a large and complex but also routine and relatively independent commercial entity began in the nineteenth century.

Economics and law

Among the many important theoretical questions discussed in the economic, legal, and philosophical literature on corporations, three sets of concerns stand out.

The first goes to what sort of thing a corporation is (Muñiz-Fraticelli 2014: 302–6). It is usually conceded that corporations are socially and legally constructed. But some theorists argue more sharply that the best way to understand corporations is simply as an aggregation of human beings in various legal, economic, or other relationships with each other. In this view, the notion of corporate personhood is only a convenient shorthand for capturing those underlying relations. Other commentators claim that such reductionism distorts the picture. Corporations, although created by human beings, are "real entities" with rights and duties and interests or even intentions of their own.

These questions are obviously related to the debate over human collective enterprises more generally and whether they can be said to take on emergent qualities beyond those of the aggregation of human beings that make them up. As one author has evocatively put it, speaking of cities but in words that could easily be applied to corporations, a collective human enterprise can have a "soul", which "doesn't merely include its … men and women, but also a living tapestry of stories, memories, principles, languages, desires, institutions, and plans that led to its present shape and which will guide its future development" (Settis 2016: 14).

A second set of standard questions about corporations goes to how the various aspects of corporate personhood resemble or differ from the qualities of human personhood. Americans, for example, continue to debate whether corporations should have constitutionally protected rights of freedom of speech or freedom of religion (Schwartzman et al. 2015). Possible answers to such questions are only indirectly related to the various views about the ontological "reality" of corporations. For example, a reductionist might argue that corporations should have certain constitutional rights ascribed to them simply for the sake of vindicating the rights of the human beings who are their stakeholders. Conversely, advocates of the "real entity" view might still support distinguishing the rights, duties, interests, and intentions of corporations from those of natural persons.

Finally, economists, lawyers, and others argue about the proper purpose or mission of distinct types of corporations. With respect to for-profit firms, the question is whether their sole mission should be to maximize shareholder value within the bounds of law, and then leave to their shareholders the individual judgement about which good works to pursue with their dividend checks (Friedman and Friedman 1962), or whether they should also attend to the interests of their employees or customers or other stakeholders, or advance other ethical or religious values (Business Roundtable 2019; Crane et al. 2008; Stout 2012).

With respect to non-profit corporations, questions about purpose are often more theoretical. For example, should the idea of "public benefit" be taken as face value, or should the non-profit corporate form rather be understood as an efficient way to provide certain goods in contexts in which for-profit entities would be beset by specific market failures or high transaction costs? (Hansmann 1980)

Many of the religious and theological conversations concerning corporations and the corporate form parallel these three legal and economic debates, though with a different valence and vocabulary. Religious and theological traditions struggle in their own way with the juridical and theological implications of corporate personhood, with the ways in which the legal construct of the corporate form illuminates or challenges the relationship between the individual and the community in the religious imagination, and with the proper balance between the norms of a complex marketplace dominated by corporations and other religious and ethical values.

The rest of this chapter will begin with a possibly unexpected excursus. It will then proceed through religious variations on the topics of corporate ontology, corporate attributes, and corporate purposes introduced above. Finally, it will consider two other sets of issues. The first concerns the inevitably imperfect effort that every secular legal system must undertake to translate religious conceptions of collective spiritual activity into the categories of non-religious law. The second further interrogates the distinction between "natural" and "artificial" persons and contemplates the possible theological implications of such an interrogation.

Idolatry

It might be useful to begin by considering an idea that, if only implicitly, casts a shadow on this entire topic. That is the idea of idolatry.

Justice Felix Frankfurter, in a concurring opinion in a United States Supreme Court case about whether a certain corporation could be said to be "found" in New York for legal purposes, emphasized that attributing physical location to a corporation is a mere legal construct. But he went on to observe that

> From earliest times the law has enforced rights and exacted liabilities by … recognizing … juristic persons other than human beings … The historic roots of a particular society, economic pressures, philosophic notions, all have had their share in the law's response to the ways of men in carrying on their affairs through what is now the familiar device of the corporation. Law has also responded to religious needs in recognizing juristic persons other than human beings. Thus, in the Hindu law an idol has standing in court to enforce its rights. Attribution of legal rights and duties to a juristic person other than man is necessarily a metaphorical process. And none the worse for it. No doubt, metaphors in law are to be narrowly watched. But all instruments of thought should be narrowly watched lest they be abused and fail in their service to reason.
>
> *(United States v. Scophony Corp. of America 1948: 810; internal citations and quotation marks omitted)*

Two thoughts jump out from this remarkable passage. The first is to wonder at the possible condescension in Justice Frankfurter's apparent description of a Hindu idol as a "metaphor". There was arguably a whiff of bemusement in the Privy Council judgement that Justice Frankfurter cited, decided by a board dominated by British judges at a time when India was still part of the Empire (*Pramatha Nath Mullick v. Pradyumna Kumar Mullick* 1925). But a more careful reading suggests that it is not the idol's divinity that is a metaphor but its construction as a juristic person. Indian law continues to treat idols as juristic persons and for some purposes even as "perpetual minors" in juridical contemplation (Patel 2010), with important implications for law, politics, and economic relations (Kapur 2011). This should remind us that with respect to secular corporations as well, it is not the underlying enterprise that is "invisible" or "intangible" but its legal construction as a juristic entity.

The second thought provoked by Frankfurter's observation is to notice that for many Westerners there is deep resonance to the association of corporations with "idols". The central conceit of the corporate form, after all, is that corporations are "persons". But personhood is a theological privilege. God is a person, or at least it is still "permitted and necessary to say that God is also a Person" (Buber 1970: 181). And human beings are persons, in that their dignity flows from their creation in the likeness and image of God (Waldron 2012; Wolterstorff 2010). To treat other entities as "persons" seems to disturb that unique relationship.

Thus, it is no surprise that commentators who argue that the ascription to corporations of legal rights such as freedom of speech rests on an overly expansive understanding of corporate "personhood" will sometimes resort to the charge of idolatry, understood as treating a construct as if it were real (Greenwood 2011). Similarly, recent critics of claims to religious freedom by certain for-profit corporations repeatedly argue that corporations, as distinct from their human owners or managers, are soulless; they do not pray or worship or feel the pangs of conscience. Such rhetoric echoes – if unintentionally – the Psalmist's taunt that idols, the "work of men's hands, … have mouths, but cannot speak, … eyes, but cannot see, … ears, but cannot hear, … mouths, but no breath" (Psalm 135:15–17).

The rhetoric of idolatry can also come into play in a broader and different sense: some social teachings grounded in both secular and religious critiques lament that the profit motive itself, and large multinational corporations that pursue profits at the expense of other human values, can become idols, not because they are artificial persons, but because they lead natural persons to the worship of false gods.

Such claims of idolatry, in all their forms, are not conclusive. We need to be wary of "a fetishistic critique of fetishism" (Schlag 1991: 1644). Nevertheless, the problem of idolatry necessarily overhangs, even if implicitly, any theological consideration of corporations of all sorts and their place in law, society, economics, and the religious domain itself.

Ontologies

As noted, lawyers, economists, and others ask what sort of thing a corporation is. And as noted, similar questions arise in religious and theological conversations.

The problem plays itself out most directly in religions of law – traditions such as Judaism and Islam that put near their core a religiously grounded and comprehensive legal nomos that encompasses the same full range of questions that any secular legal system would consider. For religions of law, studying, debating, and adhering to a system of legal rules is not merely an instrumental imperative but a central aspect of worship, spiritual meaning, and religious joy.

As relevant here, the immediate challenge for the legal doctrines of religions of law is whether to recognize the corporate form, either within the religious legal system or in the system's assimilation of secular law. One problem – serious though by no means insurmountable – is that the traditions in which those systems are embedded did not necessarily include the conceptual tools that Western secular and canon law have developed to treat entities such as corporations as juridical "persons".

I will have more to say about Judaism. For now, though, consider Islam. Timur Kuran (2005) notes that classical Islamic law recognizes only natural persons, and that neither Islamic jurists nor Islamic states until the more recent adoption of Western legal doctrines tried to introduce the concept of the corporation to the jurisprudential toolkit. Kuran ascribes this to several factors: At its formation, the Islamic commonwealth aimed to safeguard Muslim unity and saw strong non-state institutions as potential threats to that unity. Later, Islamic jurisprudence did develop a wide variety of important institutional arrangements, including the perpetual charitable trust (*waqf*), commercial partnerships, quasi-autonomous guilds, and unincorporated joint-stock enterprises. These entities did not fully substitute for corporations, however. For example, the discretion of *waqf* trustees was limited, and various legally recognized commercial arrangements were formed for limited times and specific purposes and in any event could not shield the entity from the liability of its stakeholders (though they could shield the stakeholders from the liability of the entity). Nevertheless, these alternatives absorbed some of the intellectual and practical pressures that might otherwise have been put to institutionalizing corporations. Moreover, jurists were deeply invested in their articulation of traditional legal discourse and Islamic rulers, who had discretion to act on behalf of the common good even outside the four corners of received legal tradition (Quraishi-Landes 2015), did not have an incentive to innovate in this area.

Kuran explicitly rejects two tempting explanations for Islamic law's failure to develop the corporate form. First, he argues that Islamic law is not simply constitutionally averse to innovation or borrowing from other legal systems. Second, he emphasizes that the mere fact that ideas of legal personhood for organizations were alien to Islamic law would not by itself have stopped the institution from being recognized if circumstances had been different.

Nevertheless, it is hard to let go of the instinctive reaction that though the obstacles to the recognition of the corporate form in Islam were largely institutional, they were also religious and theological. For a strictly monotheistic faith to go beyond various legal workarounds and fully embrace the concept of an artificial juristic person might have been a step too far.

Faith traditions that are not religions of law (in the sense understood here) are less likely to invest in legal innovations with deep theological significance. Nevertheless, with respect to all faith traditions, thinking about the corporate form can provide a lens through which to think through the relationship between the individual and the organized collective community in the religious imagination. The question, if only suggestive, is whether corporate expressions of religions are merely the nexus of individual religious life or are "real" in themselves.

Many faith traditions posit a certain spiritual unity to the entire community of adherents. Jews speak of "Klal Israel" (which includes non-believing Jews), Muslims of the "Ummah", and many Christians of the "Church" writ large. These collectives are so universal and mystical, however, that it might not be helpful to think of them, even figuratively, as corporate persons. The more urgent question thus goes to the ontological significance of religious institutions.

Alfred North Whitehead declared that "religion is what the individual does with his own solitariness" (1926: 6). This view represents an admittedly extreme variation on a specifically Protestant sensibility. Few Protestants deny the importance of religious communities or the necessity of religious institutions. But some would treat institutional arrangements as essentially contingent – supports rather than foundations for religious life.

The traditional Catholic view is different, seeing in the institutional Church the Bride of Christ and the specific structure directly established by God to gather and govern true believers. Even in the traditional view, though, the Church was not identical with a single visible organization since it also included the souls in Purgatory and the saints in Heaven. The picture has been further complicated by Catholic ecumenical thinking in the wake of Vatican II. The current Catechism of the Catholic Church states that the Church created by Christ and entrusted to Peter and the apostles "subsists in" rather than simply *is* the Catholic Church (Catholic Church 1997: § 6; Kasper 2006: 14–15). This language evokes the same complex relationship I have already noted between the "corporation" as an "invisible" abstraction and the material enterprise that it embodies, although the language of the Catechism is sufficiently subtle to leave one wondering whether it is the Church or the Catholic Church that should properly be considered the "corporation".

Attributes

As noted, another important set of questions about corporations goes to how the various aspects of corporate personhood resemble or differ from the qualities of human personhood. Here, again, it is useful to consider both religious law and more general theological concerns.

Jewish law (Halacha), much like Islamic law, did not traditionally admit the concept of corporate personhood, though it did recognize a variety of commercial institutions such as partnerships. An important contemporary question, therefore, is how Jewish law understands or assimilates corporations that exist under civil law (Broyde and Resnicoff 1999). Some authorities treat shareholders for many purposes as partners for purposes of Halacha. Others understand the corporation to be a genuine "halachic entity". Yet others take views in between.

For present purposes, however, I am less interested in the rationales for these various views than in their consequences. According to Halacha, Jews are subject to a wide range of ritual restrictions. They may not own leavened bread during Passover, they may not charge forbidden interest on loans, and so on. If the Halacha treats corporate shareholders as business partners, then the various acts of the corporation might be imputable to them individually. But if the corporation is a distinct entity – not a Jew and not even a human being – then its acts are not imputable to its shareholders and for that matter are not, in such ritual matters, halachically wrongful at all. To be sure, different results would obtain with respect to the Halacha's assessment of more general ethical duties.

The larger point here, which has both legal and theological implications, is that every inquiry into corporate rights and obligations necessarily has two dimensions. The first concerns the degree of insulation between the corporation and its stakeholders. The second concerns the possible distinct status of the corporation itself. Thus, for example, a corporation might have certain constitutional rights either on behalf of its stakeholders or as a "real entity" on its own, or both or neither (Churchill 2014, 2015).

Purposes

Religious arguments about the proper purposes and missions of corporations are, at least with respect to for-profit corporations, inevitably intertwined with religious debates about capitalism and the free market more generally. But the two sets of questions are not identical.

Consider the late Catholic theologian Michael Novak's classic work, *Toward a Theology of the Corporation* (1990). Novak discerns genuine "signs of grace" in the modern corporation, including not only in its entrepreneurial creativity but also in certain dimensions of the corporate form including "birth and mortality" and "social character". "The corporation is inherently and in its essence corporate. The very word suggests communal, nonindividual, many acting together" (Novak 1990: 46). Corporations are crucial to the history of modern democratic capitalism, both for their economic vitality and for their relative freedom from "total control by state bureaucracies" (Novak 1990: 46).

Novak valorizes the distinctly economic mission of the corporation. But a variety of commentators across the political spectrum would insist on supplementing that vision. Some argue that there is no bright line that separates religious life from economic enterprise. Individuals can legitimately organize the collective expression of their religious life not only by way of churches, synagogues, and mosques, but also through the instrumentality of corporate enterprise. Others more modestly urge that for-profit corporations, even if not explicitly imbued with religious values, should aspire to act morally even as they do well for their shareholders. In practical terms, these views of corporate mission can lead both to the defence, simplistically associated with political conservatives, of corporations asserting claims of religious accommodation from certain secular laws and to campaigns, simplistically associated with political progressives, for corporate "social responsibility" (Pruzan 2008).

All these accounts, however, including Novak's, reject the simple secular view that for-profit corporations are merely soulless engines for producing profits on behalf of shareholders who would then use those profits to pursue their own individually chosen ends. The religious left and the religious right agree that corporations can and sometimes should pursue higher purposes, though they might disagree about what those purposes are.

Translation

I noted in the previous section that secular legal systems continue to debate whether they should recognize religious claims made on behalf of certain for-profit corporations, and if so, how (Schwartzman et al. 2015). This is an instance of a more general challenge with both legal and theological implications: how, if at all, to translate religious accounts of the corporation into secular analogues.

This problem of translation is most familiar with respect to actual churches and similar religious institutions. Thus, to say that religious corporations such as churches are merely the "artificial" creations of the legal imagination not only risks overlooking their underlying social reality, but it more specifically ignores their possible independent, pre-existing, juridical reality in religious contemplation. The role of secular law in such circumstances might therefore be, not to create religious corporations, but rather to comprehend them as best it can in its own juridical language.

This challenge to doing so adequately is partly structural. Many faith traditions have specific and theologically significant ecclesiastical forms of governance, and it often takes innovative secular legal categories or workarounds to accommodate them (Dane 1998).

The challenge of translation also has profound substantive dimensions. For example, Anglo-American law generally requires that charitable non-profits produce a "public benefit". But it is not obvious that all churches produce the sort of "public benefit" cognizable in a secular state with a constitutional separation of church and state. The best answer, perhaps, is to treat the notion of "public benefit" in this context as a token of the state's existential encounter with the church and the value it places on religious institutional autonomy (Dane 1996).

Translations are necessarily imperfect (Dane 2001). They can also misfire (Sepper 2018). Moreover, translation, like any transposition (Lewis 1949), is not only a one-way process. Religious communities and institutions' sense of their own identity and structure can be affected by the secular legal form that they must inhabit. Thus, the inevitable difficulties of translation raise not only legal questions but deep theological ones, too (Dane 2019).

The natural and the artificial

The discussion in this chapter has largely taken for granted one fundamental distinction: human beings are "natural persons" and corporations are "artificial persons". But it is time to take another look at that distinction.

I have suggested that, if corporations are "real entities", they might have not only rights and obligations but also intentions of their own. That somewhat mysterious claim can be given more rigorous form, however (List and Pettit 2011). Theories of public choice and group decision-making suggest, for example, that under certain circumstances, a collective body such as a judicial panel or jury – or a corporate board – might take a series of votes on discrete questions whose bottom line result does not align with the final judgement of any single member of the body (List and Pettit 2002; Kornhauser and Sager 1986). The consequences might be to commit the corporation to taking an action that no single member of the board actually supports. Such an outcome is admittedly unlikely in practice, but it should give pause.

More broadly, however, some theorists have articulated powerful and rigorous accounts of group intention. Some social scientists have also argued that groups in themselves, and not merely as collective expressions of the individuals who make them up, can and should become a central focus of inquiry (Epstein 2015).

Indeed, even the core notion that corporations are "artificial", if only in the sense that they are mere creations of law, might need rethinking. As early as 1911, the legal scholar Arthur W. Machen Jr. argued the "naturalness and indeed inevitableness" of the idea of a corporation:

> Any group of men, at any rate any group whose membership is changing, is necessarily an entity separate and distinct from the constituent members. … All that the law can do is to recognize, or refuse to recognize, the existence of this entity.
>
> *(1911: 259–60)*

Of course, as the earlier discussion of idolatry emphasized, one can treat the underlying social organism as entirely "real" while still acknowledging the "metaphorical" quality of corporate identity and corporate personhood. Nevertheless, some social scientists have more recently tried to understand corporations and other market entities and phenomena more rigorously by analogy to natural evolutionary, biochemical, and other processes (Padgett and Powell 2012), and such efforts should inform serious reflections on the ontology of the corporate form.

The notion of the individual human being as "natural" also deserves further scrutiny (Muñiz-Fraticelli 2014: 215–16). Neurologists increasingly speak about the brain as a "modular" organ with distinct decision points that work their way up to an executive centre, and about consciousness as the manufactured result of that complex collective process. Similarly, some philosophers have written about the "modular mind". Such neurological and philosophical descriptions of individual persons uncannily resemble the standard account of the corporation. More radically yet, some philosophers have challenged our deepest assumptions about the unity and continuity of personal identity.

The theological implications of all this thinking should be plain. With respect to groups, some of the traditional religious accounts of collective entities such as the Church or Klal Israel might turn out to be less opaque or ineffable than we might have supposed. With respect to individual persons, modern neurological and philosophical accounts might point towards a more Buddhist-inspired conception of the illusory nature of identity (Siderits 2016). At least, they might suggest real wisdom in religious explorations of divided or multiple souls as found, for example, in the Jewish mystical tradition.

In any event, the theological study of corporations has implications and possibilities that are both serious and potentially profound. If corporations are idols of a sort, after all, so are we all.

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17
GOVERNMENT

Mitchell Dean

The concept of government would, at first glance, appear to be among the most "secular" of notions, referring in its most common contemporary sense to the authoritative rule by a set of legal, political and bureaucratic organizations over a population within a given territory. Over recent decades, the development of a genealogy of government or "governmentality", as Michel Foucault termed his historical approach into the different ways of thinking about governing in 1978 (2007), has challenged this. It has gradually revealed the provenance of the term, first in practical domains of pastoral and ecclesiastical organization and, second, in relation to morality and the shaping of conduct more broadly. Eventually, thanks largely to the contribution of Giorgio Agamben (2011), the descent of the concept from a full-blown theological heritage has begun to be revealed. This chapter first explores the semantics of the term "government" and its heritage in a much broader range of applications than reference to a set of formal institutions. It then shows how the economic theological perspective on government was first opened up by Foucault's genealogy, which linked modern government to pastoral power, and then developed by Agamben's theological genealogy of economy and government. It is Agamben who locates notions of government most firmly within an economic theology rather than a political theology. The key terms here are *oikonomia* or economy, order and providence.

The semantics of government

The term government is a very old one in modern European languages. It entered the English language from French as early as the twelfth century. Over the course of its use, it has acquired and borrowed an extremely rich and multilayered semantic field beyond what are its most common meanings today, which concern the action of exercising political rule or the offices or institutions that undertake that exercise. However, it has also included more general senses related to the manner of directing people or things, the determining influence over physical phenomena, the guidance of personal conduct, the action of caring and cultivating for things, the management and control over the body, the action of steering a ship and so on. The *Oxford English Dictionary* (hereafter, OED) records a narrowing of the semantic field covered by the term, with many of these previous meanings now regarded as archaic or obsolete, and the general sense of the direction of persons and groups subordinate to those meanings that identify government with formal political organization and the exercise of political rule.

From the perspective of economic theology, the OED provides relatively limited help. It does not record specifically theological senses of the term government because it is not concerned to trace the term to specifically Latin and Greek sources. Nevertheless, it provides instances of government as referring to matters of ecclesiastical management and many examples of entries pertaining to moral conduct, and it reserves an entry for "a determining or guiding influence over physical phenomena". Among the illustrations of the latter are Geoffrey Chaucer's translation of Boethius's *Consolations* (c. 1400), a book which bequeathed to us the distinction between Providence and Fate. There are citations concerning the government of the world by angels (W. Lilly, 1644), astrological constellations (E. Chambers, 1728) and so on. The relation of government to "economy" is exemplified only in passing when we find that "Rural Œconomy … would contain the Government of Bees, Swine, Poultry, etc." (A. Cowley, 1667). The Dictionary thus offers us limited, but suggestive, cases of both economic and theological uses of the term government. To make both of these connections, we will need to follow the lead of some important scholars of the concept.

Foucault and government

The most recent example of the first general sense of the term offered by the OED ("continuous authority over a person, group, etc.") is one, at least indirectly, inspired by Foucault's lectures (2007, 2008) on governmentality delivered in 1978 and 1979 (M. Dean 2010 in OED). It was one of Foucault's acts of genius in his quest for ways of analysing power outside the juridical–political thematics of state to seek to return to older, and no longer extant, understandings of government. For example, in an encapsulation of his previous two lecture courses in the Course Summary to his 1980 lectures, Foucault refers to "government" as "being understood in the broad sense of techniques and procedures for directing men's conduct. Government of children, government of souls or consciences, government of a household, of a State, of oneself" (2014: 321). In the first course in question, the recovering of this sense of government is given the form of a historical thesis:

> I think that the general problem of "government" suddenly breaks out in the sixteenth century with respect to many different problems at the same time and in completely different aspects. There is the problem of the government of oneself, for example. The sixteenth century return to Stoicism revolves around this reactualization of the problem of how to govern oneself. There is also the problem of the government of souls and of conduct, which was, of course, the problem of Catholic or Protestant pastoral doctrine. There is the problem of the government of children, with the emergence and development of the great problematic of pedagogy in the sixteenth century. And then, perhaps only the last of these problems, there is that of the government of the state by the prince. How to govern oneself, how to be governed, by whom should we accept to be governed, how to be the best possible governor?
>
> *(Foucault 2007: 88)*

Foucault thus observes and seeks to recapitulate the multiple objects of the notion of "government" he found in the sixteenth century. Moreover, he pushes this historical understanding of "government" even further by adding that these multiple and intense problems of government were occasioned by the intersection of two movements, one of the state centralization that emerged from the breakdown of feudalism, and the second, concerning spiritual direction, of the "religious dispersion and dissidence" emerging with the Reformation and Counter-Reformation (Foucault 2007: 89).

The OED records an obsolete use of the term government to refer to the government of non-human things: the government of "cattel" (L. Mascall 1587), the husbandry of hemp (R. Sharrock 1660), and the cultivation of the garden (B. Langley 1727), from the sixteenth to the eighteenth centuries. Likewise, Foucault cites Guillaume de la Perrière at the end of the sixteenth century to similar effect when the latter defines government as "the right disposition of things, arranged so as to lead to a convenient end (*fin convenable*)" (2007: 96; alternative translation used from Foucault 1991: 93). This definition is interesting because it suggests that governing is "dispositional", that is, that governing is not defined principally by the juridical categories of public law, such as Foucault finds (albeit problematically) in Machiavelli, but by the arrangement of "men and things", or of humans in relation to all manner of heterogeneous things: wealth, resources and the means of the subsistence; qualities of climate, soil and the environment they inhabit; their customs and habits; and their accidents and misfortunes. At the same time Foucault was using the related term *dispositif* (in English, "dispositive") to discuss the internal organization of regimes of power including law, discipline and security. The term *dispositif* is thus, at least etymologically, consistent with the dispositional paradigm offered by La Perrière.

Foucault even extends this analysis of the sixteenth-century use of the term government to the government of the ship, another obsolete use of the term in English. As he notes (Foucault 2007: 97, 113n) the comparison of government to the management of a ship is an old one. It is found in Sophocles' *Oedipus Rex*, and in Plato, Cicero and St. Thomas Aquinas. In fact, it is possible that the vocabulary of government preserves its descent from the Latin *gubernator*, meaning sea pilot, charged with steering his ship, its cargo and crew through the dangers of storms and reefs into the safe waters of the harbour. Indicating that what Foucault takes to be the sixteenth-century use of the term government is somewhat older, in *De Regno*, Aquinas uses the analogy of the ship to demonstrate the relationship between kingly and divine government, to indicate – like La Perrière three centuries later – that "to govern is to guide what is governed to a suitable end" (Aquinas 2002: 39, Chapter 15). The view of government as dispositional and tied to the notion of *dispositif* thus has a longer history than Foucault first allowed.

The metaphor of the ship and the sea pilot indicate a political–theological paradigm for government that can be used to link worldly sovereignty to divine sovereignty and, at least in Aquinas, worldly governors and the divine government. However, there are other indications in Foucault, including his invocation of the *dispositif* as a way of thinking about regimes of government, that suggest government is better approached through an economic theology.

Foucault himself reserves a privileged place for the Eastern Church father Gregory of Nazianzus, in his historical investigations of the provenance of the arts of government in the Christian pastorate (2007: 192–3). He notes that Gregory speaks of an *oikonomia psychōn*, an "economy of souls", which in Latin is *regimen animarum*. He traces the derivation from the Greek, *oikos* (household), and the managerial sense of the term, *oikonomia*. He soon, however, passes over the literal translation of the term and argues that the best word is "conduct" in its dual sense as an activity of conducting or leading and a form of conduct or behaviour. Government would be defined then as the "conduct of conduct". With this far from obvious move, Foucault then does two things: he puts to one side the notion of economy so that it would not reappear in his account of government for some fourteen centuries in the form of François Quesnay and the Physiocrats and Adam Smith. He thus emphasizes the "moral" rather than "economic" form of the pastorate. Nevertheless, he also ties government to *oikonomia* at the very genealogical moment of its arising, burying it within the form of the Christian pastorate for over a millennium.

The German theologian and "frenemy" of Carl Schmitt, Erik Peterson, places the same Gregory of Nazianzus at the very climax of his story about pagan political theology. He cites Gregory's third *Oration* to argue that the triune God "had no correspondence in the created order" and "thus monotheism is laid to rest as a political problem" (Peterson 2011: 103). As Foucault's English translator notes, it is doubtful that Foucault could have found the notion of an *oikonomia psychōn* in the *Orations* (2007: 217, n1). But what is truly extraordinary here is that the same text of the same Church father is being used to commence the genealogy of government as a form of pastoral power and economic management, and to bring a closure to political theology. The apocalyptic convert to Catholicism (Peterson) and the Nietzschean "happy positivist" (Foucault) both identify the emergence of the Christian pastorate as the closure of political theology and the origins of an art of government, and so open up what Agamben calls an "economic theology".

Agamben, *oikonomia* and government

Agamben commences his own *theological* genealogy of government precisely from these complementary omissions or repressions. Foucault, he argues, misses an opportunity to "complete" his genealogy by moving back in time to the Trinitarian paradigm to discover the "origin of the notion of an economical government of men and the world" (2011: 110); this "does not discredit his hypotheses, but rather confirms their theoretical core to the very extent to which it details and corrects their historico-chronological exposition" (2011: 110–11). Peterson, Agamben suggests, stands at a threshold of the entwinement of the divine monarchy with the economy: "the fact that it is absent in Petersen lets us infer something like a conscious repression" (2011: 114). In this sense, to use Peterson's own language, we should look from the "divine monarchy" to the "divine economy".

Agamben offers an exegesis of the theological *oikonomia*, which we will simply sketch here. He commences with the core meanings of the term *oikonomia* in classical Greek, Hellenistic and Roman texts, starting with the management of the household in Aristotle and Xenophon. Here he finds the semantic core that will determine any analogical extension (2011: 18–19). He then examines its first extension to the notion of "arrangement" in Hippocratic texts and among the Stoics, including Marcus Aurelius. The latter in part used it to mean the ordering or distribution of the matter of an argument in rhetoric. Cicero translates the term *oikonomia* with the Latin word *dispositio*, from which, of course, the French word *dispositif* will be derived, used as we have seen by Foucault as a key methodological tool, equivalent to regimes or even economies of power. Here it means "more than a mere arrangement, since it implies, above and beyond the ordering of the themes (*taxis*), a choice (*diairesis*) and an analysis (*exergarsia*) of the topic" (2011: 19). *Oikonomia* and *taxis*, economy and order, are thereby linked at a very early moment. As Dotan Leshem clarifies, by the second century AD, *oikonomia* and *taxis/ordo* will come to be contrasted as the artificial or "human-made order of thought" to "the natural order of occurrences" (Leshem 2016: 22).

The translation of the term into the theological context starts with the contraction of a sentence by Paul into the syntagma "*oikonomia* of the mystery" (Agamben 2011: 23) and then follows its reversal into "the mystery of the economy". The first uses of the term to express the Trinity are recovered from the Christian philosopher Athenagoras (p. 30), and Ireneas, who seeks to remove the term from the Gnostics (2011: 31–3). However, it is with Hippolytus, and particularly Tertullian, that the "technicization" of the term begins to take shape against the rigorous monotheism of the so-called Monarchians (2011: 35–6). Hippolytus confers a new meaning on the term by the reversal of the Pauline syntagma, and Tertullian "confers on economy all the semantic richness and ambiguity of a term that means, at the same time, oath, consecration, and mystery" (2011: 40). Hence, he uses the formula *oikonomia sacramentum*. The essential point here is that the mystery of the Trinity is not resolved by ontological or metaphysical means, at least in these, the earliest stages of its formulation, but by economic–governmental ones, which emphasize not the divine being but its praxis. The mystery of the Trinity is the mystery of its economy. The mystery of the economy is that of the divine government of the world. What is interesting here is that the idea of a government through the economy is not simply an early modern or liberal invention but fundamental to the earliest, pre- or proto-orthodox, foundations of the Christian doctrine of the divine government of the world.

With Origen, Agamben continues, the essential nexus between *oikonomia* and history can be grasped so that when "something like a notion of history – that is, a process endowed with a sense – appears for the first time, it is precisely in the guise of a 'mysterious economy'" (2011: 44–5). *Oikonomia* is not just a synonym for a providential unfolding of history according to an eschatological design but any historiographical sense of meaning and direction in history. God's government of the world through his economy thus proposes a form of progress and directionality in history. It also opposes Christian praxis to pagan fate and posits a freedom that corresponds to and realizes a divine design. It thus makes the movement to salvation and redemption, like the prosperity realized through the market economy in Adam Smith and after, dependent on the individual human freedom. This mystery of freedom is nothing but the mystery of the economy. Clement of Alexandria extends this conception of providence, Agamben argues, and makes the most original contribution to the elaboration of the paradigm (2011: 46). Clement seeks to save the "economy of the saviour" from appearing as a myth or allegory and thus embeds "the temporal economy of salvation in eternity", and, by so doing, "initiates the process that will lead to the progressive constitution of the duality of theology and economy, the nature of God and his historical action" (2011: 48).

In Agamben's view, it is in the concept of *oikonomia* that a concept of the divine and its relation with all of creation, and a notion of government emerges at the very end of the ancient world. But what is important is that this first articulation of the Trinity is achieved not in metaphysical terms, but as an economic apparatus and activity of government that is both mundane and divine. God is thought not through the being of the Trinity but through His praxis. Agamben concludes that the *oikonomia* conciliates between the "unitarism of the Monarchians and Judaism" and the "Gnostic proliferation of the divine hypostases", between the Gnostic and Epicurean non-involved god and the Stoic active god. The triune God thus can "take charge of the world and found an immanent praxis of government whose supermundane mystery coincides with the history of humanity" (2011: 50–1).

The argument establishes that the early Christians were able to propose a conception of divine power that articulated the monarchy of God with his divine economy on earth, and in so doing required both a divine sovereignty over the universe and an economic and governmental management of the world. In summary, for Agamben the *oikonomia* allowed the early Christians to do three things. First, it made possible a resolution to the problem of the being and praxis of God that avoided either a strict monotheism or a polytheism, a passive or hidden God, and an over-interventionist one or an evil demiurge. Second, it brought a sense of direction and meaning to historical process with the problem of eschatological design. Third, it allowed them to embed the temporal process of human salvation within eternity. This articulation of the divine and the worldly, the heavenly God and God-made man, worldly salvation and eternal life, and above all God's being and his actions would only be resolvable from the viewpoint of *oikonomia* as praxis. A divine government of the world would be an economic one rather than a political one, or at least one in which the political was already economic and the language of economics was not separate from that of politics.

Beyond *oikonomia*

Agamben's theological genealogy of government and economy has recently been contested by Dotan Leshem, who revisits the formation of what would become orthodox Christian doctrine with the Eastern Church Fathers between the Councils of Nicea and Chalcedon of the fourth and fifth centuries. Among his additions and corrections to Agamben, Leshem draws attention to the genealogy of "growth" in orthodox models of the Trinity, and cites Gregory of Nyssa as the first to formulate a theory of economic growth (Leshem 2016: 87–93). Leshem also offers a reprise of Erik Peterson's riposte to Carl Schmitt on the closure of political theology. *Pace* Agamben, he argues that an economic theology is strictly impossible because theology and economy, after this crucial period, refer to quite different domains: those "of the internal organisation of the triune Godhead in the case of theology and the worldly manifestation of God in that of the economy" (2016: 7). Tertullian's experiment with the Trinity as an *oikonomia* is thereby abandoned.

Announcements of the impossibility of an economic theology will do as little to halt its development as proclamation of the closure of political theology did to stop its growth. But from a genealogical perspective, we need to acknowledge the distinction and consider its implications for the project of economic theology. If, however, we combine Leshem's insight into the Foucauldian pastorate of an "ecclesiastical economy" animated by the principle of growth with Agamben's emphasis on the role of economic–theological concepts in modern government, we arrive at two different senses of the notion of economic theology germane to our conception of government: a *practical–institutional economic theology* that traces the relation between religious practices of the government of human individuals and collectives and modern forms of government; and a *conceptual economic theology* that identifies the theological provenance of many of the contemporary notions of government from key concepts elaborated in the course of understanding the divine government of the world such as *oikonomia*, order and providence. Schmitt identified both institutional and conceptual political theologies in the early years of the twentieth century: the first with his thesis on the relation between Roman Catholic canon law and the practice of the modern state; the second, with his analogies between theological concepts and the concept of state sovereignty, on the other, as their key domains (Dean 2013: 136–9; Schmitt 1996, 2005). Similarly, we can now say that there are institutional and conceptual economic theologies, which have the *ecclesia* and *oikonomia* as their respective starting points.

In respect to institutional economic theology, we can simply reference Foucault's lectures on the origins of modern governmental expertise in pastoral power, and Leshem's elaboration of this as an ecclesiastical economy (Leshem 2016: 153–64). Foucault's account, which is provided over five lectures of his series on *Security, Territory and Population* (2007: Lectures 5 to 9), as well as other diverse accounts, appears to make several key claims. The first is that the "pastoral technology" modelled on the relationship between the shepherd and the flock, developed in Judaism and institutionalized in the early Christian Church, forms a key genealogical pathway toward modern expertise, the government of individuals and populations and the management of human life and welfare. The second is that this pastoral power or "shepherd-flock game" is radically heterogeneous to the vocabulary and practices that are usually considered to be the source of modern democratic politics which involved the relationship of the free and autonomous citizen to the city, the self-determining political community, and which are rooted in ancient Greek understandings of the polis – which he calls the "city-citizen game" (Foucault 2001: 298–311). Governing, for Foucault, based on a knowledge of individuals and populations, follows a trajectory quite distinct from that of the political.

Finally, it is only with the Reformation and Counter-Reformation, that the Catholic Church loses its monopoly of faith, and after the longer history of counter-conducts to the pastorate, that this form of government (and its techniques, such as confession) become devolved onto a multiplicity of sites of the government of human individuals and collectives and different forms of expertise (including the "psy" disciplines) (Foucault 2001: 333–5). The problem with Foucault's full account is that he never successfully makes the genealogical link between the pastorate and modern governmental expertise despite a series of hesitations and returns and reformulations of what he is trying to achieve here. In the absence of a convincing genealogical account, we must assume something like the presence of a secularization narrative with its own "relative eschatology" of a form of governing in a purely immanent fashion, basing itself solely on the "rationality of the governed", and no longer grounded in the historically surpassed transcendent domains of God, the Sovereign, the State, the Father and even the institution (Dean and Villadsen 2016: 140–4).

Leshem (2016: 163–4) offers an important reformulation of Foucault's genealogy here when he suggests that the pastorate might be more usefully understood as an "ecclesiastical economy", animated by the principle of growth. In his account the pastorate, in the fourth and fifth centuries, is shaped by the way the incarnation of Christ acts as a paradigm for the mimetic relation of human conduct to divinity. Pastoral governing thus contains a "constitutive excess" (see Rust 2017) in that the ecclesiastical economy is a space of believers that transcends human reason due to the full communion and complete interpenetration (technically, *perichoresis* – Leshem 2016: 56) of the human and the divine in the economy. This excess activates a principle of growth in that individuals are purified and included in an expanding community of believers who follow and seek to imitate Christ. Leshem's account also shows how the *ecclesia*, originally the sphere of public assembly opposed to the household or *oikos*, takes on an economic form in the economy of the incarnation. There are key implications here for modern conceptions of government that based themselves on ideas of inclusion within the market, and market forms of conduct, as both guaranteed by and a condition of further economic growth.

If analyses of the pastorate and/or the ecclesiastical economy suggest how contemporary understanding and practices of government might be linked to the long-term trajectory of an institutional economic theology, the consideration of the semantic history of *oikonomia* concerns what we call conceptual economic theology. In addition to this particular conceptual history, which we have addressed in the previous section, we can add two more that appear within contemporary economic theological debates: order and providence.

Order and providence

The question of order is fundamental to the social sciences in a very broad sense: from Max Weber's (1972: 323–59) different life-orders (*Lebensordnungen*), to Schmitt's (2004) concrete-order thinking (*Konkretes Ordnungsdenken*), to the conceptualization of the economic order in the German proto-neoliberals, the Ordoliberals (Ptak 2009). The deep layers of meaning of such an "innocent" concept are rarely investigated. However, it is possible to follow the provenance of this concept from twentieth-century social and economic thought back to medieval Scholasticism, St. Thomas Aquinas and St. Augustine. One such genealogy would lead through the founder of the Ordoliberals, Walter Eucken, via his father, Rudolph Christoph Eucken, a philosopher of religion, to the Scholastics and the Aristotelian method (Dean 2013: 180–3). Another would note the intensive reflection on the concept of order in 1930s German thought across theological, legal and ultimately economic spheres. To take simply the most obvious example, the Ordoliberals moved the market from nature to an economic and governmental order. Competition in the market is a kind of underlying order or essence that will only appear and produce its effects under certain conditions that have to be carefully cultivated and managed within a specific legal–political framework. Just as theologians would argue that the order of God is known only through his activities of "finishing, forming and ordering" (Hermann Krings in Agamben 2011: 89), and Schmitt would argue that justice and legal norms can only be derived from a concrete order, so the Ordoliberals would realize the essence of competition through a particular economic–governmental ordering of human life, a *Vitalpolitik*. The competitive market made possible through this particular governmental economic order is like the medieval God. The relation between God and His creatures (the *ordo ad deum*) is only revealed by the immanent ordering and arranging of the relation of creatures among themselves (*ordo ad invicem*). In the case of the market and the ideal of competition, it only becomes available through the concrete governmental ordering and managing. The concept of order is thus a signature that allows these thinkers to move from the mundane to the supermundane, the immanent to the transcendent and to resolve what the Ordoliberal Alexander von Rüstow (1942) witnessed as the pantheistic tendencies of early liberalism. To be sure, a conceptual economic theology of order as a component of our practice of government has a further and perhaps alternate route into modern liberal and neoliberal governing from deism and Stoicism via Adam Ferguson to Friederich Hayek's conception of spontaneous social orders (see Hill 2006: 4n).

As for providence, liberal arts of government, particular in the classical phase of liberalism, clearly mobilize providential motifs, whether explicitly Christian or perhaps deist–Stoic in character. Adam Smith's "invisible hand" metaphor is certainly a case in point tending towards the latter, while the Reverend T. R. Malthus' famous theodicy concerning the vice and misery caused by the principle of population is perhaps more explicitly Christian in nature (Dean 1991: 88–91; Malthus 1798: 348–96). The problem of government in such a framework becomes how to align its own conduct and the conduct of individuals with the dictates of providence. It was in such a vein that Malthus argued against poor relief that would encourage the growth of population beyond the means of its subsistence because the poor would not have to exercise forethought concerning the support of their children. For Smith the market economy works to establish optimal wealth and happiness if we govern ourselves according to our own interests and formal government knows its proper limits. Contrary to a voluminous literature that seeks to secularize Smith, Lisa Hill (2001) has definitively shown a kind of natural religion containing elements of a belief in benevolent providence, the argument by design and teleology in his work, and an imitation of Stoic theodicy. The talismanic character of the invisible hand and the spontaneous order of the market for today's neoliberalism rejoins us to the trajectory of divine Providence.

What is important about economic theology today is not that it replaces political theology. Rather, it reminds us that to understand the character of mundane rule and governing today we must not only examine the links between the sovereign state and God but also understand how worldly rule is articulated in an economic fashion. To govern economically is to recall and reoccupy the practical means and forms of reasoning by which humans would be saved in the divine plan that through a process of excess and growth portends the possibility of inclusion, and ultimately redemption.

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18

MARKETS AND MARKETIZATION

Stefan Schwarzkopf

Introduction

Most of the literature that concerns itself with economic theology tends to focus on concepts such as economy, economics, money and wealth. Consequently, there is a burgeoning literature on money and godliness in general terms; on wealth and economic growth as a new God worshipped in a secular age; on economics as a secular religion and so on. Markets, in turn, seem to figure rarely as the target of investigation. Markets and "the economy" are of course not the same – although critical writers on capitalism too often use the two terms synonymously. Anthropologists have shown that markets played an important role in economic life well before the age of capitalism and before "the" economy as a concept even emerged. In the same vein, it can be argued that many ills of capitalism stem not from the presence but from the absence of efficient market arrangements. At the same time, markets are not at all the kind of value-neutral competition arrangements as many mainstream political economists would like to present them. Markets have been suspected of being a kind of Trojan Horse used by investor consortia, consultancies and international institutions like the World Bank in furthering the agenda of a particular version of capitalist development in previously non-capitalist societies (Klein 2008: 7–21). Thus, it is perhaps not so much markets per se as "marketization" as a policy tool which requires unpacking from a specifically theological perspective.

In this chapter, I will first discuss why economic theology needs a better understanding of what markets actually are. I will then summarize and evaluate some of the critical perspectives on markets that have been produced within the emerging economic–theological canon. Finally, I will propose that "the" market as a conceptual idea was in fact a theological innovation.

What is a market?

When trying to understand what a market is, theologians are well advised to deny economists any monopoly on the definition of the term. At its most basic level, (some) economics textbooks define markets as any form of interaction, or coming together, of buyers and sellers (Sloman and Garratt 2016: 14). Sociologists of the classical tradition (Max Weber) and representatives of the new economic sociology from the 1980s onwards instead point out that markets are social institutions that involve multiple and recurring exchanges between a number of buyers and sellers, and thus imply a certain level of organization and competition. In line with this, more critical economists have begun to suspect that their own science tends to generalize, de-historicize and idealize markets:

> Consequently, the idea of the market assumes a de-institutionalized form, as if it was the primeval and universal ether of all human interactions. Whenever people gather together in the name of self-interest, then a market somehow emerges in their midst. The market springs up simply as a result of these spontaneous interactions: it results neither from a protracted process of multiple institution-building nor from the full development of a historically specific commercial culture.
>
> *(Hodgson 2008: 6)*

Following the trail laid by economic sociology of the 1980s and 1990s, more recent economic sociologies have begun to interpret markets as "calculative collective devices". In order to function, so the argument goes, markets have to make the goods that are exchanged calculable, and this process of rendering things calculable requires extensive social interactions, dispositions, ideologies and material settings over and above property rights and other legal regulations which are typically stressed by institutional economics. This approach allows much better to study processes of market*ization*, that is, processes that lead aspects of socio-economic life to *become* markets. A more process-oriented view helps realize that markets require devices such as technical instruments, pricing models, merchandising tools, trading protocols and visualizations such as stock tickers, but also mundane shopping carts, display shelves and (price) labels to function. Crucially, some of these devices are not of a market- or economic, but for example a legal, nature (Callon and Muniesa 2005). The importance of such conceptual clarifications about the nature of markets is of importance since most of the theological literature (see next section below) tends to treat *any* economic activity under capitalist conditions as "market"-related, while a lot of these activities might actually have to do with organizational hierarchies or networked organizations rather than market exchanges (Williamson 1973).

The market as god

Paradoxically, the analytic stance of trying to compare and contrast markets and monotheistic religions as versions of a "hegemonic world faith system" (Foltz 2007: 135) has brought theologians and economists back together into a debate that broke off at some stage in the nineteenth century. Influential names in that debate include Robert Nelson (2001), Harvey Cox (1999, 2016), Samuel Gregg and Ian Harper (2008), Michael Novak (1982: 104–12), Deirdre McCloskey (2006), Campbell Jones (2013), David R. Loy (1997), Rodney Dobell (1995), Richard Foltz (2007), Jochen Hörisch (2013), and Christoph Deutschmann (2019). The fault lines between these authors are not between economists and theologians, but between those who defend free markets as religiously and ethically sound, and those who use religious and theological arguments to denounce capitalism and free-market economics.

The latter school of thought engages its opponents by drawing on sophisticated religious and theological analogies. In 1995, Rodney Dobell wrote about the new "individualistic religion of economics and markets" as a "particular intellectual construct – a 'European religion' or economic religion" that had become "the dominant religion of our time" (1995: 232). In 1997, philosopher and Buddhist Zen teacher David R. Loy argued that

> our present economic system should also be understood as our religion, because it has come to fulfill a religious function for us. The discipline of economics is less a science than the theology of that religion, and its god, the Market, has become a vicious circle of ever-increasing production and consumption by pretending to offer a secular salvation. The collapse of the communist "heresy" makes it more apparent that the Market is becoming the first truly world religion.
>
> *(1997: 275)*

By the turn of the last century, this charge had become a familiar trope, as evidenced by Robert Nelson's widely reviewed *Economics as Religion* (2001) and, a few years earlier, a widely noted article in *The Atlantic* by Harvey Cox. One day, wrote the Harvard theologian Cox, a friend told him to study the business pages in order to better understand "the real" world. Cox took the advice,

> vaguely fearful that I would have to cope with a new and baffling vocabulary. Instead I was surprised to discover that most of the concepts I ran across were quite familiar. Expecting a terra incognita, I found myself instead in the land of déjà vu. The lexicon of *The Wall Street Journal* and the business sections of *Time* and *Newsweek* turned out to bear a striking resemblance to Genesis, the Epistle to the Romans, and Saint Augustine's *City of God*. Behind descriptions of market reforms, monetary policy, and the convolutions of the Dow, I gradually made out the pieces of a grand narrative about the inner meaning of human history, why things had gone wrong, and how to put them right. Theologians call these myths of origin, legends of the fall, and doctrines of sin and redemption. But here they were again, and in only thin disguise: chronicles about the creation of wealth, the seductive temptations of statism, captivity to faceless economic cycles, and, ultimately, salvation through the advent of free markets, with a small dose of ascetic belt tightening along the way, especially for the East Asian economies.
>
> *(1999: 18)*

The most recent and detailed outline of the systematic analogies and historical parallelism between Christianity and market economy can be found in Cox's *The Market as God*, which takes the reader through the various elements of Scripture that has been developed in the Market gospel, the apologetics ("Market failure") and the liturgy of the "Market Year", which includes Mother's Day, Black Friday and Santa Claus. Cox argues in a nuanced way, for example, when suggesting that Adam Smith's writings are too critical of unfettered individualism to make him a saint of free-market religion (Cox 2016: 143).

What most of this literature agrees on is that there are providentialist notions that underpin the idea of the Market as being omniscient, as having a voice that can speak and decide (more efficiently than governments, naturally) and thus being of "higher reason" than ordinary human beings (Jones 2013: Chapter 5). This is perhaps best summarized by Seele and Zapf who, in the wake of the most recent financial crisis, observed that the "rhetorical deification" of the market makes it appear "like an independent religious authority, but unlike other traditional religious authorities, the market is claimed to exist without ontological foundation in metaphysics, similar to what can be said about 'money' as earthly god, or 'anthropogenic religion'" (2015: 2).

The "Market as God" school – as I call them here – can help develop analytically useful insights which can also be translated into empirical research. In terms of the historical sociology of markets, it can be shown, for example, that *specific* religious teachings within Christianity did indeed have an impact on the proliferation of market arrangements (Becker et al. 2016). Recently, Matthew Hedstrom (2015) has shown how a market for religion and a quasi-religious attitude to the market co-produced each other in nineteenth-century America. Vice versa, it can be shown that the increased marketization of an economy can also have a proliferating impact on the growth of religiosity in a country (Nanda 2011).

The limitations of the "god metaphor"

The heavy reliance on parallelisms and analogies in the "Market as God" school produces its own drawbacks, too. Wondering what work precisely the metaphorical labels of "market as God" and "economics as religion" are supposed to do, the theologian Devin Singh argued:

> Cox describes the market as an "*ersatz* religion" because it "exhibits the characteristics of classical faith," and "because the market, like the graven idols of old, was constructed by human hands" [Cox 2016: 8]. Here he curiously implies that classical (read: authentic) religion somehow falls outside the bounds of human construction despite clearly being an element of human culture and society. Furthermore, if social construction is the criterion for designating something as *ersatz*, apparently all other elements of human culture qualify and are, hence, somehow disingenuous. We also see here the familiar specter of idolatry loosely applied to the economic realm before grounds for such attribution and implied critique have been established. The parallels Cox goes on to draw among the market, religion, and the biblical God remain as allusions and appear as a form of *jouissance*, and are thus mitigated in persuasive power.
>
> *(2018: 207–8n)*

From a sociology-of-knowledge perspective, one could add that the allusive language of "Market as God" is held back by conceptual imprecisions, mainly because it uses a concept *as defined by* economists without unpacking that very concept. What critics might hail as a great insight – the market being imagined as omniscient – can easily be defended by particular schools of economic thought on moral grounds (McCloskey 2006: 481–7). In addition, the many varieties of market economies that exist across the world are overlooked by the "Market as God" school and not seen as worth investigating. Cox, for example, goes after the German social market economy, one that is characterized by considerable levels of social security and codetermination by trade unions, with the same vengeance as the American market ideology (Cox 2016: 154).

Finally, and most problematically, a lot of the "Market as God" literature assumes almost complete homogeneity among economists as regards their theorizations of markets, when in fact not all schools of economic thought reify or deify markets at all. For 2012 Nobel Memorial Prize Winner in Economics Alvin Roth, for example, markets are not at all beautifully omniscient and self-emerging, but very much in need of human direction and design (Roth 2015). In his book *A Natural History of Markets*, the Stanford economics professor John McMillan wrote:

> Faith is not needed. … The market is not omnipotent, omnipresent, or omniscient. It is a human invention with human imperfections. It does not necessarily work well. It does not work by magic, or, for that matter, by voodoo. It works through institutions, procedures, rules, and customs.
>
> *(2002: 8)*

At this stage, it is perhaps worth noting that talk of the "religion of the market" has often been a leftist reaction to the impression that markets have gone out of control and turned from servant into master. When Walter Benjamin defined capitalism as a cult without redemption in 1921, he wrote amidst the worst hyperinflation crisis in German history. After some decades of relative silence, the "market religion" formula popped up again at the beginning of the neo-liberal revolution of the early 1980s. In 1984 and 1985, the formula appeared in *Marxism Today* and *The New Left Review* (Hall 1984: 22, 1985: 16; Miliband 1985: 16). A left psychoanalytic version of this critique was first developed in Norman Brown's *Life against Death*: "We no longer give our surplus to God; the process of producing an ever-expanding surplus is in itself our God" (1961: 261).

The danger inherent in such talk, as mentioned above, is that leftist authors often think of their critique as a kind of final exposure of the inherent mystical deception that capitalism commits at the expense of the people. This ignores that such critique can be turned into an affirmative theological statement, too. A free marketer like Ronald Reagan himself argued that there was something supernatural about capitalism as it required the "willingness to believe in the magic of the marketplace" (1982: 855). The idea that "the market" might in fact also be a much better religion than the revealed, monotheistic religions was probably first stated by French Enlightenment philosopher Voltaire, who in 1733 wrote about the London stock exchange as

> a place more venerable than many courts of justice, where the representatives of all nations meet for the benefit of mankind. There the Jew, the Mahometan, and the Christian transact together, as though they all professed the same religion, and give the name of infidel to none but bankrupts.
>
> *(1994 [1733]: 30)*

Voltaire's dictum that the market was a much better religion to profess because it requires only faith in profit and loss accounts is today triumphantly quoted by most right-wing and/or libertarian tracts that *defend* capitalism (Boaz 2015: 52; Griffiths 2001: 60; Henderson 2002: 123; Mack 2002: 426). Catholic free-market apologist Michael Novak wrote in 1981 that

> capitalism – an economic system based upon markets and incentives – has, like democracy, evangelical roots. Both democracy and capitalism breathe vital air from a moral-cultural system based on powerful ideas about the communitarian individual, the social nature of human life, emergent probability, and sin.
>
> *(1981: 380)*

A psychoanalytic version of this defence exists, too – a mirror version of Brown's *Life against Death*. In 1985, free-market economist Steven Plaut published a book called *The Joy of Capitalism*, in which he compared the profit motive to the libido, a force that Marxist bureaucrats attempted to repress at their own peril (Plaut 1985).

"The" market: a theological innovation

Thus, without conceptual clarity, economic theology is in danger of losing sight of the very theological nature of what it tries to analyse. In order to identify this aim once more, it is worth remembering that although traders and trade exchange existed in antiquity, "the" market actually did not exist as a concept in Greek thought. Although *agora* and *emporion* are often used as equivalents, both were directly identifiable *spaces*, not the invisible institutions and strategies of social relations that modern thinkers associate with the *concept* of market. When the term *agora* appeared in the sixth century BC in Greece, it referred to an open space in which people gathered *to hold* a market. Similarly, *emporion* was the term for a house, a trading station or a market town where trade was held by traders passing through (from *en* + *poros* = "to pass through"). Just as "the" economy did not exist in antiquity, the concept of the market is a much more recent invention, too.

Curiously, while there is a lot of high-level work on the theological significance of the terms *oikos* and *oikonomia*, there seems to be little interest in unpacking the term "market" – etymologically, philosophically and theologically. Drawing a line between "market" and "economy" is important as there can also be planned, socialist and traditional household-based economies. Although these do not involve market elements to a large extent, they are economies nevertheless. Evidently, thus, at some stage the market turned from a designated space into a more general signifier of human interaction, a social ordering mechanism, and even a form of power. This transition began during the Middle Ages, when traders, philosophers and – crucially – theologians used the Latin term *mercatus* and its French, English, German and Italian derivations, instead of the Greek terms *agora* and *emporion*, in order to describe commercial exchange.

From the Latin *mercatus* came the derivations *marché*, market, *Markt* and *mercato*, respectively. Spanish, Portuguese, French and English explorers and colonists then exported the term to other languages, such as Hindi, Bengali, Urdu, Persian, Japanese (*māketto* = market), Korean (*maket*), and Turkish (*marketleri*). European languages have of course also borrowed other terms for market, such as the Spanish *socco* from the Arabic *souq*, and they have generally adopted the Persian word *bazaar*. But even in Arabic, *souq* today means both a marketplace as well as the general principle of supply and demand (السوق الحرّ *as-sūq al-ḥurr* = free market). In modern Persian, a bazaar simply denotes a place of sellers of physical goods such as fruit and jewellery; whereas a market as a set of incentives and institutions is called by its English name, مارکت (mârket). So here, too, a transition from specific and identifiable to general ordering principle took place at some stage.

This begs the question as to why and when this transition from a marketplace to a "placeless market" (Agnew 1986: 194) occurred. While most scholars, in the wake of Karl Polanyi's *Great Transformation*, have pointed at the nineteenth century as a key period for this transition, historians like Odd Langholm, Joel Kaye and others have shown that medieval traders and theologians developed a growing "market consciousness", that is, an understanding that market prices have a tendency to develop in sometimes unforeseen patterns which are difficult – albeit necessary – to regulate (Langholm 1998: 77–88). According to historian Kaye, Scholastic conceptions understood "the shifting estimation of value in the marketplace, recognize[d] the varying effects of scarcity and need on changing prices, and accepte[d] the necessity to anticipate and calculate in order to minimize loss and maximize gain" (1998: 378). Although the reification of the market as actor and "allocator" was missing, one could see

> evidence of the recognition, in both commercial and non-commercial writings, of what can legitimately be called "market order." Here, the everyday working of the marketplace in establishing prices and wages is recognized as in some sense independent of, and in many situations superior to, an order imposed by conscious human control.
>
> *(Kaye 1998: 379)*

In other words, medieval theologians and traders developed a *concept* of market "mechanisms", although *terms* like "market forces" and "market economy" only really came into use at some stage between the 1920s and the 1940s, which were incidentally the same decades that saw the emergence of the concept of "the" economy (Mitchell 1998). This awareness for markets as being outside the full control of the political sovereign, a point also identified by Michel Foucault, was not only problematized by Christian theologians from Aquinas to the School of Salamanca. Muslim theologians such as the thirteenth-century Ibn Taimiyyah also developed a concept of market mechanisms (Hosseini 2003). However, all of them insisted that markets required delimitations and regulations, such as "just price" legislation. In other words, although the market came to be understood as having its own rationale, it *therefore* needed social ordering rather than using it as an ordering mechanism for the rest of society.

From this perspective, Adam Smith was not necessarily that original when he talked of the "invisible hand". Although he presented market forces as generally beneficent and benign, they were still something – as in Martin Luther and Thomas Aquinas – that emerged when people *met* to conduct trade. Market forces stayed on the market. Nowhere in Smith is there an idea that the impersonal ordering mechanism of the market could become an ordering principle for *all* social relations, or to "subordinate *the substance of society itself* to the laws of the market" (Polanyi 2001 [1944]: 75; italics added). That such a thing could even be attempted was an idea that only made sense from the early twentieth century onwards. It is from about 1940 onwards that a historical consciousness emerged of living in the era of a fully fledged *market society* (Briefs 1944; Frank 1941; Mises 1942; Polanyi 1947, 2001 [1944]: 32). Yet, for people to arrive at such historical consciousness *and* to develop social mechanisms that could materialize its underlying concepts, it required theological work. This work began centuries before Adam Smith. Medieval theologians, not only Christian ones, first developed the idea that prices on a market could be the outcome of completely unintended and even impersonal "forces". According to Ibn Taimiyyah:

> Rise and fall in prices is not always due to injustice (*zuln*) of some people. Sometimes its reason is deficiency in production or decline in Import of the goods in demand. Thus if the desires for the good increase while its availability decreases, its price rises. On the other hand if availability of the good increases and the desires for it decrease, the price comes down. *This scarcity or abundance may not be caused by the action of any people*; it may be due to a cause not involving any injustice or, sometimes, it may have a cause that involves injustice. It is Allah the Almighty who creates desires in the hearts of people.
>
> *([1381], quoted in Islahi 1985: 51, my emphasis)*

Thus, this Sunni theologian formulated an idea that what happened on a market was not always within the full control of people, even if they did not intend any injustice. Because the market was subject to people's desires, it was also the realm of God who created these desires. Eighteenth-century deists like Adam Smith decided that these actions of God, which instilled desires in people's hearts and which then led prices to rise and fall, were all part of a higher plan. According to this particular theological interpretation, God himself had left this mechanism of desires – now redefined as "interests" – to its own devices so as to produce the best possible outcome for all (Hirschman 2012 [1977]: 34–6; but see Oslington 2011 on the "invisible hand" representing irregular, special providential action). Late eighteenth- and early nineteenth-century Anglican theologians in particular, such as Josiah Tucker, John Bird Sumner and Richard Whately played an important role in first explaining and then justifying a self-organizing market order from a theological perspective. For them, the "invisible hand" metaphor clearly stood for God's providential plan and the inherent coherence of market movements was a proof for the existence of God. Within that framework, the idea of a *self-regulating* market economy was important as it could be used for the general project of natural theology (Rashid 1977: 152).

At the same time, Sumner and Whately needed to defend the new field of political economy against its takeover by atheists and political radicals such as Jeremy Bentham and J. S. Mill. Anglicans like Whatley thus presented political economy as a value-neutral "science" that should be kept free from proto-socialist political ideologies, and that could no more be in conflict with religion as mathematics or the science of planetary movement (Waterman 2004: 120–6). As Waterman and Emmett have argued, it was this defence of the economic realm against political radicals which then contributed to the split between theology and economics ("science") (Emmett 2014). This also meant, however, that these theologians had to remove the unmoved mover from matters economic *for theological reasons*. What was left within economics was the market mechanism as the best possible social ordering device (Oslington 2017). This is not the same as to say that markets are "our new God". Rather, in line with Carl Schmitt's dictum about the theological origins of modern concepts of state and constitution, this indicates that "God" was needed to create "the market" as the concept we know today.

Conclusions

Critical theological thought on the contemporary prevalence of market arrangements has had a crucial effect on public debate. Secular commentators like the German economic sociologist Wolfgang Streeck are fond of talking about the neoliberal "market religion" (2012: 67). The "Market = God" equation continues to be a sting in the flesh of capitalism's conscience, as some reviews of Harvey Cox's book *The Market as God* reveal. On the *Mises Wire*, a news blog maintained by The Mises Institute, a free-market think tank, the book was rubbished as "empty of cognitive content", written by an "intellectual magpie skilled at arousing undergraduate students" (Gordon 2016). In the *Financial Times*, the book was said to be based on a "fundamental error" (Ben-Ami 2016). Against the inherent negativity of the "Market = God" metaphor, stock traders invoke a sense of moral virtue that underpins this equation. According to Xiaojia (Charles) Li, US-trained CEO of the Hong Kong Stock Exchange, faith in the market God is righteous as it teaches a sense of humility to the powerful: "We are very humble because we know that the market is God, and the market will decide what the market wants to do" (Curran 2014).

The previous quote signals that future research in economic theology is probably best advised to move on from the metaphorical stage of Market–God comparisons and enter a phase of more empirical, second-order-level research. As Seele and Zapf have shown empirically, journalists, economists and traders *talk* about markets as if they were a separate metaphysical entity of higher order (2015: 13–18). Thus, instead of debating to what extent market capitalism "really" resembles a religion and its economists a priesthood, it might be more fruitful to investigate what it is that people do when they use the all-powerful God metaphor. It could be asked, for instance, whether the Market–God comparison is a product of a particular North American, Puritan mindset, which in a perverse way actually provided ammunition to those who aimed at defending markets against their detractors.

Future economic theologians will also need to engage much more in a type of historical research that transcends the confines of specifically Christian thought on the nature and morality of markets.

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PART III

Society, management and organization

19
TIME

Elden Wiebe and Douglas Harink

Introduction

Modern economic theory operates within a transcendent temporality inherited from post-Enlightenment deistic Christian theology wherein economics is understood to be among the general laws of nature established by God. Just as clock time came to be seen as one of God's laws of nature and, further, as a representation of how God administrates the *cosmos*, economics has operated as a law of nature, which is unperturbed by the vagaries of everyday life. But the timelessness of economics is becoming increasingly unsatisfactory to some of its theorists and certainly to the masses affected by economic policies based on "timeless" economics. Turning once again to Christian theology, economics may benefit from the immanentization of time seen through the apocalyptic–messianic event.

Time as source of ontology, epistemology, and agency

The subject of time is of profound significance. Adam (2004: 3) is blunt and sweeping in the description of the enormity of time's magnitude:

> Time is about God and the universe and all things human. Time is everywhere and it permeates everything: the cosmos, our solar system, the earth's past, present and future, socio-cultural existence. As such it has suffused knowledge since the dawn of humanity. It has occupied such a central place in the history of ideas and cultural practice because the temporality of being confronts us with the immemorial, existential issues of life and death, origin and destiny.

Time is foundational in anything that exists. For all of humanity, time is implicated in all of our thoughts, activities, and interactions. Philosophers contend that "every facet of our lives is soaked in time" (Unger 2009: 78). We are unable to think outside of time (Mead 1932; Sherover 2003). Organization theorists are similarly aware: time is "an intrinsic property of consciousness" (George and Jones 2000: 659). Psychologists suggest that personal time perspective is inherent (Zimbardo and Boyd 2008). Temporality is also intrinsic to all other living things as well as non-living things: "Time is … the essential predicate of any existent entity of which we may know" (Sherover 2003: 106). Thus, while many people think we live "in time", much more so "time is in us" (Sherover 2003: 93–109).

Being "soaked in time", how we then understand time shapes our very reality. Decisively, hidden within our temporal understanding is what we see as being real (ontology), what we claim to know (epistemology), and what we do (agency) (e.g. Adam 1995; Bluedorn 2002; Hernes 2014). Truly, "[i]n the form of time is to be found the form of living" (Jaques 1982).

This is easily observable in the context of anthropology, especially when cultures interact (e.g. Fabian 1983; Hall 1983). It is also obvious in the intra- and inter-relational context of organizations (e.g. Dubinskas 1988; Reinecke and Ansari 2015), though perhaps in these contexts time is typically taken for granted as clock-time and thus other temporalities are largely hidden in plain sight (e.g. Gersick 1988). But if we then come to understand time in a new way, our lives change, sometimes radically, as seen in the development and application of clock-time in the Industrial Revolution and in its importation to various parts of the world through capitalism (e.g. Bluedorn 2002; Hall 1983; Landes 1983; Smith 1982; Starkey 1988; Thompson 1967). At a more mundane level, the same is true within organizations, seen in temporal shifts that take place because of new technology (Barley 1988) or the breakdown of routines (Staudenmayer et al. 2002).

Epistemologically, George and Jones (2000) demonstrate that better attending to time in our organization theories can substantially change our theories as well as the ontologies of those things they describe. They suggest that

> although time can be conceptualized narrowly as a boundary condition, it can and should play a much more important and significant role in theory and theory building because time directly impacts the what, how, and why elements of a theory.
>
> *(2000: 658)*

Even adding minimal temporal context changes the "what it is" we are looking at (Avital 2000). Our methods, then, need to reflect deep understanding of our temporal presuppositions (e.g. Hassard 1996; Kunisch et al. 2017; Reinecke and Ansari 2016). For example, McGrath and Rotchford (1983: 61) offer seven questions reflecting "unresolved philosophical problems related to time", and how these are answered reflects a vast range of what is understood to be real and how life is lived. Some key assumptions are present in the following questions: Is reality fundamentally permanent or in flux (reflecting the ancient debate between Heraclitus and Parmenides (Tsoukas and Chia 2002; Weick and Quinn 1999)? Is time objective or subjective and/or social (Dawson and Sykes 2016)? What periodicities are involved in the phenomenon of interest (Zaheer et al. 1999)? Is the future open or set (MacKay and Chia 2013; Tavory and Eliasoph 2013)? Is time fungible or epochal (Bluedorn 2002)? What is the relationship between the past, present, and future (Emirbayer and Mische 1998; Mead 1932; Schultz and Hernes 2013; Wiebe 2010; Zerubavel 2003)?

In terms of time and human agency, Emirbayer and Mische (1998: 963) describe the relationship as

> a temporally embedded process of social engagement informed by the past (in its habitual aspect), but also oriented toward the future (as a capacity to imagine alternative possibilities) and toward the present (as a capacity to contextualize past habits and future projects within the contingencies of the moment).

Humans acting from a particular temporal orientation (whether focused on the past, present, or future) are also able to change their temporal orientation, and as a result, change their relationship to structures (Emirbayer and Mische 1998: 964; Wiebe et al. 2012).

Clock-time: God's time

One of the most profound shifts in humans' temporal understanding was the development of the clock, which changed the way we think about the world and even about God. Adam (2004: 113–14) describes it poignantly:

> The clock, we can say quite categorically, changed the meaning of time. The machine time supplanted (but never eradicated) the experiential understanding of time as change – as growth and ageing, seasonal variation, the difference between the past and the future – and shifted the experience and meaning of time towards invariability, quantity and precise motion expressed by number … . As machine time it became naturalized as time *per se*, it became … "the new medium of existence".

Landes (1983: 6; echoing Lewis Mumford 1934) considers the clock to be among the greatest inventions in human history because of its profound impact on "cultural values, technological change, social and political organization, and personality". Because of the clock, we now contend with time in ways our ancestors never conceived: for example, weekend, retirement, time zone, jet lag, daylight savings time, schedule, work week, punch clock, leisure time (Thompson 2016).

The clock has become ubiquitous – omnipresent – in our (Western) lives and our lives are dominated by clock-time. It regulates "the lives of people not only more than any other machine, but more than any other individual agency, corporate institution, or political structure … We are determined by … the clock more than we determine our movements by them" (Banks 1991: 23). Because of the clock, business, and life generally, has accelerated exponentially (Rosa and Scheuerman 2009). We have become the "metronomic society" (Young 1988), and with it efficiency has become of utmost – even cultic – importance (Stein 2002). Indeed Henry Ford's assembly line and Frederick Taylor's time/motion studies literally brought the heavens down into the industrial enterprise, and have since spread in greater or lesser degree to all of Western society and beyond.

Importantly, the clock also provided the unequivocal metaphor for God's relationship to the cosmos and to the world. Nicolas Malebranche, seventeenth-century philosopher and priest, considered the watch (clock) to be an example of God's wise rule over the world and the affairs of people through general laws, that is, providence.

> Thus God executes his plans by general laws, whose efficacy is determined by occasional causes. Certainly it requires a greater breadth of mind to create a watch which, according to the laws of mechanism, goes by itself and regularly – whether one carries it oneself, whether one holds it suspended, whether one shakes it as one pleases – than to make one which cannot run correctly if he who has made it does not change something in it at every moment according to the situation it is placed in … Thus to establish general laws, and to choose the simplest ones, which are at the same time the most fruitful, is a way of acting worthy of him whose wisdom has no bounds.
>
> *(*Malebranche, 1680, *Treatise on Nature and Grace, quoted in Agamben 2011: 265)*

It is this view of God and the world – which had been developing over centuries in Christian theology – that gave the clock its power as a visual metaphor and its God-like quality. No longer was time subject to variance (e.g. of seasons, location, growth, etc.). Rather, it both acted as a representation of God's general (and unwavering) laws and became the time characterized as one of God's general laws.

These theological developments had the effect of further redefining time in two ways. First, God's providence (his practical administration [*oikonomia*] of the world) "coincides with the history of humanity" (Agamben 2011: 51). God's care of the world and everything in it is part of his overall plan of salvation. History then is "something in which a purpose and a destiny are at stake" (Agamben 2011: 45). Hidden in every action and event is God's purposes, and the end goal is salvation. Thus, human history is the history of salvation (*Heilsgeschichte*).

Second, history, as God's providence, is taken up into eternity. With the idea of providence, the "temporal economy of salvation" is embedded in the eternal (Agamben 2011: 48, referring to Clement of Alexandria). Immanent temporality is now caught up in the transcendent temporality in the "mystery of the economy" of God. The myriad of local and experiential times are now subsumed and taken into the general law of mathematical, acontextual clock time, and the whole of temporality is enveloped in God's time – eternity – which is timeless (St. Augustine; some theologians say "everlasting" among other temporal designations; see Ganssle and Woodruff 2002).

The "mystery of the economy" – a reversal of the Pauline phrase in Ephesians 3:9, that comes to identify God's economy with providence (Agamben 2011: 48–9) – and its temporal implications are decisive for the modern human economy. This transcendent, teleological time, defined within a particular theological framework, results in a particular "form of living" in economics.

Time in economics

According to Elwil Beukes, emeritus Professor in Developmental Economics, time enters economics in its overall teleology, that is, its ongoing progress as a human striving (Beukes 2017, personal communication). What has been recognized in this, however, is the adoption of the theological teleology now situated as an entirely human endeavour (see Agamben 2011: 46; Nelson 2004). This was possible because political economy (i.e. economics), once well housed within Christian orthodoxy (at least in Britain and other British Commonwealth states), separated from Christianity with the shift from a "study of wealth into the new science of scarcity" (Waterman 2004: 118). "The seeming necessity of 'misery' or 'vice' in all human existence is an entirely new element in economic thought", which challenged the Christian doctrine of God's gracious provision for all living things (Waterman 2004: 117). Further separation took place as economic laws came to be seen as natural laws (akin to Sir Isaac Newton's laws of physics; i.e. God's laws of nature), discerned through reason apart from revelation (Waterman 2004: 122–4). With this separation, economics could now become an entirely human affair.

Apart from this overarching framework of "progress", economics is timeless. It is timeless in at least two senses: (1) it is without time, considering time to be "meaningless or at best irrelevant" (Carabelli and Cedrini 2016: 1), and (2) it is atemporal, even when seeking to incorporate time. With regard to the former, economics has adopted "the poverty of simplicity" (Louça 1997, cited in Carabelli and Cedrini 2016: 1), that is, a "very considerable simplification, idealization, and abstraction" (Hausman 2013). Among the more famous phrases to arise from this orientation is ceteris paribus, meaning "other things being held constant". While perhaps helpful for isolating one variable in the pursuit of identifying its causal connection to the dependent variable, this assumption freezes the rest of life and its interactions, making even the effect of that one variable suspect. Nothing in real life is isolated in this way, but rather is fully interactive. The idealization and abstraction of economics removes time, and hence change, from economic theory; the simple and simplifying assumptions of economics effectively push change, and hence time, out of consideration in economic theory. As Boland (2005: 124) asserts, "there is no explicit time in any typical general-equilibrium model".

With respect to the latter, the atemporality of economics is evident in its use of the abstract, mathematical, acontextual time represented by the clock. This abstract time is also conceived as reversible and having perfect symmetry and hence future predictability (Adam 1998). With all this comes a sense of objectivity: timeless truths (the purview of deity) and legitimate (i.e. "scientific") knowledge (the revealing of the general principles in the economy of nature) are available through this notion of time (see, for example, Adam 1998; Avital 2000; Waterman 2004).

The use of this deified, eternal, general-principle time creates static models even when using the "t" coordinate. Time is presumed to be included when using t_1, t_2, t_3 and so on, but in reality, these represent the multiplication of static states (Boland 2005; Weick and Quinn 1999). Between these points in time, change is not visible. States of affairs can be compared to show *that* change has happened, but there is nothing dynamic in these models that allows for "changing". Clock-time is the "logical time" (Boland 2005) of economics, and it is, ironically, atemporal.

Reaching for immanence

In economics and numerous other disciplines, there is a groundswell of dissatisfaction that real life – life lived here and now with all its vagaries and even ephemerality – is not adequately accounted for in the timelessness of "general theories". There is a growing awareness that the machine time of the clock is inadequate both in its immanent use and in its transcendent representation. In the biological and physical sciences, evolution incorporated time and developed mechanisms to show how physical and biological forms came to be. Fine art began to grapple with realities that were fleeting and ephemeral (e.g. Claude Monet). Physics moved beyond Newton, inspired by the relativity of time and the development of quantum mechanics where relationality and indeterminism play a significant role (e.g. Barad 2007). There have been periods (periodicities?) in the social sciences where researchers have grappled with lived time's importance (see Bluedorn 2002). Organizational scholars are examining organizational phenomena from an explicit process perspective (e.g. see Langley and Tsoukas 2010–2016). Process has also appeared in theology (Whitehead 1929). Process theology places God into the stream of becoming. Here, "[i]nstead of being timeless, God is 'temporal, relative, dependent, and constantly changing'" (Nash 1987: 17).

In economics, deep doubts about the veracity of timeless static models have also been expressed:

> [T]he economic process as a whole is not a mechanical phenomenon … doubts concerning the existence of an invariant parallelism between [business activity and a mechanical clock] are not out of place. However, the alternative idea that the march of the entire economic process can be described by a system of differential equations with clock-time as the independent variable – an idea underlying many macro-dynamic models – is in all probability vitiated *ab ovo*.
>
> *(Georgescu-Roegen 1971: 139, cited in Boland 2005: 121)*

Perceptively, Boland (2005: 5) notes of these models: "There is nothing (such as real time's irreversibility) which distinguishes time from space". As Sherover (2003: 95) affirms, experiential time "cannot be reduced to geometry … .Time is not space; spatial pictures of time collapse just because they subsume time under spatial rubrics, portray it in terms it does not accommodate".

Immanent theology: the logos made flesh

Overcoming this conundrum may mean once again drawing on Christian theology for inspiration, not in terms of process theology, but rather on the basis of the immanent encounter of God with humanity – the appearance of Jesus Christ as Messiah. Harink (2010) demonstrates how four different methodological temporal orientations on the biblical book of Romans lead to four different interpretations of Romans. His study draws on Christian theology which utilizes the two dominant Greek designations of time – chronos and kairos. Chronos is the root of "chronology" and refers to quantity – minutes, hours, days, months, years. Kairos refers to time in terms of quality – the "appointed time", the opportune time, the right time, and, in particular, a time determined by God to which it is important to respond (Bartunek and Necochea 2000). The time of the Messiah Jesus is the key "kairos" event in Christianity.

Two interpretations in this study continue in the vein of classical theism: (1) historicism emphasizes biblical events as being among many other events on a humanist historical continuum, and (2) cosmic-historicism places greater emphasis on the biblical events as evidence of God's involvement in history, shaping and moving it towards the telos of the Kingdom of God. These two options continue to use chronos as the contextualizing orientation within which the myriad of everyday events (kairos) are subsumed.

The other two, however, draw on kairos as the contextualizing orientation in which chronos is "recapitulated" (Ephesians 1:10) within an entirely new framework for understanding the world. First, Karl Barth's apocalyptic messianic frame is a "dialectical relationship between eternity and time" (Harink 2010: 312). In the person of Jesus Christ, the *logos* who became flesh and lived among people (John 1:14), eternity breaks into time (chronos) and "history is not prolonged but done away with" (Barth 1933: 77, quoted in Harink 2010) in this decisive event (kairos). The *logos* become flesh is not another event in a long string of events; this action recontextualizes all of history. It negates all things human and in so doing re-establishes them in their true reality. The apocalyptic kairos determines what all previous and future events mean in relation to itself. Further, this "singular time" (Harink 2010: 299) means that even you, the readers, are contemporaneous within this event and all other things across time. It is living, supremely, in the (eternal) Moment (Harink 2010: 312).

Second, Giorgio Agamben's typological messianic frame (drawn from St. Paul's writings, in dialogue with Walter Benjamin's Jewish notions of messiah and messianic time, which Agamben nevertheless understands to be drawn, at least in part, from St. Paul) is a contraction of time where past and present meet, the relationship of which is the messianic time. Here kairos "seize[s] *chronos*"; kairos is a "contracted and abridged *chronos*" (Agamben 2005: 69; italics in original; Harink 2010; italics in original). One aspect of this contraction is typology, where the past is brought "face to face" with the present (Agamben 2005: 74). In the *nun kairos* (now time) of messiah, "the past (the complete) rediscovers actuality and becomes unfulfilled, and the present (the incomplete) acquires a kind of fulfillment" (Agamben 2005: 75). The other aspect is recapitulation, where messianic time effects a summation of all things from the beginning of creation to now; that is "the past as a whole" (Agamben 2005: 76).

It is in Messiah Jesus that all the times find their fulfilment. It is Messiah Jesus that administrates a "summary judgement" of the whole of the past and as such "the entire past is summarily contained, so to speak, in the present" (Agamben 2005: 76, 77; Harink 2010; note that Agamben's notion of the messianic is more indeterminate, while ours centres on Jesus as the

Messiah). Messianic time, through both typology and recapitulation, is the "time of legibility" (Agamben 2005: 145, drawing on Walter Benjamin; Harink 2010: 306); without the messianic event, the meaning of events past and present (and future in the case of recapitulation) is simply not available. Harink (2010: 307) draws on Origen to illustrate:

> Before the sojourn of Christ, the law and the prophets did not contain the proclamation which belongs to the definition of the gospel, since he who explained the mysteries in them had not yet come. But since the Savior has come and has caused the gospel to be embodied, he has by the gospel made all things as gospel.

Messianic time is the "economy (oikonomia) of the fullness of the times" (Ephesians 1:10). This event fulfils all other times in its administration of those times. It is "not just the final result of a process … each time is the messianic now …, and the messianic is not the chronological end of time, but the present as the exigency of fulfillment, what gives itself 'as an end'" (Agamben 2005: 76; Harink 2010: 309). The result is the recapitulation of everything that exists, into Jesus, the Messiah (Ephesians 1:10).

The distinction between chronos and kairos as contextualizing orientations is not trivial. For example, the 2008 financial crisis has been interpreted both ways. One interpretation, broadly based in chronos and exemplified by Wall Street, is business as usual; the crisis is only a glitch, a correction (e.g. Cassidy 2010; Allison 2012). Fully incorporated into chronos, the crisis is just another event in a long string of events of human economic progress. The other interpretation, broadly based in kairos and exemplified by Occupy Wall Street, suggests the end of modern capitalism. The crisis is the "messianic moment", that event that provides legibility to the myriad of events in chronos, a knowledge of reality not available to us until the crisis made it visible. Hedges and Sacco (2012) present a recapitulation on the basis of this crisis as they examine events in Pine Ridge, South Dakota; Camden, New Jersey; Welch, West Virginia; Immokalee, Florida; and Liberty Square, New York.

More generally, kairos can release us from a particular orientation to matter and structures, opening us up to new possibilities (Emirbayer and Mische 1998). It is able to usher in a new reality – a new present – and with it new futures (Mead 1932; Butler 1995). It is able to renew the past – opening it up to fulfilment in ways never imagined nor could be imagined (e.g. for an organizational context see Hatch and Schultz 2017).

Future research

Post-Enlightenment deistic Christian theology provided the transcendent paradigm for classical economics: timeless, theory driven, impervious to the vagaries of everyday life and events – even those of magnitude, as we have seen above. Given the totalizing nature of homogeneous mechanical time – not only in economics and business but increasingly all of life – we need an equally powerful source for a different view of time. Christian theology, in its expression of the apocalyptic–messianic time of Jesus Messiah, is such a source, and can again become the source for time in economics – but this time as an economics that is kairotically immanent and hence sensitive to time beyond the empty, homogeneous time of the clock (i.e. mechanical time). Immanentizing economics will require a different quality of time, not a proliferation of temporal conceptions whose foundation is in abstract mechanical time (e.g. speed, point(s) in time, commodity, discounting) but conceptions of a "hidden" time – the unmistakable sense that not all time is equal, that some times give sense to other times, that some events shift reality because they bring together the gathered up past as well as hopes for the future.

What will it mean, then, to incorporate kairos into economics? We know that recapitulation and typology immediately challenge the notion of economic progress, which is by necessity associated with chronos (Agamben 2005; Mead 1932). Rather than progress, perhaps through immanent apocalyptic–messianic Christian theology, we are now able to better theorize rupture, discontinuity, reorientation, the common good (seen through concepts such as community, self-giving, grace). Further, in grappling with enacting kairos as the contextualizing orientation, perhaps economics scholars and practitioners can, for example, begin to replace abstract mathematical time with insights from behavioural economics, such as the perception of time, or strive to incorporate the use of historical time versus logical time (Davis et al. 2017).

Typology might be used to bring two or more similar events (e.g. the financial crises of 1929 and 2008) or two very different events (e.g. growth periods and decline periods [akin to identifying Israel with Pharaoh, Romans 9–11; Harink 2010]) "face to face" in a way that reveals what might be hidden by their current incorporation into timeless economic theory. More pointedly, events could be brought face to face with Jesus Messiah to assess economic progress towards human thriving.

Recapitulation can inform qualitative change. Just as the messianic event reframes the past, the construal of history, such as the rhetorically reframed past, can more generally provide better understanding of change processes based on temporally framed realities (Bucheli and Wadhwani 2014; MacLaren et al. 2015; Suddaby and Foster 2017; Ybema 2014). Another particularly important domain is research into creativity and innovation (see Langley and Tsoukas 2010–2016). Chronos is a poor frame for discovery since chronos deals with "what is"; kairos can reveal something entirely new. For example, if the "[p]ast and future are prehended in … event[s]" (Hussenot and Missonier 2016), is that prehension shaped by recapitulation, and what might we see through those lenses?

Our temporal frames shape what we know, what we consider real, and how we then live. It is time to uncover our presuppositions and reveal what has largely been hidden in plain sight. Using Christian apocalyptic-messianic immanent theology, we can begin to reimagine what our temporal reality in economics and organizations could be.

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CALLING, PROFESSION, AND WORK

Brenda L. Berkelaar and Patrice M. Buzzanell

Introduction

Theological and economic concepts structure how people make sense of and value work in promising and problematic ways. *Theology*, as used here, is not the study of work or practices primarily rooted in faith or religion, but rather the recognition that how people think about and enact work is "profoundly structured by theological concepts" whether those concepts remain unchanged, or are secularized, repressed, or forgotten (Sørenson et al. 2012: 267). With their taken-for-granted beneficial direction, theologically infused concepts such as calling and profession promise internal, social, and material fulfilment. In the transcendent language of spirituality, work aligned with calling and profession delivers fulfilment arising from ethical other-oriented investment. In the economic language of exchange, greater investments in work aligned with calling and profession should deliver favourable present and future outcomes. Unfortunately, despite inspirational and rational arguments, the often-unreflective expropriation and reappropriation of theological concepts into secular work can undermine the subjective and objective outcomes such concepts promise to deliver, even when people engage in faithful adoption. The discursive, historical, and material contexts of these concepts create multilevel, systemic tensions practitioners and scholars would do well to untangle.

Economic theology highlights the intellectual kinship between calling and profession. Their shared theological and religious origins and shared goals help direct work, as people seek control and meaning in an uncertain world. Here, we trace calling and profession as exemplars of meaningful work, illustrating how theological and economic perspectives are highlighted, repressed, entangled, and disentangled to legitimate or shift understandings and practices of contemporary work. We then argue for the generative and distinctive possibilities of an economic theology approach to research on work as a core human practice, role, and social structure.

Calling as meaningful work

Considering work's meanings offers a way to understand how people spend a considerable part of their lives. With its long theologically infused history, calling is experiencing a renaissance – likely because of the term's intuitive appeal, historical resonance, and recently re-expanded conceptualization as a way to serve secular and sacred ends. Although debates continue over calling's characteristics, contemporary scholars generally define *calling* as engagement in transcendent, meaningful pursuit of a prosocial or other-oriented purpose, typically in response to an internal or external summons (Berkelaar and Buzzanell 2015). A vocation (from Latin, *vocare*, "to call") then requires a purpose beyond economic self-interest. Yet economic outcomes have long been used to indicate faithful commitment to one's calling: whereas first-generation Puritans eschewed financial wealth, second-generation Puritans argued wealth indicated faithful pursuit of God's calling (Michaelson 1953).

Despite calling's deep Protestant roots, contemporary callings need not be religious nor responsive to a divine call. Contemporary scholars generally agree that calling describes a compelling drive to serve sacred or secular ends (Berkelaar and Buzzanell 2015). As trust in institutions declines and as career pathways become more precarious and uncertain, *calling* offers intuitive assurance that work can be infused with transcendent meaning, purpose, and direction, counteracting the uncertainty of boundaryless careers. *Boundaryless careers* describe career choices that involve movement across organizational, occupational, and other career boundaries as people seek meaning as conventional organizational careers devolve in response to changing economic conditions (Lips-Wiersma and McMorland 2006). In charting future research on careers, Tim Hall (2000) encouraged reconsidering deeper, spiritual meanings of career. Hall offered *vocation* as a way to integrate work choices with personal values and to fulfil needs for purposeful direction in economic environments where career pathways seem more uncertain.

Understanding calling as a concept requires appreciating its theological underpinnings. Certainly, calling – and its oft-entangled cognate, vocation – overlap with a broad network of ideas focused on meaningful work and life (e.g. *ikigai*, "reason for being" in Japanese culture, see Mathews 1996; Aristotle's *eudaimonia*, "human flourishing" or "happiness" in ancient Greece, see Robinson 1989). Yet, historically calling is strongly linked to Protestant theology. During the Reformation, Protestant theologians infused work with a spiritual dimension "no matter how painful, unpleasant, or ill paid" (Ciulla 2000: 52; also, Dawson 2005). John Calvin's (1536) theological treatise, *Institutes of Christian Religion*, argued that all work in every life sphere afforded opportunities to enact one's divine calling (in contrast to historic notions of separation between religious and secular work). For Calvin, working with "respect to our own calling" offered a distinctive moral attitude towards sacred and secular work, rather than a type of work, thereby providing a sense of direction and certainty "that he [sic] may not be always driven about at random" (1536 [1845]: 444). Martin Luther reinforced this notion that secular occupations offered contexts to pursue one's divine purpose. Specifically, Luther used the same German term *beruf* when referencing the Greek term for "calling" in the Protestant biblical canon as well as for "work" and "task" in *Ben Sira* (an ancient text canonically contested among Christian religions; see van Noppen 2000). Such implicit linguistic entanglements highlighted Reformed theologians' commitment to dissolve socially constructed boundaries between the sacred and secular, and by extension, theology and economics.

In proposing a theological motivation for economic production, Max Weber's (1930 [1992]) *The Protestant Work Ethic and the Spirit of Capitalism* strengthened links between work's theological and economic aspects. Weber argued that Calvin's notion of calling provided the ontological foundations for the Protestant work ethic, which encouraged capitalism's development and expansion. Although criticized as overly simplistic and situational, Weber's thesis advanced popular acceptance of economic activity via paid work as an avenue – and often *the* avenue – for fulfilling one's calling (Boltanski and Chiapello 1999 [2018]; Dawson 2005). Weber juxtaposed economic and religious sociology in ways that emphasized Calvin's theological connection between secular tasks and sacred goals, even as he highlighted how capitalism often creates disenchantment.

Thus, calling's connection to Western religions offered a convenient pathway to popular awareness and corresponding scholarly interest. Broadening conceptualizations of spirituality as meaning-oriented pursuit that did not require religious affiliation also encouraged calling's popularity (Bell and Taylor 2004). Until recently, calling in post-industrial society had been used almost exclusively to reference religious or faith-based work and occupations, divorced from Calvin's intent that vocation influenced all spheres of life (Ciulla 2000). Contemporary reconceptualizations allowed calling to once again explain a drive towards secular, not just religious purposes – although callings became more individualized than Calvin implied. Such individualized, secularized calling mirrored discourses of calling during the Victorian era as George Eliot (née Mary Anne Evans) wrote in her novels. Finding one's calling allows a person to pursue inner, individualized, convictions that serve society "in the world, but not altogether worldly" (Mintz 1978: 18).

The human potential movement of the 1960s and 1970s reinforced the individualized pursuit and value of calling by promising internal and external fulfilment. People became responsible for finding and fulfilling their unique vocation, rather than accepting their "station in life". Work needed wider significance. According to humanist psychologist, Abraham Maslow, meaningful work was essential to psychological health and motivation: work's significance should be like "some calling or vocation in the old sense, the priestly sense" pursued through self-reflection (1971: 45). Erich Fromm also critiqued capitalism's failure to generate meaning. As a humanist psychoanalyst, social psychologist, and philosopher, Fromm argued for the value of "being", describing a utopian vision where people became free to be their authentic selves as a way of living and orienting to the world (1955 [2013]). Unlike the religious asceticism and acceptance implied by the Protestant theologians during the Reformation, the human potential movement promised happiness and economic rewards for those who faithfully pursued their calling. Such promises aligned with a "theology of prosperity": the aspirational belief that a higher power or spiritual force bestows financial blessings on the faithful (Bowler 2013). With deep roots in Pentecostalism, the "American gospel of pragmatism, individualism and upward mobility"; and New Thought, theologies of prosperity emphasize salvation as "an act of drawing out humanity's potential" rather than a divine act of God, further dissolving taken-for-granted boundaries between the sacred and the secular (Bowler 2013: 11, 14).

The human potential movement offered a conceptual foundation for social scientists interested in empirically understanding work's meaningfulness. Prior to the re-emergence of calling in popular and scholarly work, research focused on developing and measuring constructs on how work's subjective aspects affected internal and external outcomes such as satisfaction and productivity (e.g. work centrality; commitment; values; intrinsic and extrinsic motivation; Wrzesniewski 2002). For example, Amy Wrzesniewski and colleagues' (1997) empirical study established calling as a legitimate avenue for social scientific research in management. Reinforcing earlier sociological research which argued that people frame work as a job, career, or calling (Bellah, Madsen, Sullivan and Swidler 1985), Wrzesniewski's team found that satisfaction with life and work seem to be a function of how people frame their work, even when controlling for income, education, and occupation. Since then researchers in management and organizational behaviour have developed additional measures of calling (e.g. Dobrow and Tosti-Kharas 2012; Dik and Shimizu 2019; Dik et al. 2012; Shim and Yoo 2012) to test calling's prevalence and outcomes, longitudinally and cross-sectionally, across diverse occupations (e.g. Bunderson and Thompson 2009; Dobrow 2013; Duffy et al. 2011), primarily in the United States, but increasingly, in other countries (e.g. Lysova et al. 2018; C. Zhang et al. 2015). Findings from this rapidly growing, yet nascent, research corpus suggest mixed results for the effects of having and living a calling on career maturity, choice, and agency as well as life and job satisfaction (Berkelaar and

Buzzanell 2015) – although some scholars argue for calling's generally positive outcomes (Duffy and Dik 2013). Such results suggest the need for more nuanced multidisciplinary approaches to researching and practicing calling.

Moreover, with few exceptions, calling's economic roots, constraints, opportunities, and implications remain repressed. Such repression exists despite the value of an economic perspective for understanding historical trends, decision-making, and the use of tangible and intangible resources in pursuit of meaningful and economically viable work. Calling's economic implications for individuals remains unclear despite promises of economic prosperity and attendant quality of life. Limited research suggests people often accept (Dempsey and Saunders 2010) or are expected to accept (Heyes 2005) lower pay in exchange for calling's transcendent benefits. Who benefits and when seems to depend on who, how, towards what ends, and for what period of time a person frames a calling (Berkelaar and Buzzanell 2015).

Talk of calling and of meaningful work emphasizes positive meanings and outcomes almost exclusively. Calling continues to be appropriated unreflectively as an intuitive sense-making tool that offers order and grace to the "disorderly and often disgraceful reality of economic work" (Sørensen et al. 2012: 285). In practice, people rarely consider how calling's ostensibly noble intent may be expropriated to advance particular organizational benefits and problematic social structures despite evidence to the contrary (Carrette and King 2005; Dempsey and Saunders 2010; Rosso et al. 2010), especially if a perceived occupational calling cannot be pursued because of economic or social constraints (Berg, Grant and Johnson 2010). Emma Bell and Scott Taylor (2004) argue that even as religious terms and spiritual practices allow workers "a place of temporary retreat from the difficulties and uncertainties of work life where individuals can seek security and overcome feelings of separateness and isolation" (460), they also place the responsibility for the new spiritual order on the individual. Consequently, spiritual management practices become "isolated from possible critique and transformed from a potentially enlightening into a potentially repressive project" (439). Taking an economic theology approach to calling and meaningful work provides ways of untangling how the material and the transcendent inform work choices, practices, and outcomes for individuals, organizations, and society.

Profession as meaningful work

The concept of profession also provides insight into the meanings of work – albeit meanings presumed to be secular work that operates as disinterested practice within the market economy. Contemporary professions are typically framed as occupations involving evidence-based expertise with corresponding expectations of prestige, independence, and improved economic remuneration. Thus, classifying an occupation as a profession confers expertise, prestige, and legitimacy (Dubar et al. 2015). Yet, the etymology of profession, including its connections to religious occupations and ethical orientation towards the collective good, are often forgotten, despite generative implications for understanding work's meanings and organization. Considering profession as a theological, as well as a sociological and economic, project draws attention to the theological underpinnings of professions – ideas often ignored or repressed when framing professions as secular occupations oriented around the independent application of expertise within the knowledge economy.

Early uses of profession provide insight into its metaphysical roots. *Profession* (from Old French *professioun,* and Latin *professio*) originally referred to vows made when entering religious orders (c. 1225–1995, see *Oxford English Dictionary* 2017). Profession was later extended to "any solemn declaration, promise, or vow" (c. 1300), especially to obey, accept, conform to, or believe in a particular religious community and its principles (c. 1513–present). In terms of work, profession first referenced religious occupations exclusively (c. 1383–1500) before encompassing any occupation with "professed knowledge of some subject, field, or science", particularly a "vocation or career … that involves prolonged training and a formal qualification" (c. 1425–present); and later any "particular occupation or calling" considered "socially superior to a trade or handicraft" (c. 1908). The persistent dilution of profession's meaning in English-speaking countries (Noordegraaf 2007; Wilensky 1964) distracts from its theological etymology and prosocial orientation that, together with economic and social control motivations, defined the post-industrial emergence of professions as specialized, high-status, and predominantly secular occupations.

The archetypal professions – medicine, law, and theology – were often framed as a moral covenant offered by "learned professions" to serve the public good rather than self-interest (Chapoulie 1973). To be a profession required "la passion du bien public" (passion for public good), an expectation that helped maintain a public alliance needed for social recognition (Dubar et al. 2015). Framing professions as altruistic occupations offered transcendent legitimacy – a legitimacy reinforced by Christian churches' role in helping educate the new professional and in serving churches' biblical mission to care for the sick and the imprisoned (Dubar et al. 2015). A theological perspective highlights professionals as a "chosen people", winnowed through educational access and professional certification.

Early social science definitions of profession considered transcendent purpose an essential characteristic of professionals. As a teacher and key reformer of medical education, Abraham Flexner (1915 [2001]) argued that a "professional spirit" was the "first, main, and indispensable criterion of a profession". Professional spirit was "a humanitarian and *spiritual* element … [that] holds out not inducement to the world – neither comfort, nor glory, nor money" because a profession involves "unselfish devotion of those who have chosen to give themselves to making the world a fitter place to live in" (165, emphasis added). Flexner's implicit divide between secular and sacred motivations hinted at the less theologically apparent, yet still influential, underpinnings of profession as a calling to serve within secular contexts, yet not be of those secular contexts. This unselfish devotion to the public good was essential, but insufficient, to establish an occupation as a profession. For Flexner, a profession must also involve intellectual action centred on personal responsibility; independent rather than routine application of knowledge; practical application; a defined set of teachable content; and self-governance. Thus, professions, like a calling, offer a clear path for work and career – in this case a path defined by education and certification systems and professional associations, rather than a transcendent purpose. Variations of Flexner's typology proved critical to the functionalist approach to professions which dominated the "golden age" of professions until the 1960s (at least for those occupations deigned professions, see Gorman and Sandefur 2011).

Structural, monopolistic, and cultural approaches to the study of professions often dismissed these altruistic motivations as "empty rhetoric" designed to legitimate the economic monopoly and social control of a rising professional class (Abbott 2014; Noordegraaf 2007). Informed by the growing influence of critical theory and Marxism, critics of functionalism argued that professions were primarily interested in controlling the content and the practice of their particular occupation to signal experience and to allow for an economic monopoly much like the medieval guilds from which they emerged (Wilensky 1964; Noordegraaf 2007). *Structural* approaches to studying professions emphasized how professionalization practices influenced the evolution of a profession's structure given historical social and economic forces. *Monopolistic* approaches emphasized how professions offered a structure that allowed for monopolistic control. *Cultural* approaches highlighted how professions established legitimacy by linking expertise to current cultural values (Abbott 2014). Such critiques helped focus attention on the social and economic power differentials and processes of control implicated in professionalization; however, these critiques did little to consider how theological concepts influence professions in ways that could prove problematic or redemptive for the future of work. For example, in examining the evolution of capitalism from hierarchical to networked organizations, sociologists Luc Boltanski and Eve Chiapello (1999 [2018]) offered insight into the pernicious and subtle exploitation hidden behind neoliberal promises of individual initiative and autonomy. Yet, aside from requisite consideration of calling and vocation in Calvin and Weber, Boltanski and Chiapello's influential text decided to "leave to one side … the actual influence of Protestantism on the development of capitalism, and more generally, of religious beliefs on economic practices" (9). Unfortunately, in dismissing the transcendent purposes espoused by early practice and functional research, scholars lost touch with theological concepts that could help explain the emergence, structure, process, and current challenges facing contemporary professions, professional practice, and work generally.

Ongoing slippage in how people conceptualize profession helps legitimate control of workers and undermines work's meaningfulness in subtle ways. Yet ambiguity is preferred by neoliberal management discourses because it enables subtle, yet "fierce attacks" on classic professions like medicine (Noordegraaf 2007). Professionalization in the neoliberal economy "has become a matter of contradictory and controversial attempts to get a grip on organizational control" over knowledge work and workers with their ambiguous and often intangible work products (Noordegraaf 2007: 765). Growing ambiguity regarding what constitutes a profession (or a professional) has allowed deprofessionalization to flourish, decreasing agency among professional workers even as it promises to equalize the status differences between knowledge-based occupations. Contemporary application of the term "profession(al)" to particular occupations or work practices extends well beyond profession's initial theological, sociological, and economic conceptualizations, legitimating management practices that could undermine the self-governance and prosocial goals of contemporary, secular professions. For example, in medical professions, economic efficiencies and the standardization of evidence-based practices and protocols (e.g. handwashing) have proven beneficial for health outcomes and financial constraints (Gawande 2010). Unfortunately, these successes reinforced tendencies to privilege routinized tasks while marginalizing variable tasks. Reinforcing routinized tasks over variable tasks can undermine work engagement, innovation, motivation, and meaning (Kahn 1990), potentially attenuating the health and financial outcomes routinized tasks are designed to achieve. Meaningful work requires a balance of routine and variable tasks that lead to the engagement and productivity that can benefit workers and their employers (Kahn 1990).

It is not yet clear how to manage the competing economic and engagement challenges of classic and emerging professions and their varied stakeholders. What is clear is that the historical rise of the professions accommodates multiple motivations and narratives that cannot be fully appreciated by a singular perspective. As early as 1921, historian and social critic Richard Tawney hinted at the entanglement of transcendent, functional, and instrumental goals in the construction and enactment of professions:

> [Professionals] may, as in the case of the successful doctor, grow rich; but the meaning of their profession, both for themselves and for the public, is not that they make money, but that they make health, or safety or knowledge, or good government, or good law.
>
> *(1921: 94)*

For Tawney, economic interests and transcendent purpose could coexist in professions under effective self-governance; however, he argued that modern society encouraged selfish individualism. His classic work, *Religion and the Rise of Capitalism* (1926), considered the link between Protestantism and economic development, even as it bemoaned the separation of meaning and morality (as manifest through Christian religious beliefs) from the instrumental and material motivations of everyday work, government, and democracy. Although one might reasonably question Tawney's idealism, economic theology offers a way to explore such tensions in ways that address the multidimensional challenges and opportunities of professions. For individuals, organizations, and societies, a theological perspective encourages reimagining a profession in terms of what it professes to believe, do, and mean; an economic perspective considers the material motives, meanings, opportunities, and constraints that shape professional choices, practices, and outcomes.

An economic theology of work

Work has long been an economic and a theological project. Yet, when people organize work and its meanings, they often categorize work into thinking that privileges the economic and the mundane, or the transcendent and the theological. Economic theology provides an opportunity to consider work's mundane and transcendent commitments simultaneously and systematically. By attending to the theological and economic entanglements and entailments that inform how people make sense of and organize their and others' work, economic theology provides the opportunity to identify and untangle the multiple metaphysical strands informing work, while also appreciating work's systematic complexity. Although theology has long considered humanity's most fundamental questions, theology's enactment and outcomes are intensely practical, mundane, and economically consequential. Consider, for example, what happens when individuals fail to leave a job because they consider it their calling (i.e. agentic self-abnegation; see Rosso et al. 2010). Similarly, although economics often disguises itself as relatively mundane, value-neutral, and technical social science, such assertions are illusory. They hide the transcendent promises implicit in economic assumptions of the "economic priesthood" who advocates against "economic evils" and for economic efficiencies (Nelson 2014: 13, 75). Nobel Prize-winning economist Robert Mundell (2000) argued that more scientific application of economic policy could prevent horrible events like the Great Depression and Second World War. In essence Mundell promised what economist Robert Nelson (2014) repeatedly called a "secular salvation" here on earth.

The theologically infused and economically consequential concepts of calling and profession help illustrate why juxtaposing theology and economics offers generative insights into work's choices, processes, practices, outcomes, and structures. Moreover, economic theology helps highlight intellectual kinship between calling and profession, sequestered until now by separate research trajectories. As concepts, profession and calling evidence deep, rich, and intertwined histories with insights, contestations, and trajectories derived from socially constructed sacred–secular divides – where the sacred is often implicitly assumed to be religious or faith based. Rather than trying to differentiate singular courses for future research and practice, we take a *both/and* approach to work because the fissures and bridges revealed by juxtaposing theology and economy offer generative possibilities for research and practice.

An economic theology of work encourages combining the presumed practical technicality of economics with the presumed transcendence of theology to offer fruitful insight into work over time. Such approaches involve negotiating and renegotiating how people organize, value, and direct work collectively and individually as they seek work and life choices that ostensibly marry the benefits of the transcendent and the mundane in diverse ways. As exemplified in this consideration of calling and profession, an economic theology of work encourages reconsidering the artificial, often binary, divisions by which people frame the meanings and purposes of work, with what consequences.

Three generative avenues for future research on an economic theology of work include context, control, and choice. First, an economic theology of work encourages attending to *context*. We encourage researchers and practitioners to focus less on idealized ontologies of work and more on how work becomes manifest through what means, which processes, in what forms, in what sociocultural and historic contexts, for which groups of people, with what outcomes. Second, an economic theology of work highlights how profession and calling involve attempts to *control* the subjective and objective outcomes of work for themselves and others. Control need not involve power over another. Understanding how entangled economics and theology control work provides opportunities to help individuals enact agency over their own work, careers, and professions given their meaning and material goals. Third, an economic theology of work promotes examination of how *choice* – enacted via calling, profession, and other meanings of work – may become taken for granted and valued positively, rather than explicated for underlying constraints and contestations.

In addressing context, control, and choice, we encourage scholars to consider dialectic and dialogic approaches as complements to economic theology. A *dialectic* approach to an economic theology of work would involve efforts towards uncovering and addressing tensions between economics and theology as thesis and antithesis to find some resolution such as compromise or synthesis. In contrast, a *dialogic* approach to an economic theology of work would consider how the implicit existential relationship between economics and theology evolves and shifts over time, with what outcomes. Such approaches delve into either/or and both/and dynamics of economics and theology to find fresh variations and insights, such as productive and dysfunctional practices, processes, and outcomes of calling, work, and profession. We consider reflection on the economic and theological underpinnings of calling and profession to be essential for constituting the meanings of work with their implications for work choices, practices, structures, and outcomes.

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ORGANIZATION AND MANAGEMENT

Bruno Dyck

Introduction

The goal of this chapter is to introduce readers to the literature that describes sacred dimensions inherent in concepts, terms and theory associated with organizations and organizing. In particular, the chapter seeks to delineate the "hidden" theological underpinnings and outcroppings associated with mainstream Organization and Management Theory (OMT).

The chapter will proceed in three parts: 1) describe how contemporary mainstream OMT has been underpinned by a Protestant theology; 2) explain that this theological underpinning has long since been secularized and rendered invisible, leaving society caught in a materialistic–individualistic iron cage; and 3) speculate how theology may hold the key to escape the iron cage, identifying implications for future research. As we will see, these three parts are consistent with Max Weber, a father of Organization Theory, who is still one of the most influential and cited scholars in organizational studies generally (Miner 2003) and a leading philosopher of moral management (Clegg 1996) and, even as an agnostic, remains the most frequently cited classic scholar in the literature dealing with faith at work (e.g. Gundolf and Filser 2013).

Contemporary OMT has been underpinned by a Protestant theology

According to Weber, suffering and salvation play a central role for understanding the origin and ongoing development of religion, and people's specific understanding of salvation in turn informs how they organize and manage social functions, and vice versa (Kalberg 2001). In Weberian terms, the theology associated with a particular understanding of salvation is an example of a "substantive rationality" (e.g. values-based rationality), which in turn gives rise to a related "formal rationality" (e.g. a coherent set of organizing principles and rules that are consistent with a particular theology).

Dyck and Wiebe (2012) contrast and compare the meaning of salvation across the world's leading religions, and then trace how changes in the meaning of salvation within Christianity over the past two millennia have given rise to corresponding new organization practices and forms. For example, in terms of three key dimensions of salvation – modality, instantiation and whether the locus of ethics is personal or social – during the era of the early church (first century), Christians viewed Jesus as a role model (vs. a sacrifice), salvation was seen as instantiated in this world (vs. in the afterlife), and there was a social locus of ethical activity (e.g. inclusion of social outcasts). This was associated with organizational forms like the Jerusalem Love Community (Gotsis and Drakopoulou-Dodd 2004), where members shared financial resources and shared meals as equals without regard for social status, unheard of in that time (Dyck 2013). In this regard, it is noteworthy that the word "company" literally means to eat bread (*panis*) together (*com*) (Höpfl 2000). The countercultural implications for OMT – including organizational structure, strategy and leadership – of a first-century understanding of Jesus' socio-economic message are described in Dyck (2013).

The first major shift in the Christian understanding of salvation occurred after Constantine and during the Middle Ages, whereupon the modality of salvation became Jesus' sacrificial death, instantiation occurred in the afterlife (that was the goal of performing sacraments), and the locus remained at a social level (*extra ecclesia null salus* – "outside the church there is no salvation"). In terms of implications for OMT, the theology of this era was associated with the establishment of monasteries and the development of formal rationalities like St. Benedict's rules which foreshadowed the 14 principles of management Henri Fayol developed 15 centuries later (Kennedy 1999).

A second major shift in the understanding of salvation, and the one of greatest relevance for understanding how theology has influenced contemporary OMT, took place during the Protestant Reformation, and is the focal point of Weber's (1958 [1905]) "The Protestant Ethic and the Spirit of Capitalism". While there is considerable debate about details in Weber's (1958 [1905]) analysis, widespread support remains for his overarching argument that a particular Protestant theology helped legitimate and give rise to the spirit of capitalism, and by extension informs contemporary OMT (e.g. Dyck 2013; Golembiewski 1989; Herman 1998 Jackall 1988; Nash 1994; Naughton and Bausch 1994; Novak 1982; Pattison 1997; Pfeffer 1982). In particular, Weber (1958 [1905]) argues that the theology (substantive rationality) of early Protestant leaders like John Calvin and John Wesley can be seen to support two fundamental ideas – namely, an emphasis on individualism and materialism – that characterize capitalism and contemporary OMT (formal rationality) (Dyck and Schroeder 2005).

Weber traces the contemporary idea of individualism back to the Reformation's idea of "calling", where everyone's salvation was dependent on them fulfilling their ethical obligations in their everyday work life. Individuals could no longer be saved by the church, by priests, nor by sacraments (which were necessary, but not adequate for salvation). Weber saw this individualism as "the absolutely decisive difference" between Protestant theology and Catholicism (Weber 1958 [1905]: 5). Others concur: "One could hardly have placed a more radically individualistic doctrine at the center of one's economic ethic" (Frey 1998: 1575).

Weber argues that materialism was a second defining feature of the secularized Protestant ethic. Weber cites John Wesley's description of how Protestant theology leads to materialism: "religion [that is based on individual calling] must necessarily produce both industry and frugality, and these cannot help but produce riches" (1958 [1905]: 175). Echoing Weber, Solomon and Hanson (1983: 29) argue that "the idea that making a profit is a legitimate activity would have horrified most people until very recently", and note that its legitimation was facilitated in no small part by a Protestant theology that seemed to link financial success to eternal salvation. Instead of riches being a sign of greed, they became a sign of God's blessing.

As depicted in Table 21.1, the Protestant Reformation ushered in a new substantive rationality (theology) where the previous social locus of ethical activity was replaced by a materialistic–individualistic ethic; however, there was no change in modality of salvation (Jesus' death) and instantiation (afterlife). This new dual emphasis on materialism and individualism in turn influenced how organizations were structured and managed. Weber describes how

Table 21.1 How Christian theology has underpinned OMT over time

Hallmarks of salvation	*Organization and Management Theory*
Era 1: First-century theology Modality: Jesus as role model Instantiation: In this world Ethical locus: Social/outward focus	*Era 1: Early Church practices* Jerusalem Love Community Sharing, benevolence, *oikos* "Company" (especially outcasts)
Era 2: After Constantine (4th century) Modality: Jesus as sacrifice Instantiation: Afterlife Ethical locus: Social/outward focus	*Era 2: Early Church practices* Monasteries (e.g. Benedictine rules as forerunners to Henri Fayol's 14 principles)
Era 3: Protestant Ethic Modality: Jesus as sacrifice Instantiation: Afterlife Ethical locus: Emphasis on calling (individualism/materialism)	*Era 3: Modern capitalism, iron cage* Centralization (hierarchy) Specialization (calling, role) Formalization (obedience) Standardization (vs. idolatry) Entrepreneur as saviour

specialization, centralization, formalization and standardization – four hallmarks of contemporary organization structure (formal rationality) (e.g. Burns and Stalker 1966) – can be seen as grounded in Protestant theology (substantive rationality) (Dyck and Schroeder 2005).

First, Weber argues that the OMT idea of specialization is underpinned by a Protestant understanding of brotherly love:

> "[S]pecialized labour in callings [is] justified in terms of brotherly love […] [which] is expressed in the first place in the fulfilment of the daily tasks […] in the interest of the rational organization of our social environment […] [T]he division of labor and occupations in society" was seen as "a direct consequence of the divine scheme of things".
> *(Weber 1958 [1905]: 108–9, 160; cited in Dyck and Schroeder 2005: 708)*

Second, Weber suggests that the OMT idea of centralization is undergirded by the Protestant understanding of "submission". The fact that some people have more power than others (e.g. a managerial class vs. a working class) is "a direct result of divine will" (Weber 1958 [1905]: 160). Note also the theological meaning embedded in the very idea and word "hierarchy", which etymologically means sacred or priestly rule (*hieros* means "what is holy", *hiereus* means "priest", and *arkhe* means "rule") (Höpfl 2000: 315). Aquinas believed that earthly hierarchies among people mirror heavenly hierarchies among angels, and more recently Giorgio Agamben (2011) pointed to angelology as an antecedent of administration. Taken together, it has been argued that "economic theology makes, through the trinitarian *oikonomia*, administration and governance possible, and creates power structures" (Sørensen et al. 2012: 273).

Third, building on this, the OMT idea of formalization was based on a Protestant understanding of obedience which placed emphasis "on those parts of the Old Testament which praise formal legality as a sign of conduct pleasing to God" (Weber 1958 [1905]: 165).

Fourth, Weber sees the OMT concept of standardization as arising out of Protestant theology's emphasis on not conforming to the idolatrous patterns of this world: "[T]he repudiation of all idolatry of the flesh" serves as an "ideal foundation" to undergird the "powerful tendency toward uniformity of life, which to-day so immensely aids the standardization of production" (1958 [1905]: 169).

To summarize thus far, the influence of a particular Protestant theology can be seen to have undergirded both the larger materialistic–individualistic socio-economic context of OMT, and also the four fundamental principles of contemporary organizing. In addition, the influence of theology is also evident in contemporary strategic management theory and practice. For example, the secular strategy literature describes how managers are "called" to set the "mission" and "vision" of the organization, ignoring the obvious theological heritage of these terms (Dyck and Neubert 2010). A "vision" used to be something given to prophets, not something used to make profits. And perhaps the most famous religious mission statement comes from what has been called Jesus' Great Commission: "Go therefore and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, teaching them to observe all that I have commanded you" (Matthew 28: 19–20a). Contemporary OMT is more likely to have the CEO, who has all the authority in a company, challenge organizational members with a paraphrased mission statement: "Go therefore and make customers in all nations, selling them our goods and services in the name of capitalism, teaching them to observe all the best management practices as I have commanded you".

Finally, scholars have argued that unspoken theological presuppositions often influence OMT at a more abstract level. For example, Peter Drucker's writings about management have been associated with a theological understanding of human nature, influenced in particular by Reinhold Niebuhr and Søren Kierkegaard (Maciariello and Linkletter 2011; Miller 2015). For a more general example, it has been argued that common understandings of entrepreneurship have a theological narrative as subtext, where entrepreneurs are viewed as miracle-working saviours of humanity, perhaps especially in failing economies (Sørensen et al. 2012). At an even more general level, economic work has been imbued with theological meaning simply via understanding that God can be seen to be act on Earth (e.g. God the Father is incarnate in Jesus the Son, who was concerned with the administration of goods and services producing organizations; Agamben 2011; Dyck 2013; Sørensen et al. 2012).

In sum, "organization studies, despite its appearance of being a 'proper' social science, is already theological" (Sørensen et al. 2012: 270).

Theological underpinnings of OMT have long been secularized and rendered invisible

Already a century ago Weber recognized that the "individualistic" and "acquisitive manner of life" that characterizes the modern economic order had become secularized and "no longer needs the support of any religious forces, and feels the attempts of religion to influence economic life [to be] an unjustified interference" (1958 [1905]: 72). In what may be the best-known metaphor in the social sciences, Weber suggests that, as a result, humankind has become encaptured in a secular materialist–individualist "iron cage".

For the most part, contemporary scholars seem keen to ignore the fact that OMTs formal rationality is based on a particular (theologically informed) substantive rationality, and they wrongly present OMT as a morally neutral theory that is objective and incontestable (e.g. Gayá and Phillips 2016; MacIntyre 1981; Roberts 2002: 305). While some OMT scholars recognize the folly of this myth of value neutrality – "As Weber pointed out, the value-laden nature of assumptions can never be eliminated" – , they are also quick to lament that "unfortunately, theorists rarely state their assumptions" (Bacharach 1989: 498; see also Calas and Smircich 1999: 666).

In particular, due to secularism, contemporary scholars seldom discuss the theological underpinnings of OMT (e.g. Ashforth and Vaidyanath 2002; Mitroff and Denton 1999; Pattison 1997, 2000). Miller (2015) describes secularism as an Enlightenment ideology that excludes theological expression from public debate and in social life. He argues that even with the growth of research in organizational studies in the areas of spirituality and religion (e.g. Tracey 2012), nevertheless this literature has for the most part avoided *theology* per se: "Secularism is a defining ground rule for participation in scholarly debate and demarcates a boundary around the academic field of management and organization studies that marginalizes theological perspectives" (Miller 2015: 276).

Of course, there are exceptions to this. A recent literature review, which searched 32 secular business journals, found 83 articles that focused on what at least one of the world's five largest religions said about OMT: 7 articles looked at Buddhism, 46 at Christianity, 21 at Confucianism, 1 at Hinduism and 4 at Islam (the remaining 4 articles considered multiple religions) (Dyck 2014). About half of the studies – including all five religions – described how their sacred writings support the mainstream materialistic–individualistic paradigm. Taken together, these articles were arguing that the formal rationality underpinning contemporary OMT was consistent not only with Protestant theology, but also with the theologies (substantive rationalities) of other leading world religions, thereby challenging Weber's idea that the Protestant theology is unique (e.g. along the lines of Novak's "The Catholic Ethic and the Spirit of Capitalism", 1982). In contrast, the other half of the articles that used sacred scriptures offered countercultural theologies (substantive rationalities) that challenged mainstream OMT (formal rationality). This brings us to the next section.

Theology as key for escaping OMT's materialistic–individualistic iron cage

Weber foresaw the theological turn, and its possible role for facilitating escape from the iron cage that he associated with "specialists without spirit, sensualists without heart; this nullity imagines that it has attained a level of civilization never before achieved" (1958 [1905]: 182). He recognized that, even though the contemporary materialist–individualist paradigm would give rise to unprecedented financial well-being, its failure was inevitable due to its inherent meaninglessness ("the pursuit of wealth, stripped of its religious and ethical meaning, tends to become associated with purely mundane passions") and/or ecological factors (it might remain "until the last ton of fossilized coal is burnt").

For Weber (1958 [1905]: 182), the best way to escape from the iron cage is via "entirely new prophets" or "the rebirth of old ideas and ideals". For Weber, because of their substantive rationality, religious ideas "are in themselves, that is beyond doubt, the most powerful plastic elements of national character, and contain a law of development and a compelling force entirely their own" (1958 [1905]: 277–8). Just as a Protestant theology had played an important legitimating role in replacing the previous paradigm with the current paradigm, so also today's secularized OMT would most likely be replaced via an alternative theological formally rational OMT. This argument is echoed in Alasdair MacIntyre (1981: 263), a more recent leading moral philosopher, who suggests that the best way to overcome the "bureaucratic individualism" that characterizes OMT's contemporary formal rationality is via developing "local forms of community" associated with new and "doubtless very different" prophets.

The idea that theology can help escape the status quo is also evident in the wider OMT literature. For example, Gary Hamel (2009) convened a group of leading management scholars and practitioners – including C. K. Prahalad, Chris Argyris, Eric Abrahamson, Henry Mintzberg, Jeffrey Pfeffer and Peter Senge – to discuss how to escape what he calls the Management 1.0

paradigm (which has characterized OMT for the past century) and replace it with Management 2.0 (which serves a "higher purpose"). Hamel explicitly notes the merit of using "theology" to help develop Management 2.0.

Such a transformative agenda is also very evident among OMT scholars who explicitly talk about a "theology" of management and organization (e.g. Dyck and Schroeder 2005). For example, Sørensen et al. (2012: 272) propose that a "theology of organization" should aim "at working with and working on theological concepts that problematize or oppose contemporary forms of organization", and Gayá and Phillips (2016) draw on liberation theology to develop counter-stories that can help save humankind from socio-ecological crises. A review of ten years of publications in *The Journal of Biblical Integration in Business* found a similar countercultural theme (Dyck and Starke 2005).

Perhaps the most intriguing opportunity to reinfuse an understanding of *theology* into organizing and management *theory* is to recall that the two terms are etymologically related; both are linguistically rooted in an understanding of God (*theo*, related to the Greek "Zeus"). However, whereas the original understanding of *theoria* (theory) had a focus on direct experiential knowledge of the divine, this has been removed from a contemporary understanding of theory, thereby limiting the development of OMT even within research streams like Spiritual Leadership Theory that would seem to beg an emphasis on *theoria* (Case et al. 2012). Contemporary theory emphasizes *ratio* (reason, active logical thought, examination and measurement, definition and drawing conclusions) rather than *intellectus* (being actively receptive to allow the soul to conceive that which it sees, embracing a sense of "situated connectedness that is beyond words, conception and seeing") (Case et al. 2012: 358).

This difference between theory and *theoria* is not unlike the difference between theological beliefs versus faith. Theological beliefs are akin to theory, showing how various concepts fit together to form a coherent understanding of God. In contrast, faith and *theoria* are more attuned to relationships and interconnectedness with the divine and with the larger community. This is consistent with a first-century biblical understanding of faith, where the emphasis was not on assenting to particular beliefs, but rather faith was understood as describing relationships with the divine and with others (Morgan 2015; Horrell 2016): "it is time to retrieve the early Christian usage of faith as comprehensive trust, and Christianity as a way of life not a system of beliefs. At root […] faith is a relationship, not an opinion" (Cox 2017: 80). Such a relational understanding of faith is also evident in other religions, such as Buddhism (e.g. Dyck and Purser 2019).

Future research may want to add to first-person accounts of how faith and *theoria* can and has influenced scholarship in this field (Dyck and Purser 2019; see also Sandelands 2003), and develop "Organization and Management Theoria" (OMTia). Research suggests that OMTia may be associated with escaping the iron cage. For example, each of 11 empirical studies found in the literature that examine managers who seek to be open to divine knowledge suggest that their doing so makes them less materialistic and less individualistic (Dyck 2014).

The challenge for OMTia scholars is to manage the paradoxical tension between religious experience and OMT. As Weber (1958 [1905]: 233) notes, religious experience is "of the greatest practical importance", even though it is irrational and, in its highest form, incommunicable (religious experience "cannot be adequately reproduced by means of our lingual and conceptual apparatus"). Weber goes on to note that people's interpretation of their religious experience is informed by theory (e.g. theology, OMT). In short, this is a complicated endeavour. Perhaps a key is to find examples of OMTia that are already being manifest in the practices of actual goods- and service-producing organizations (MacIntyre 1981: 263), and then study those. A good place to start is the more than 750 businesses associated with the Economy of Communion, which grew out of the Catholic Focolare movement (Gold 2010). For example, rather than place a primary emphasis on profit maximization, firms in the Economy of Communion emphasize reducing negative socio-ecological externalities. And instead of fostering individualism, they promote participative decision-making and establish cooperative rather than competitive relationships with stakeholders. To enhance community well-being, they deliberately recruit new hires from vulnerable or marginalized populations and pay a living wage (note that these are all practices consistent with an approach to OMT based on "Social and Ecological Thought", described in Dyck et al. 2018).

To conclude, OMTia scholars seek to develop OMT that is informed by (and informs) religious experience, knowing that this is challenging and possibly unattainable. But failing to do so means that OMT will be a-*theoria*-tical, and perhaps destined to remain imprisoned in the iron cage.

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22
THE ENTREPRENEUR

Ross B. Emmett

The entrepreneur in economic and theological literature

Since its earliest usages in the thirteenth century, the term "entrepreneur" has identified a person who undertakes a business enterprise – marshalling resources, accepting risk, and being rewarded with profit or loss. Throughout the history of the use of the term, different uses have emphasized one or the other side of the "marshalling resources" versus "accepting risk" aspects of this identification. Other terms used for the same type of person have been adventurer, enterpriser, and projector. The term "proprietor" – indicating ownership of a business – was not a perfect substitute for entrepreneur.

The entrepreneur was largely ignored in economics for a long time because economists focused primarily on the operation of markets; their productive and distributive consequences for land, labour, and capital; and the economic role of the state. Observations about entrepreneurs by Richard Cantillon ([1755] 1931), J. B. Say (1803), and John Stuart Mill (1848) identified the key themes, but the attention of economists and the public were elsewhere and little was made of them. Much was said about proprietors and capitalists, even about innovation, but not entrepreneurs. For example, a Google Ngram shows very few mentions of entrepreneurs prior to the 1980s, and "innovation" occurred more frequently in all time periods.

A new start was made in the twentieth century, although here, too, the entrepreneur was largely ignored by the economics discipline. Frank Knight's (1921) theory of profit focused on the entrepreneur's uncertainty-bearing and the necessity of exercising good judgement (see Foss and Klein 2012). Max Weber (1930) argued that the Protestant emphasis on vocation had assisted the rising "capitalist spirit" to emerge, an argument which underlay the dominant conception of the entrepreneur in twentieth-century economics – Joseph Schumpeter's (1942) capitalist hero of "creative destruction". In the 1970s, Israel Kirzner's (1973, 1979) notion of "entrepreneurial alertness" reinvigorated interest in entrepreneurship within the Austrian economics tradition. Among Austrians, Kirznerian entrepreneurship reinforced their focus on the market process that was largely missing from mainstream equilibrium theory. William Baumol (1990) reminded those seeking to glorify the heroic entrepreneur that the entrepreneur can just as easily seek to capture unique benefits for themselves (or a favoured group) from the public sector as launch a productive enterprise that creates value for others in society. Baumol's insight linked the study of entrepreneurship to the emerging literature of rent-seeking, public choice, and bureaucracy – themes missing in the discussion since the final chapter of Knight's 1921 treatise (Dejardin 2011).

Of course, the main focus in economics and other social sciences has remained the analysis of systemic interaction, its social consequences, and the role of the state. Social scientific methodology required outcomes to be explained in non-individualistic terms. Even in economics, which does accept individualistic explanations, the individual is usually understood to be responding to changing benefits and/or costs rather than initiating action creatively. In such contexts, the entrepreneur was present, but unaccounted for, an exception that was mentioned, but then ignored. Hence, the Schumpeterian entrepreneur, destroying industries by creating new ones, does not appear in neoclassical economic theory, and the Solow–Swan growth theory makes entrepreneurial innovation an exogenous variable. Kirznerian "entrepreneurial alertness" violates rational choice theory, and is relegated to Austrian disquisitions on market process. Even when the entrepreneur is taken seriously in the literature – for example, in endogenous growth theory – the literature soon seeks to corral the entrepreneur; to suggest that various features of the market or society correlate highly with entrepreneurship. In the business and psychological literature a similar move happens as entrepreneurs become the product of particular psychological traits, or personal characteristics (e.g. see Baum et al. 2007). The more the social and behavioural sciences explain, it seems, the less room there is for entrepreneurial action. As Peter Drucker said, "Every economist knows that the entrepreneur is important and has impact. But, for economists, entrepreneurship is a 'meta-economic' event, something that profoundly influences and indeed shapes the economy without itself being part of it" (1985: 13).

Christian commentary on entrepreneurship follows a similar historical trajectory. Medieval Scholasticism was as interested in issues of economics as it was in politics, and the teaching it provided in both was similar, focused on issues of moral choice and justice both in terms of power and price (Langholm 1998). The English and Scottish Enlightenment traditions saw a merger of classical political economy with a "natural theology" orthodoxy to create the Christian political economy that underlay British conservative thought for most of the nineteenth and twentieth centuries (Waterman 2004). In the United States, the combination of Protestant individualism, personal responsibility, and political economy produced a similar defence of private property, free markets, and a minimum of government interference; a "clerical laissez-faire" that lasted well into the Progressive Era (Heyne 2008). In the Reformed tradition, the work of Abraham Kuyper (in the Netherlands) and others elsewhere laid the foundations for an appropriation of free-market economics through a theology of "common grace" (Kuyper 2016). In each of these traditions, the entrepreneur was about as present as in the mainstream of economics: the word was mentioned, but when the real analysis began, the entrepreneur as a person disappeared, becoming a ghost in the machine. The main emphases remained the importance of labour, the capitalist's responsibility to workers and society, the social benefits and/or costs of markets, and the responsibilities (limited or otherwise) of government. Throughout the early twentieth century, commentary on economic affairs in all Christian traditions focused primarily on the ethical evaluations of markets (some for, some against) and the valuable role of labour (e.g. Catherwood 1980; Leo XIII 1891; Temple 1956). Even in the Christian literature that promoted free enterprise, entrepreneurs continued to be incidental to both economic and theological considerations of political economy, dominated as they were by the capitalism versus socialism debate. An exception that proves the rule is Kreider (1980). Despite the title, the book is in the pre- rather than the post-1980 tradition.

The late 1970s and early 1980s, however, saw a real change in both the scholarly and the Christian literature. The increase initially came from interest in innovation. Perhaps the fall of communism and the emergent pro-market political movements assisted with this; perhaps the new wave of creative destruction emerging from computer technologies contributed. In any case, we can point to the influence of two books on the uptake of literature on entrepreneurship. One has already been mentioned – Drucker's *Innovation and Entrepreneurship* (1985). Both parts of the title are important for Drucker, and for the literature that appears thereafter: the true entrepreneur is not just a proprietor but also an innovator. Drucker's book initiated business scholarship on innovation, and on entrepreneurship. The second book was Michael Novak's *The Spirit of Democratic Capitalism* (1982), which initiated a Catholic free-market-oriented economic tradition (highlighted by John Paul II 1991). Novak's book made a moral argument that Drucker would not make: that economic considerations were not just about assets, costs, and prices, but also about what humans are. The Catholic tradition (and by extension, Protestant traditions as well) had lost sight of human creativity, something that democratic capitalism unleashed. Much of *The Spirit of Democratic Capitalism* is an extended disquisition on how much the Catholic tradition had misread capitalism because it focused on social justice rather than creativity, judgement, and the importance of the market test (see Percy 2010 for extended treatment). As Nobel laureate Edmund Phelps (Phelps 2009) put it 20 years later,

> Innovation makes scarce goods abundant. This quest to do better, to go farther, to extend our reach is part of what makes us human. … If we place innovation at the centre of economics, then we in effect make a sweeping assertion about human nature – for we claim, at some level, that man is an innovator.

A theology of entrepreneurship and innovation

Before we can confront the theological tasks involved in developing a theology of entrepreneurship and innovation, we must first confront the historical, one might even say genealogical, task of considering our tradition's prior understanding of entrepreneurship and innovation. In many religious and philosophical traditions, these terms were laden from the beginning with both negative and positive connotations (see Godin 2015; Spanos 2010). When an innovation reinforced the established order, it was good; when it was occurred in the market, it was often considered deceit, trickery, and as departing from the ordained order. Because the ordained order was defended on theological grounds that defended existing arrangements and products, few could provide an intellectual defence for innovators and entrepreneurs. And yet usage did change as we continued to talk about entrepreneurship and innovation, and eventually positive connotations came to the fore (see Emmett 2012; McCloskey 2016).

Continued theological reflection on entrepreneurship and innovation requires three things. It must be rooted in the fundamental beliefs about both God and human beings; provide a framework for considering how our social, economic, and political organization contributes to or detracts from innovation and entrepreneurship; and encourage reflection on human values, virtues, and capacities related to innovation and entrepreneurship that reflect its anthropology. It is often easy to skip from the first to the third of those tasks – from theology to anthropology, psychology, and ethics. But the second task – theological reflection on what we might call the constitution of an entrepreneurial society, informed with a Christian anthropology – is perhaps the place where theological reflection may contribute its greatest potential impact. The "constitutional" perspective is, for example, strikingly absent from Audretsch (2007). The remainder of this chapter will provide a brief introduction to a theology of innovation and entrepreneurship that incorporates all three of these aspects (Ballor and Claar 2016 provide a slightly different treatment of these issues).

Trinity – incarnation – imago dei

"When God began to create the heavens and the earth … . God saw everything he had made: it was supremely good" (Genesis 1:1, 30–1, Common English Bible). It is always tempting to start a theological discussion of entrepreneurship and innovation with reference to Genesis 1. Here is the supreme ex nihilo argument, the most important outside-the-box action!

But what if we began instead with the Nicene Creed? "We believe in one God … We believe in one Lord … We believe in the Holy Spirit … We believe in one holy catholic and apostolic church". Affirming the Nicene Creed, means to affirm the totality of faith in God Almighty, "maker of heaven and earth", in the incarnation of Jesus – the Word, our Saviour, and he through whom "all things were made", in the Holy Spirit, "the giver of life", and in the Church, with its roots in the community of disciples Christ gathered around him and its reach to almost every community on earth today. The Creed puts creation of heaven, earth, and life in the hands of the three persons of the Trinity, eternally in communion. Accordingly, the Church owes its existence to Christ, and hence is God-ordained and ruled rather than human created or the handmaiden of the State. Here we see the principle of subsidiarity in the Church's divine mission, and according to the principles of Christian faith, also God's generosity. And here we recognize our creative endeavours as subcreations within the context of God's creation and divine plan.

A few additional comments may be needed regarding Christian anthropology, rooted in the notion of humans as the divine image – the Imago Dei. The biblical root is clear enough: "God created humanity in God's own image" (Genesis 1:27). Theological interpretation of the Imago Dei tends to focus on the individual person's reflection of the image of God: in human reason, creative freedom, morality, and spiritual nature. And, of course, discussion of the Imago Dei is closely linked to discussion of original sin. We are made in the divine image, but the image has been fractured, if not totally obscured, by human sin.

But there is another theme that Christian anthropology draws upon. The complete quotation of Genesis 1:37 is this: "God created humanity in God's own image, in the divine image God created them, male and female God created them". Note the plural. The Imago Dei is reflected in each of us *and* in our life together. On earth, as in heaven, we "live, move, and exist" (Acts 17:28) in community with God and other humans. We are never entirely separate from them – in family, community, and enterprise. Extended further in terms we can use to think about entrepreneurship, we can say that our institutions, markets, and associational life form the context in which "we live, move, and exist" as entrepreneurs and firms. Naturally, just as the Imago Dei reminds us of our individual fallen nature, so, too, it reminds us of the consequence of that fracture for our societies, markets, associations, and communities.

If we only think of the Imago Dei solely in terms of our individual nature, we focus on rationality and freedom of choice. But if we think of the Imago Dei as an individual-in-community – the reflection of the *Triune* God, eternally in communion –, then we can approach the second task with a unique perspective on the human person, always set in the context of family, community, firm, and other associations, and naturally led to cooperate (and compete) with others. We are led, naturally, then to our second task.

Liberty – community – subsidiarity

Rather than leaping from our foundational beliefs to considerations of features of the individual entrepreneur, a more consistent approach to entrepreneurship in both theological and social scientific terms would be to consider other concepts which enrich our understanding of entrepreneurship and innovation as social phenomena. In both the Catholic and the Protestant tradition we see a tension between an individualistic approach to economic participation – one that defines us solely in terms of our preferences, resources and property rights – and the Imago Dei, which sees us as person-in-communion, and hence requires us to consider also our family, social associations, church, and the network of responsibilities and ties that inform our actions.

An illustration of this point is provided by social entrepreneur and consultant Ernesto Sirolli (1999), who regularly asked new entrepreneurs he worked with two questions: a) which of the following areas is your strength – product development, marketing, or finance? and b) who are the two other people you will bring onboard to provide strength in the two areas you are weak? Sirolli argued that these two questions are even more important than your decision about what product or service you expect to provide. In other words, from the start, your entrepreneurial venture should be built upon a community of persons united in purpose, an entrepreneur-in-community. Sirolli's point emphasizes a central argument in Knight's theory of entrepreneurship that has often been overlooked. For Knight, the greatest uncertainty an entrepreneur has to bear is the consequence of the necessity of trusting enterprising decisions to others (Emmett 2011). The entrepreneur cannot act alone.

All Christian social theologies discuss the relation of the individual and family to the state, and also the role of intermediary associations. In the Catholic tradition, these reflections are often grouped under the theme of "subsidiarity"; in the Reformed tradition, "sphere sovereignty" is often used to express related ideas (a comparison of the terms is in McIlroy 2003). Regardless of which term you prefer, they both express the principle established by Pope Pius XI in the 1931 encyclical *Quadragesimo Anno*: "It is a fundamental principle of social philosophy, fixed and unchangeable, that one should not withdraw from individuals and commit to the community what they [individuals] can accomplish by their own enterprise and industry". By extension, what individuals can do in concert, working together in a business or another form of social association, should not be withdrawn and committed to a centralized function if the decentralized association can accomplish the task by their "enterprise and industry".

Today, the notion of subsidiarity is usually thought of in political terms – state or provincial governments should take responsibility where they can accomplish policy if possible before committing the policy responsibility to the federal government (or transnational units like the European Union). But the concept is important to our economic analysis of entrepreneurship and innovation. Today, many are quick to argue either that "you didn't do that" (see Mazzucato 2013) or that the level of entrepreneurship is insufficient because innovators receive only a small fraction of the value for society they create, and therefore that there are not enough of them (see the *Economic Report of the President* 2010: 259–60). The second perspective leads to the "market failure" theory of innovation which suggests that government must drive (and guide) innovation. A theology of subsidiarity would help us understand the significant, but limited, role that the state can play in ensuring that entrepreneurial action is encouraged by individual liberty, protected by private property, assisted by community action that creates an environment for creative action, and judged not by the goals of public policy but by the market test (McCloskey 2016).

A Christian understanding of the social and political economy of human flourishing, however, does not only depend upon the individual-in-community and subsidiarity. It also requires "the freedom and moral agency to make wise, informed choices in the pursuit of her entrepreneurial calling" (Ballor and Claar 2016: 126). Without liberty of action, the entrepreneur as a moral agent cannot make the decisions and judgements that exhibit their understanding, not only of a personal entrepreneurial vision but also of the values and purposes of their community of faith. Liberty of action (as well as subsidiarity) requires the institutional support of a free society: rule of law, private property, market economy, and constitutional democracy. Guidance for how they use the liberty provided by a free society is the third task of a theology of entrepreneurship and innovation.

Creativity – charity/generosity – judgement

The third task of a Christian theology of entrepreneurship and innovation focuses on the human values, virtues, and qualities behind entrepreneurial action. As mentioned earlier, much of the Christian literature follows the secular literature in examining traits and qualities common to entrepreneurs (the aforementioned "alertness", and risk-taking) or focuses on the Christian virtues one can draw from as an entrepreneur (e.g. prudence, courage, and hope). Here, an argument will be made for a focus on values, virtues, and qualities that lead one to focus on the needs and wants of other people. Behind this orientation is the fundamental fact that success as an entrepreneur is ultimately defined by the market test: does the entrepreneur create something for which there is sufficient demand to enable the entrepreneur to cover the costs of production and a reasonable return? When entrepreneurial improvements pass the market test, we can say that, on balance (acknowledging that all human actions have both positive and negative effects), they contribute to human betterment.

Creativity obviously plays a role, and is acknowledged in both the secular and the Christian literature. The Christian understanding of creativity is usually found in the arts, as mentioned earlier. Viewed from that perspective, creativity and innovation are usually discussed in Schumpeterian terms: new products that transform industries and ways of life. A good task for a joint theological and economic research project would be the relation between creativity and cost (especially transaction cost) reduction, a key feature of innovation today. Transaction cost-reducing innovations are also important because they require a design orientation that begins from the perspective of the user or consumer, which takes us to the second aspect of this task.

When Adam Smith said, "It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest" (1976: I.2.2), he could just as easily have said that the butcher, the brewer, and the baker should not expect consumers to pay them so they can send their children to summer camp or pay their employees well, but rather because consumers take regard for their own interests. We usually use Smith's words to suggest that transactions are motivated by self-interest. But that misses Smith's point: as the consumer, I have to provide the business something it needs, and the business has to provide something I need, if there is going to be a transaction. The entrepreneur and innovator have to provide something the consumer wants in order to be successful. Thus, the entrepreneur is necessarily other-regarding. Deirdre McCloskey's Bourgeois Era trilogy (especially McCloskey 2006, 2016), which is built upon this theme, provides fertile ground for those interested in the theological task of connecting such other-regarding interest in markets to the virtues of charity and generosity. So far, these themes have been restricted to the realm of social entrepreneurship and philanthropic work. However, if we see market-tested improvements as necessitating a focus, as Smith suggests, on the interests of the customer, there is no reason not to consider innovation as acts of charity and generosity. Theological reflection on charity, generosity, and market-tested improvements can provide a needed corrective to anti-market social theology (see Milbank and Oliver 2009 for uses of these themes in radical orthodoxy, and Sørensen 2008 in critical management, respectively).

The final theme chosen here for emphasis in our construction of the third task is entrepreneurial judgement. Judgement is not a human quality that is often mentioned in connection with entrepreneurship and innovation, but it has recently emerged as a complement to theories of uncertainty-bearing and entrepreneurial alertness (Foss and Klein 2012). Under uncertainty and in an opportunity-rich environment for entrepreneurial action which provides the possibility of complementary investments in multiple industries, judgement is a necessary ability. If we make judgement a key theme in our economic theory of the firm, we also resist the temptation, mentioned at the outset, of characterizing entrepreneurship as an occupation.

If we characterize economic action as merely allocation of resources to competing demands, economic motives as merely self-interest, and entrepreneurial action as emerging from qualities unique to a certain class of humans, we end up with an economics that puts entrepreneurship and innovation outside the model. And a social theology which sees no reason to treat entrepreneurship and innovation as issues worthy of theological reflection. The economist and theologian who approach this topic face a field ripe for entrepreneurial thinking.

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23
MEDIA AND MEDIATION OF CULTURE

Jeffrey H. Mahan and David J. Worley

Introduction

Religious Studies gives increasing attention to the relationships between media, religion, and culture. Indeed, there is now an International Society for Media, Religion, and Culture and programme groups dedicated to the relationships between religion and media at the American Academy of Religion and other scholarly associations. As Mahan has discussed elsewhere (2012), these studies increasingly assume that religion is inseparable from its mediations. This attention to media and mediation contributes to our understanding of the relationships between the economic, religious, and theological realms, which we will demonstrate through a reflection on a case study.

Readers might assume that the connection between religion and media is a modern phenomenon, perhaps emerging with the rise of "new media", or with the development of evangelical broadcasting, or even the printing press. Certainly, "'media' in all their economic, symbolic, performative and techno-prosthetic dimensions have become central to the terms of interaction within and among the embodied regimes and imagined worlds that constitute the sacred" (Stolow 2005: 123).

While the rise of electronic and digital media attracts our attention to religion's mediation, the relationship between religion, media, and mediation precedes our journey with modernity. In fact, this discourse claims there is no religion apart from the process of its mediation. This attention to mediation marks a significant shift in the field. Earlier studies thought of media in fairly conventional terms: print, photos and illustrations, radio, television, film, computers and the internet. More recently, scholars (see deVries, Stolow, Meyer and Morgan) have thought of media more broadly. Architecture, incense, icon, procession, and other rituals have come to be seen as media. Recognizing this underscores that religion cannot be understood apart from its mediations.

What do we mean by mediation? The term points to the shift from an emphasis on the technologies of communication to their function. Thus the mediation of religion points to the religious work being done by narrative, image, and sound that we most often associate with the media, and further to religion's embodiment in the groups, objects, practices, tastes and smells, and so forth that also have the power to conjure up the sacred. Birgit Meyer writes, "Mediation objectifies a spiritual power that is otherwise invisible to the naked eye" (2006: 15).

Meyer goes on to argue that mediation is "dependent on currently available media and modes of representation" (2006: 16). She reminds us that the transcendent must be accessed through sensual means of experiencing and communicating that are historically and culturally located.

It is tempting to think of these mediations as fixed messages that elicit a single feeling or emotion. But David Morgan suggests that "rather than positing a discrete media product whose impact might be measured as this or that effect or gratification", we should understand mediation as "a process of engagement that includes struggle, resistance, and an ensuing transformation of consciousness in which media take part" (2008: 6, 7). Religion is not neatly located; it is "diffused in virtually ubiquitous media artifacts and the practices of consuming them" (ibid.: 17).

In discussing economic theology, most theorists think of religion and economies as distinct categories that interact and influence each other in some way. In this chapter we instead point to ways that economic systems, here capitalism, function *as* religion. We argue that the system of free enterprise which underpins Western consumer capitalism has the characteristics of a religious system. Here we follow in the footsteps of thinkers like Dell deChant (2002) and Robert Nelson (1991, 2001), who made comprehensive attempts at interdisciplinary work between economics and religion. This chapter is attempting a similar contribution to the discourse of economic theology. In this chapter we examine a particular programme that, through a complex mediation of the economy, seeks to introduce elementary school students to the concepts and practices of free enterprise. We argue that it does more. It does not simply introduce skills but also teaches faith in a religious system we call Beneficent Free Enterprise.

Young AmeriTowne: a case study

Imagine an idealized town square laid out like a game board in an airy 5,000-square-foot room. Here, 80 fifth graders actively engage in commerce, politics, and consumption. Around the edge are 17 small storefronts including a market; various businesses; a physical fitness centre; newspaper, radio, and television stations: a health-care facility; a bank; and minimal governmental services (a mayor and police officer), each staffed by children. The array of endeavours reflect a particularly American view of commerce and the limited role of the public sector (healthcare for instance is treated as a private for-profit enterprise). Citizens move around the town on four streets, including Penny Lane and Prosperity Boulevard. In the centre, a large green carpeted area serves as the town commons. It is charming and nostalgic, rather in the way of Disney's scale model villages. On the face of it, this seems an entirely secular activity. In fact, there is no church, mosque, or synagogue to suggest the presence of religion in the town. Yet, might we think of the entire project as a religious system?

Vacation Bible (or Church) School is a common religious education practice among American Protestants. Parents hope that through instruction, organized play, and the creation of temporary community, their children will live into Christian identity and adopt a Christian view of the world. In Colorado it is also possible to send children to Young AmeriTowne where they will learn "about business, economics and free enterprise in a fun and hands-on way", preparing them for the culminating interactive experience "where students-turned-citizens apply concepts they've learned by working together to operate a 17-business town" (For a fuller description, see https://yacenter.org/young-ameritowne/). Roughly 40 per cent of Colorado fifth graders participated in 2015–2016 and the programme is expanding into other states. We see a parallel between the two formation experiences. While not all formation is necessarily religious, we will explore whether Young AmeriTowne treats economics and free enterprise as underlying matters of religious faith and consider how that might inform the discussion of economic theology. In considering this particular case we first will demonstrate how it is useful to root discussions of religion and the economy in studies of the way they are mediated; second, we will demonstrate how attention to this mediation reveals the unrecognized religious system which lies at the heart of our popular conception of the economy.

It might seem outrageous to suggest that free enterprise can be thought of as a form of religion, particularly in a period when most people think of religion as an individual spiritual matter. To explore the religious nature of the economy, we ask two questions: how does Young AmeriTowne contribute to maintaining an order of existence that upholds the modern economy; and what does it mean to "believe" in free enterprise? This chapter draws on the work of anthropologist Clifford Geertz to describe a religious system which we call Beneficent Free Enterprise; lays out the theoretical underpinnings for our argument; further describes Young AmeriTowne, which we treat as a programme of religious education within this religious system; considers what Geertz calls the motivations and goals of the programme; and offers an analysis that showcases the value-laden nature of this religious system.

Religion

Religion is complex, and people define it in a number of ways. Here, we will follow Geertz's assertion that "a religion is a system of symbols which acts to establish powerful, pervasive, and long-lasting moods and motivations in [people] by formulating conceptions of a general order of existence and clothing these conceptions with such an aura of factuality that the moods and motivations seem uniquely realistic" (1973: 90–1). Geertz is interested in how religion roots people in a symbolic system which both explains culture's structures and renders those structures invisible by treating them as "factualities", that is, as givens in an inevitable order of things. Geertz definition is contested by scholars such as Talal Asad and Catherine Bell primarily for overemphasizing religion's conserving and unifying function and giving too little attention to the work of symbols and rituals in processes of social change and the articulation of difference. We recognize that religion can serve both the conservation and the reform of cultures. Geertz helps us understand the former, particularly that beneath America's seeming religious diversity is a shared faith, not evangelical Christianity or some generic spirituality, but rather, as Geertz helps us see, free enterprise serves as the dominant religion.

Seen only as "a system of symbols", religion can seem to exist almost entirely in the realm of ideas. Geertz's subsequent discussion of ritual helps clarify that religion is a bodily practice rooted in a symbolic system. The shared symbolic system and the bodily practices (receiving baptism, folding the hands to pray, genuflecting, fasting, engaging in acts of charity, speaking in tongues, and so forth – to stay with familiar Christian examples) together root the individual within a communal religious world.

This definition challenges the assumption that religion is primarily a "belief" understood as publicly professed creed or doctrine. Where we do use the term, we think of David Morgan's discussion of belief as "a shared imaginary, a communal set of practices that structure life in powerfully aesthetic terms. Belief is perhaps best framed as a pervasive community of feeling … the felt expectation that the world works in a particular way" (2010: 7–8). If "free enterprise", as an array of beliefs and practices fundamental to capitalism, is to be thought of as a religion, it must function as a symbol system so powerful that it serves as an explanation of the order of things, and its adherents must express their faith in this system through bodily practices which express their "felt expectation" that the world works in this particular way. One of the crucial insights of Geertz's assessment of religion is that core values and assumptions, which the religious system assumes and promulgates, are given "such an aura of factuality" that they "seem uniquely realistic". Thus, things that seem – from within the system – to be the given order of existence appear to those outside the system to clearly be chosen social constructions.

Mediation and symbols

For Geertz, religion is rooted in and serves culture. Understood in this way, religion must be shared. Private spiritual experiences cannot provide the "aura of factuality" that culture requires. To provide this aura, shared symbols, practices, and understandings must root the individual in the collective. Such religion rests in its mediations; it is not separable from images, objects, and sensory practices. These things express what Morgan called "a pervasive community of feeling" and introduce people into the community and confirm the "factuality" of the society. Observing practices of religious education helps us see the way religious communities depend on processes of mediation. They tell stories, engage symbolic objects and spaces, and teach bodily practices in a process of identity formation. Through such sensual practices and habits, the learner comes to adopt what Geertz called the "moods and motivations" of this particular religion and accepts the factuality of the way the religion understands the world.

Anthropologist David Harvey discusses the power of symbols to construct and maintain Capitalist economies by reproducing the social order out of which our modern system of commerce thrives. Harvey argues that Capitalistic culture has taken a deep interest in aspects of social reproduction that affect the competitive qualities of the labour force:

> If any country is desirous of becoming wealthier by moving up the value-added chain of production into fields of research and development, thereby garnering the wealth to be tapped from command over intellectual property rights, then this depends on having at one's disposal a well-educated (workforce) … The education of such a workforce has to begin early in life, which puts the whole educational system in the cross-hairs of capital's concerns.
>
> *(2014: 186–7)*

For Capitalist society to maintain itself, it is essential that new generations of consumers and economic producers are initiated into this symbolic system, entering into the "moods and motivations" that suggest that much of life is about securing a wide array of goods and services for oneself. This vision of the modern good life requires citizens to both participate in productive economic acting and consume the goods and services of others.

Geertz points to religion's function in making the world explicable through practices and symbol systems that assure us of the factuality of the world we inhabit. In this chapter we treat Young AmeriTowne as a form of religious education which introduces young people into the practices and symbol systems which undergird modern capitalism. To enter into this system is to believe that the production and consumption of goods and services provides fundamental safety and satisfaction for yourself, your family, and the wider community. Furthermore, the production of profit from one's activities is the presumed source of surplus which enables society to function.

Description of *Young AmeriTowne*

Young AmeriTowne is operated by the Young Americans Center for Financial Education, which provides additional programmes in financial education including a functioning Children's Bank that offers saving and checking accounts and loans. It has been offered through schools since

1990 and has involved over 375,000 young people. The programme is integrated into and supports the state-mandated curriculum called Common Core, and the CEO estimates that they serve about 40 per cent of Colorado fifth graders and 60 per cent of those in the Denver Metro area, with programmes in public and private schools and outreach to homeschoolers. The programme is headquartered in an attractive two-storey building, full of natural light, in an affluent neighbourhood in Denver. There are also two travelling versions that take the programme into different regions of Colorado. The Young Americans Center is funded by a variety of corporations, private foundations, institutions of higher education, and individual donors.

The Young AmeriTowne simulation is surprisingly complex. Students and their teachers work through a preparatory curriculum, and students apply and are assigned to particular jobs in the Towne. Each business has a bank loan to repay; utility, advertising, and shipping expenses; and potential profits and losses to produce. Care is taken to provide students with choices. They can work on their business or fool around; choose to spend their simulated money on snacks or invest in other consumption (like a personal trainer, healthcare, or college). The Young AmeriTowne simulation provides these participants the opportunity to understand the ramifications of their choices.

While the simulation occurs within a school day at the Young Americans Center for Financial Education, or its mobile equivalent, the preparation for the experience begins weeks in advance with preparatory lessons at the students' school. The units and topics include the following:

- *Basic Economics*: circular flow of money; scarce resources; pricing
- *Banking*: history of money; banking functions (deposits, checking, and funds transfer); bookkeeping; responsible use of debit/ATM cards
- *Government*: the three branches of (American) government; voting; laws
- *Advertising*: identify advertising slogans and logos; and techniques of advertising
- *Philanthropy*: definition of philanthropy; how to promote "healthy community by considering corporate and individual responsibility"
- *Investing*: understand monthly household budget; explore distinct types of investments and risks involved with each; "learn value of saving money for long-term goals"
- *Other*: interviewing skills; individual skills assessment; apply for Young AmeriTowne jobs

By the time the students and teachers arrive, the students are already aware of the free enterprise system, and this enables each student to focus on taking their place within the system.

According to Amanda Krische, vice president of Programs at the Young Americans Center, pulling off a well-run simulation is complicated and requires five Young Americans Center staff and up to 20 parents and teachers. When the students arrive, they are given a 20-minute preparatory talk to review their roles in the simulation, and the staff leader reminds them to "use their checkbook register, write down their goals for the day, not overdraw their bank accounts, and make a profit for their business" (Personal Interview, 20 September 2016). When the simulation begins, students bodily live out their role in the different businesses and social institutions which make up the local economy. Managers are busy developing meeting agendas and dealing with human resource issues. Accountants record balances of their varied businesses and issue pay cheques to other employees. Sales representatives deploy sales strategies towards other Young AmeriTowne participants and work on developing good customer service. Quality control officers engage in ensuring the delivery of excellent products and services. Parcel delivery picks up and delivers shipments, food service purveyors serve snacks, fitness coaches provide workout opportunities, medical professionals provide health check-ups, bankers take deposits, radio producers produce advertising and pump out an ongoing broadcast, and the university enrols new students. Young

AmeriTowne's economy hums with activity. As occurs outside the simulation, students display a wide range of diligence, with some consistently staffing their businesses and others spending time socializing at other venues, spending little energy or time on their assigned endeavour. The simulation attempts to reinforce through play the values of the free enterprise system.

As the simulation closes, students wrap up their on-site experience and return to their school. The Young Americans Center staff confirms the balances in their accounts, audits the bank to see if it is solvent, and determines whether businesses succeeded or failed. From this comprehensive assessment, the individual business results, bank performance, and other programme notes are sent to the school. This enables teachers to follow up with their classes and to help students understand the connection between their actions and profits and losses. Individuals find out the results of their business performance, their investments, and the health of their overall (simulated) economy. Students and teachers discuss their experience and what they learned about both the hard skills (accounting, marketing, quality control) and the soft skills (interpersonal communication, responsibility, self-presentation) of running a business.

Observing Young AmeriTowne makes evident the programme's assumption that the "free enterprise system" is the foundational element of a well-functioning society. It is from the capitalistic profits of businesses that government functions are made possible. Unmet needs in this system are often addressed through private philanthropy, which is also understood as the result of Capitalistic profit-making. President and CEO Rich Martinez Jr. and Vice President for Programs Amanda Krische were interviewed and provided a guided tour of Young AmeriTowne where Young AmeriTowne participants were actively engaged. Our analysis draws on our initial interview and visit to the facility, an examination of programme materials, a subsequent phone interview with Krische, and a final conversation with Martinez, Krische, and Betsy Sklar, Vice President of Business Partnerships and Development, in which they responded to the first draft of this chapter.

In articulating this guiding philosophy, Young AmeriTowne CEO Rich Martinez Jr. stated:

> We don't shy away from the use of the term *free enterprise*. I think that is a very polarizing term … but I think we do it in a way, we introduce it to teachers, in a way that is non-threatening. We talk about capitalism, we talk about profit, we talk about a business succeeding and a business failing, we talk about supply and demand, we talk about all the concepts of a free enterprise economy and why those are good, but we don't preach to them. I think it is as valuable for a teacher to teach that material and get a perspective that they might not have had, because of their political beliefs, but also then to observe and see their kids, their students, run this free enterprise economy and see the values in why our system is so great; why we are the most incredible nation in the world, because of this system. Yes, it has its flaws, every system does, but for them to not only teach it, but observe their students thriving in it, and understanding how it works is pretty powerful.
>
> *(Personal Interview, 27 July 2016)*

By simulating the economy, the leaders of Young AmeriTowne strive to instil in children disciplines and practices which lead to success in a free enterprise economy.

Analysis of Young AmeriTowne

The staff refer to Young AmeriTowne as a simulation. One can also call it an educational role-playing game (RPG). While those we interviewed clearly understand themselves to be teaching the *practices* of saving, investing, and consuming, like other RPGs in public and religious education, Young AmeriTowne also teaches *values*. While the staff understand at some level that they are involved in a process of values formation, the selected values seem self-evident, objective, and so realistic that they do not require reflection. Following Michel Foucault, contemporary sociological analysis might at this point argue that the programme enrols students into a kind of neoliberal governmentality that involves individualism, self-reliance, competitiveness, self-observation, and choice. We supplement and expand on this to demonstrate that Young AmeriTowne is an endeavour of contemporary religious education. By teaching these specific skills, the Young Americans Center embeds fifth graders in a particular values system.

Beneficent Free Enterprise holds a particular vision of capitalism that is representative of the American economy of the late twentieth century. This system is rooted in particular values assumptions and requires particular skills. The programme envisions a type of capitalism in which largely middle-class professionals act to provide goods and services in a system that is competitive and yet mutually beneficial. Contrast this with *Monopoly,* another game about free enterprise developed in the early decades of the 1900s, which models a rapacious "robber baron" capitalism. It is worth noting that both *Monopoly* and Young AmeriTowne are games which reflect the operative Capitalistic assumptions of their period. *Monopoly* was developed to reflect an era when one major issue facing the American economy was the concentration of industry control in very few hands. The Young AmeriTowne programme originated out of assumptions common in the latter two decades of the twentieth century in which the ideas of free enterprise, as the path to a solid middle- or upper-class life, were assumed. Both games reflect unique aspects of their economic period.

Our assessment is that Young AmeriTowne is embedded in a particular historically conditioned value set which it treats as a factuality. The symbol system and practices the programme teaches confirm this faith community's foundational assumptions. The programme staff seemed surprised when we suggested in our interview that it appeared that Young AmeriTowne is designed to teach particularly selected values. For these insiders in what we have called a religion of Beneficent Free Enterprise, entrepreneurship and economic exchange are so cloaked with "an aura of factuality" that they think of themselves as teaching skills for navigating the given world, not as priests who embrace, bless, and initiate others into a religious system. Because they participate so fully in the "powerful, pervasive, and long-lasting moods and motivations" that undergird this particular capitalism, what we name as selected values seem to them entirely the "general order of existence".

Young AmeriTowne is regulated by three distinct legal systems, which we will call *rules*, *codes*, and *laws*. The rules are established by the organizers and govern the way the participants act while participating in the simulation (do not leave the building, no running or pushing etc.). What we call codes are regulations set and enforced by the (fifth grade) citizens of the Towne. In practice these are largely trivial matters (we were told that after electing a student named Jump to be mayor, the participants made it a law that participants had to jump when passing the town hall). What we refer to as laws are of a different nature. They are the fundamental assumptions of the system of Beneficent Free Enterprise. This third category, that of law, reveals the religious nature of the enterprise. While from outside the system it is possible to see that these laws articulate values the organizers have chosen to emphasize, from within the system they seem given, self-evident, and unchangeable. To practitioners of Beneficent Free Enterprise, the laws which govern the economic system exist as a de facto order of existence; to have faith in Beneficent Free Enterprise is to accept them as matters as unchangeable and given as the "laws of nature".

We observed four laws which are operative in the simulation: *exchange, competition, individual responsibility*, and *economic production*.

- The simulation operates entirely around economic *exchange*. There is no public transfer of income or gifting of resources.
- The simulation assumes economic *competition* as a natural state of being.
- The basic organizing unit in Young AmeriTowne is the individual person. It is *individual responsibility,* via productive economic action, that is the basis out of which larger business teams function.
- Everyone is expected to be *economically productive* and to produce and consume economically quantifiable goods and services. There is not a Towne poet, musician, clergy, or social worker.

It might help us see the way Young AmeriTowne functions as a religion to think about how another scenario could play out in the simulation. We wonder what would happen if participants, working out of alternative religious assumptions and world views, wanted to alter the simulation codes and forgive debts or pool resources. Our hunch is that these activities would not "fit" the simulation because they would be at odds with the fundamental laws undergirding the programme itself and would create a dissonance between the two systems. The point of Young AmeriTowne is not to perfectly model the economy, or to imagine economic reformation; rather, it seeks to develop the "skills" for operating in the free enterprise system.

We at first significantly misunderstood the implications of certain disjunctures between the simulated economy and the actual economy of the larger society. We thought the designers of Young AmeriTowne believed that Beneficent Free Enterprise could resolve fundamental inequalities and that this was evidence of a religious idealism. Subsequent conversation with staff made it clear this is not the case. The programme is rooted in a realistic awareness of inequality and the stark possibility of personal and business failure. In Geertzian terms, what makes this a religious system is not an idealistic view of a future in which Beneficent Free Enterprise produces utopian results. Rather, it is the organizer's confidence that Beneficent Free Enterprise expresses a uniquely realistic picture of the general order of existence. These choices – that do not seem to the designers like choices – reproduce and confirm their world view. Since the Young American's Center takes the free enterprise system as a given, the most relevant and compassionate thing they can do is introduce children to its symbol system and teach them the skills of success within the system of Beneficent Free Enterprise.

What Geertz would call the "moods and motivations" of Young AmeriTowne confirm that capitalism is an inevitable part of the unquestioned order of things. Those we interviewed were frustrated with suggestions that the system seemed incomplete or unjust not because they lack concern for those who least benefit from capitalism, but because they are interested in replicating the contemporary free enterprise system and reflecting "economic reality". Of course, any game or simulation used for religious or public education must simplify the complex beliefs and practices it teaches. Our main point here is not to challenge the fairness of the free enterprise system, but rather to show that the simulation rests on religious assumptions about the general order of existence.

Conclusion

Young AmeriTowne is a well-run and sophisticated role-playing curriculum. The programme initiates a remarkable percentage of Colorado fifth graders into a particular view of America's economic system. There is no doubt that the Young American's Center for Financial Education, and the donors who invest in it, are committed to preparing the next generation of successful participants in the free enterprise system. We argue that they do this because they are true believers in a religion which implicitly underlies modern and seemingly secular capitalist societies, that of Beneficent Free Enterprise.

Often in suggesting that economic systems are inherently religious, scholars talk quite generally, or they are simply speaking hyperbolically to make the point that people take money too seriously. This chapter has provided a specific description and analysis of the initiation of young people into a particular religious tradition as it is practiced and promoted in the state of Colorado in the early twenty-first century. While not providing an exhaustive description of the religious system, we have examined the way that Young AmeriTowne contributes to the maintenance of this religious system.

This chapter demonstrates that attention to the mediation of religious systems contributes to our understanding of the relationships between the economic, religious, and theological realms. One of the complexities of a Geertzian understanding of religion is that, on the one hand, fundamental assumptions cannot be questioned or explored from within the religious system. On the other, religion requires the maintenance of those assumptions for the cultivation of new adherents. Our study examined how this teaching of unquestioned assumptions happens in a programme that clothes Beneficent Free Enterprise in what Geertz calls an "the aura of factuality" that makes it *seem* natural. By doing so, this chapter first demonstrates that Beneficent Free Enterprise is a religious system, and secondly that attention to the particular mediation of this system contributes to our understanding of religion as a category and to its particular expression in what we have called Beneficent Free Enterprise. Seeing the religious nature of economic systems, and the way they are mediated, sharpens our understandings of economic forces in society.

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24
BRANDING AND MARKETING

Russell Belk

Introduction

In 1958, the British House of Commons debated whether radio and television broadcasting should allow advertising in conjunction with religious programming. "Without dispute it was agreed from the start that religious programmes should not be interrupted by or stand in close proximity to advertising" (Laski 1959: 119). For Royal broadcasts it was also decided that there should be a period of two minutes on either side where no advertising was allowed. Press reports chronicled a broader set of sacred content that should be spared from the debasing effects of advertising:

> Their tone is always one of outrage that moments felt as sacred in people's lives should be profaned by the intrusion of advertising. … There are certain contexts in which advertising *as a whole* is felt to be offensive … These include religion, royalty, art, education, national glory, natural beauty, love and marriage, childbirth and childhood.
>
> *(Laski 1959: 121–2; italics in original)*

The incompatibility of religion and commerce was supported by the example of Jesus driving the money changers from the temple. In the nearly 60 years since these discussions, both commerce and religion have changed to such a degree that we might well entertain the proposition that the sacred is now more apt to be found in brand advertising and the profane is more apt to be found in religion (Belk and Wallendorf 1990; Belk et al. 1989). Even in the 1950s, Laski (1959) maintained that since consumers have a desire to be uplifted, advertisers find ways to incorporate the "triggers" for such uplifting experiences into their ads:

> A photograph of a rose, its petals sparkling with dew, and beside it a roll of lavatory-paper.
>
> *(126)*

> A sun-daubed woodland, a pastoral meadow of swaying grass, a wind-washed azure sky. Nature's bounty also endows the goodness of Johnny Walker Scotch Whisky.
>
> *(127)*

> A brand of biscuits has been up Everest (triggers: mountains and heroes), a numinous quality is supposed thereafter to inhere in the biscuits.
>
> *(128)*

Both ads' visual associations and verbal terminology make sacred and religious illusions. Twitchell notes that the ads of "Sheraton hotels, and General Motors 'invoke redemption'. Xerox implies miracles. Mercedes shows the gods on your side if you drive its SUV" (2004: 53).

But ads do not only rely on associations with inspiring and sacred themes. Marchand (1986: 285) notes that advertising often makes brands into idols and uses such terms as worship, pray, bow down to, revere, and adore in order to describe the manner in which consumers are enjoined to approach these brands. Sheffield (2006) suggests that advertising draws on totemism and fetishism to create a sacred aura around brands. Notably, both concepts have apparently lost their pejorative tone they had when they were used to distinguish the beliefs of Europeans versus indigenous people during colonialism. The invocation of consumer fetishes (e.g. Belk 1991; Fernandez and Lastovicka 2011: 298 – "a magical object of extraordinary empowerment and influence") also differs from idolatry, which is an older biblical concept and involves beliefs in "false gods". Lasch (1978: 73) called advertising a new religion and suggested that it "addresses the spiritual desolation of modern life and proposes consumption as the cure". But as Schudson (1984: 11) cautions, if consumption is the road to salvation, it is not at all clear where it leads.

Sacred brands

If advertising is a means of sacralization, brands are the iconic focus of this ritualized attention. Some suggest that consumer rituals involving brands evidence a form of devotion (Pichler and Hemetsberger 2007; Pimentel and Reynolds 2004). Besides pilgrimages to brand museums such as those for Hershey, BMW, Coca Cola, Gucci, Guinness, and PEZ, rituals of devotion among fans of athletic teams are found in American football (Pimentel and Reynolds 2004), world football (Lever 1983), and baseball (Scholes 2004). Fans of sports teams are members of sacred imagined communities and embrace team-focused rituals, vestments, music, and magical beliefs (Chidester 2000; Healy and McDonagh 2013; Price 2000). Ritual songs, chants, colours, clothing, cheers, and pilgrimages are among the collective fan rituals (Voigt 1980) as are American rituals of tailgate parties (Bradford and Sherry 2015). Indeed, die-hard fans of sports (Queenan 2003) as well as television series (Kozinets 1997) characterize themselves as true believers and make sacrifices for the sake of their teams and shows.

Consumer worship of brands has also been seen as a form of animism (Fournier 1998). While animism is another colonial-era term to disparage indigenous beliefs as being "primitive", many brand mascots such as Hello Kitty and Mickey Mouse inspire animistic devotion, especially in Japan where Shintoism sees life spirit in all objects (Minowa 2014). Hello Kitty is held to be "a current-day incarnation of pre-Christian cat goddesses, believed to be devils in disguise" (Rinallo et al. 2013).

Harley Davidson motorcycles (Schouten and McAlexander 1995), Beamish Beer (O'Sullivan et al. 2011), and Jeeps (Schouten et al. 2007) are all found to be revered as transcendent. Apple Macintosh and iPod are the focus of worshipful brand cults (Kahney 2004, 2005). The dead (discontinued) Apple Newton device inspires a community of true believers anticipating its resurrection (Muñiz and Schau 2005). And we make pilgrimages to consumer shrines and "holy" places like Disney World (Lyon 2000; Mazur and Koda 2011) and Las Vegas (Belk 2000). Sometimes the religious motif is made explicit, as when Guy Kawasaki (2011) dubbed himself a brand evangelist for Apple. In evaluating the architecture of Apple stores, Robinson (2013: 5) observed that "just as the stained glass and statuary of medieval cathedrals educated converts and the illiterate, the iconic images and parables of advertising reveal the virtues of new technology to the buying public". The use of the rhetorical form of parables in advertising was also noted by Marchand (1986).

In part, the way advertising and packaging create brand meanings that are sufficiently powerful to inspire reverence, awe, and worship, is by building mythologies around the brand. As Detweiler and Taylor (2003) observe, all cultures seek to explain the ultimate question of the meaning of our existence. Traditionally this has been the role of religion. They go on to suggest that

> access to more material goods has not dimmed interest in the divine. Surprisingly, advertising fills the void where the old shaping stories used to function, creating new possibilities for who we can become as individuals. … Advertising has replaced spirituality as our shaping story. The stories that give us our identity and shape our sense of self are more likely to come through advertising than religion. … I want what surrounds the product, the idea behind it, usually because it speaks to my life more than much of the religion I have been exposed to. And we should take seriously the religious function of both advertising and consumerism.
>
> *(Detweiler and Taylor 2003: 65)*

Belk and Tumbat (2005) provide an example in exploring the cult of Apple Macintosh computers. It is fuelled by an origin myth involving the creation of the first computer in Steve Jobs' parents' garage, a heroic quest in Jobs building the firm in the face of great odds, a messiah story in Jobs' exile from Apple and his resurrection to save the company on the eve of its near demise, and persecution by a satanic opponent in the person of Bill Gates and Microsoft (Belk and Tumbat 2005). Jobs' death only solidified his deification. Others have analysed consumer mythologies involving other brands (e.g. Belk and Llamas 2011; Holt 2004; Kniazeva and Belk 2010; Thompson 2004).

Coca-Cola, which for years billed itself as the real thing (the one true cola), made a huge mistake in 1985 in introducing the New Coke. Believers were outraged that the company had chosen "to mess with a sacred formula and to undermine 'the real thing'" (Detweiler and Taylor 2003: 293). If Coke is seen as a religion (Chidester 2000; Foster 2008; Pendergrast 1994), it has done better than any religious missionaries in carrying its messages to virtually every corner of the globe. Although its image may differ somewhat from country to country (e.g. Miller 1998), it has done a remarkable job of conveying that it is both a global and a national brand in a variety of different cultures (Ger and Belk 1996). Pendergrast (1994) found based on soldiers' letters home during the Second World War, that many were quite literally fighting for "God, country, and Coca-Cola".

The sacralization of brands is not a purely a phenomenon of Western monotheistic cultures. For example, an important ritual practice in Chinese cultures grounded in Buddhist, Taoist, Confucian, and folk practices is to burn paper replicas of money and goods for the dead (Blake 2011; Cave 1998; Scott 2007). In urban locations especially, it is increasingly important that the goods burned are not just generic automobiles, cigarettes, alcohol, watches, clothing, handbags, cosmetics, credit cards, appliances, mobile phones, and laptops. They must also be prominent luxurious brands; only the best will do for one's dead ancestors. And as above, so below. These are the same sacred brands which living relatives desire and revere for themselves.

Brands of religion

Besides being more likely to find the sacred in consumption and marketing, the other half of the opening proposition is that we are now more likely to find the profane in religion. In an expanding secular society in which there are many attractions vying for our attention and patronage, from the internet and social media to museums, retail extravaganzas, and sports spectacles, religion faces competition from all sides. Many of these competing attractions promise benefits that were once thought to be the sole domain of religion, but without the pain, sacrifice, and morality traditionally demanded by religions. Rather than "pie in the sky when you die", the message of these competitors is that you can have it all and have it now. Anyone with a credit card and computer can access pretty much anything they might wish for.

Organized religious groups have responded in several different ways. One is to treat religion as a set of competing brands that can be marketed in the same way as consumer goods (e.g. Miller 2004; Roof 1999; Twitchell 2007). Rather than religious affiliations being something you are born into or inherit from family and affirm with baptisms, catechisms, bar and bat mitzvahs, and first communions, Roof (1999) suggests that Americans have become a nation of seekers on our own personal quests to find a religious affiliation or a non-religious affirmation that works for us. And the choice set includes not only traditional Western religions but also those of the mysterious East – Buddhism, Sufism, New Age, paganism, and others (Campbell 2007; Lau 2000; Partridge 2004; Rinallo et al. 2013). With the commodification of religion, the seeker/shopper is apt to engage in bricolage and pastiche (Miller 2004). Consumers view the spiritual marketplace like a supermarket and may well combine beliefs in angels and UFOs. *Star Trek* is as much an option as more traditional religions (Roof 1999).

Starting in the 1960s, churches began to adapt their services to attract and hold the attention of an entertainment-jaded audience. As megachurches emerged, they led the way with "Huge Jumbo Tron screens, advances in mood lighting, stage hijinks, and especially the developments in sound amplification that could make the out-of-body experience almost commonplace" (Twitchell 2007: 228). The music has also kept pace to the extent that it is sometimes difficult to distinguish between a rock concert and a church service (Goh 2008; Riches and Wagner 2013; Wade and Hynes 2013). Televangelists bring the church to the comfort of home and some offer their own religious theme parks (Crockett and Davis 2016; Einstein 2008; O'Guinn and Belk 1989). As these references suggest, there was a 20-year lag between the analysis of the secularization of religion by sociology in the 1960s and its exploration in marketing and consumer research in the 1980s. The attention paid in marketing was also a result of the burgeoning of qualitative consumer and marketing research starting in the mid-1980s.

Religions have long marketed (or "cross-marketed") a variety of religious merchandise to the faithful, but of late the variety of mass-produced religious "accessories" has greatly expanded (McDannell 1995; Moore 1994; Morgan 1998). Even Bibles have been updated and made more saleable:

> They include the *Sports Devotional Bible*, the *Extreme Teen Bible* … the comic-based *Lion Graphic Bible*, *Varsity Color Bibles* (done in school colors), and *r father n hvn: up 2 d8 txts frm de Bible*, a translation of the Bible into text messaging language … . There is also *The Boy's Bible (NIV)* with an abundance of graphics and sidebars … . It also includes spaces for doodling and sketching ("Make it Stick"), interesting and humorous facts about the Bible ("Get a Load of This"), and gross facts in the Bible ("Gross!"). Spin-off short volumes directed to the same audience include *Weird &*

> *Gross Bible Stuff*, *Bible Heroes & Bad Guys*, *Creepy Creatures & Bizarre Beasts from the Bible*, *Bible Fortresses, Temples & Tombs*, and *Bible Weapons & Wars*.
>
> (Belk 2006: 26)

Whether this is pandering to the lowest common denominator or savvy marketing is in the eye of the beholder. But it illustrates that this is not your father's (or perhaps your Father's) religion.

These are not purely Western or Christian phenomena (Bonsu and Belk 2010; Izberk-Bilgin 2012; Kitiarsa 2008; Lim 2009; Shirazi 2016). Furthermore, in catering to more everyday-oriented materialistic consumers (Wuthnow 1995), charismatic Christianity increasingly appeals to a global audience with the "gospel of prosperity" (Bonsu and Belk 2010; Coleman 2000; Gifford 1998). The premise is that church members must demonstrate their faith by giving not only a tithe but also a "good will offering" that will come back to them manyfold in the future. Unfortunately, what often happens is that the church and its clergy become rich while the flock languishes. But to consumers used to the inflated promises of secular advertising, this is something they learn to accommodate, thinking that they mustn't have been worthy enough, given enough, or had faith enough.

As technology continues to develop, the sacred pursuit of the transcendent is finding new loci. Some lie in the realm of science fiction (e.g. Cowan 2010; McGrath 2011). Others find the sacred in computers and the internet (e.g. Campbell and La Pastina 2010; Davis 1998; Noble 1999). Still others focus on the divine in video games and virtual reality (e.g. Bainbridge 2013; Leibovitz 2013; Wagner 2013). But other venues encroach more directly on issues that are traditionally seen as the realm of the gods – issues involving eternal life, human perfection, and salvation. These are the goals of those involved in artificial intelligence (e.g. Barrat 2013; Geraci 2010; Kurzweil 1999), artificial life (e.g. Grand 2001; Riskin 2007), robots (e.g. Foerst 2004; Markoff 2015; Waters 2006), cyborgs (e.g. Canniford and Shankar 2016; Thweatt-Bates 2012), and transhumanism (e.g. Cole-Turner 2011; McKenny 2011; Tirosh-Samuelson 2012). These future brands of religion promise eternal life on earth and human perfection through science. Already, religions are rushing to embrace and accommodate these new technological eschatologies.

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25
HEDONISM AND ASCETICISM

Colin Campbell

Traditional Western attitudes to asceticism and hedonism

Economic theory has always been embedded in a framework of ethical and moral thought, with key concepts such as work and labour, leisure, luxury, the market, wealth and consumption all tied to teachings concerning the good and the virtuous. This is no less true of hedonism and asceticism, as teachings relating to these two features of human behaviour have been central to Christian teachings for two millennia, while also featuring in neo-Stoic, utilitarian and Romantic philosophy (Finn 2009). Thus, although Greek philosophy allotted a more generous role to pleasure-seeking than did Christianity, it was the latter that tended to set the terms of the debate in the West over pleasure and its role in human life.

For centuries a central feature of Christian teaching was that labour, in all its forms, was the curse that Adam and Eve, through their disobedience, had brought down upon the human race. Considered merely as a necessity, it had no special virtue in itself and hence could justifiably be abandoned for the higher calling of prayer and contemplation. Thus it was that hermits and other spiritual virtuosi were viewed as entitled to avoid work, being supported by alms granted to them by the populace. At the same time, given that the soul was regarded as trapped in the mortal body and consequently tormented by its demands, seekers after spiritual enlightenment and the hope of redemption were encouraged to engage in the mortification of the flesh, that is to say, in activities that aimed to "put to death" their sinful nature. In fact, traditional ascetic practices were both "natural" and "unnatural" in character, the difference being that "natural" simply meant denying the body one or more basic needs, as is the case with fasting, while "unnatural" involves acts of deliberate bodily mortification, such as flagellation. Whilst in the past Christian ascetics would typically engage in both of these, unnatural asceticism is rare – but not unknown – in modern society. Thus it was that for many centuries Christian ascetics would fast, abstain from sex and alcohol, undertake pious kneeling or the wearing of a cilice or hair shirt and, on occasions, beat themselves. Then, in addition to these specifically ascetic practices, a premium was placed on poverty, as the love of money was considered both an obstacle to faith and a source of temptation. Consequently, storing up treasure in heaven was considered preferable to accumulating it in this life.

This basic template was significantly changed by the Reformation, in part fuelled by a reaction against a Roman Catholic Church in which the reality was frequently at odds with its professed values and beliefs. One reason for the Protestant rejection of this traditional form of asceticism was that it could provide an inducement to commit sin, as by doing so the ascetic is supplied with a renewed incentive for self-punishment. This might appeal either because of the ascetic's tendency to masochism or, more probably, because of the need to impress others with the extent or intensity of one's commitment. What this meant was that a punishment regime was seen as not necessarily at odds with an indulgence in pleasure, given that this could be derived both from the sin itself and, if masochistic, from the consequent infliction of pain.

In addition to a rejection of such practices as the sale of indulgences and the confessional, the Protestant reaction centred on the reformulation of the idea of the calling, with the revolutionary idea that individuals could be called to do God's work in the everyday world rather than by renouncing it. This radically changed the attitude to work and labour, especially when combined with Calvinist teachings that suggested prospering in this world might be seen as a sign of membership of the elect. This had the effect of sanctifying labour, removing the premium previously placed on poverty, whilst at the same time intensifying the condemnation of idleness. However, the Puritan revolution did little to alter the deep suspicion of pleasure, although instead of endorsing mortification of the flesh, work was recommended as the most appropriate ascetic technique, helping as it did to keep the mind away from temptation whilst also avoiding idleness. At the same time, viewing work as a calling had the effect of sanctifying labour or, as Max Weber expressed it, of making every man a monk.

Weber and asceticism

The key text for any discussion of the relationship between asceticism and economic action is of course Max Weber's, *The Protestant Ethic and the Spirit of Capitalism*, an essay that controversially proposed that key religious teachings, notably Martin Luther's reformulation of the Catholic conception of the calling and John Calvin's doctrine of predestination, played a crucial role in the development of an ethic vital to the emergence of modern capitalism. Essentially it is an argument that attempts to show how certain religious teachings help structure the motivational patterns guiding the conduct of individuals, constraining them from indulging their "natural passions" and impulses on the one hand, while directing them to treat labour as a sacred duty and the accumulation of wealth as an indicator of grace on the other. Viewed in this light it is the classic example of the link between economic activity and both asceticism and self-control.

However it is important to recognize that Weber's use of asceticism is somewhat at odds with wider usage. Indeed, his association of the term with religious belief should not be allowed to obscure the fact that asceticism need not be undertaken for religious, or at least spiritual, reasons. Fasting, for example, may be undertaken because of a desire to control one's weight or improve one's appearance, while deliberately exposing oneself to discomfort and even pain may be endured for reasons of fashion or in pursuit of an ideal of beauty. One may also choose to endure discomfort or engage in self-denial for ideological rather than spiritual reasons, as is often the case with those embarking on experiments in simple living. In Weber's case the term derives from one of his famous theoretical dichotomies, being contrasted with mysticism. For Weber these are logically contrasting paths to salvation, given the fundamental conflict that all human beings experience between their hopes and their experiences (Weber 1965). The polarity is logical insofar as individuals can either resign themselves to the conditions they encounter in life (this he calls a "mystical" response) or they can strive to gain mastery over them. Consequently, for Weber asceticism is equal to mastery, with individuals cast as instruments acting in accord with God's plan.

Central to this revolutionary view of asceticism as mastery is the treatment of labour as a life's work, a complete project in which every action, on every day, is required to be not just in keeping with God's law but also contributing to his glory. Since this required the individual to obtain control over all impulses and compulsions, asceticism necessarily becomes mastery over the flesh rather than punishment of the flesh. Thus, while punishment implies recognizing the existence of impulses and desires that warrant the infliction of a penance, mastery suggests that such impulses are suppressed and consequently not allowed to see the light of day. Asceticism is thus no longer aimed at defeating one's sinful nature but rather at fulfilling one's duty to God. Idleness may well be avoided because it provides opportunities for "the devil's work" but, more importantly, it is also to be avoided because it means that God's work is not being done. At the same time, wealth is not bad in itself as long as it doesn't become a temptation to idleness and the sinful enjoyment of life.

Economics and hedonism

Economic theory has rarely recognized the importance of pleasure-seeking as a distinctive form of human activity, generally failing to distinguish it adequately from satisfaction-seeking. Most economists rashly followed Bentham in the mistaken belief that pain is the opposite of pleasure, when its true opposite is boredom. Most also committed themselves to a utilitarian paradigm that presumes individuals are only motivated by a desire to maximize satisfaction. Both theoretical commitments resulted in hedonism as a form of conduct being commonly overlooked. Although, having said that, there is a minority strand in economic thought, one that focuses on the unintended consequences of action and that can be traced back to Bernard Mandeville's *Fable of the Bees* (1714), which recognizes how good – judged in economic terms – may actually derive from individuals indulging in pleasure-seeking and vice.

It is this failure to distinguish satisfaction-seeking from pleasure-seeking that results in an inability to recognize the existence of two significantly different sociocultural responses to be found in modern societies, notably those represented by the bourgeoisie and the bohemians. For while the former typically renounce pleasure to secure comfort, the latter typically renounce comfort in order to maximize pleasure (Grana and Grana 1990). Satisfaction is a term that relates to a state of being and its possible disturbance, together with action intended to restore equilibrium. Hence a state of need is a state of deprivation, as with hunger, something that then initiates activity in the environment in order to discover objects with the necessary "utility" to remedy this lack (in this case, food). By contrast, pleasure is not a state of being so much as a quality of experience. Not properly in itself a type of sensation, pleasure is a term used to identify our favourable reaction to certain patterns of sensation. Desire is the term used to refer to a motivational disposition to experience such patterns, and this is typically triggered by the presence in the environment of a conventionally recognized source of pleasure. It can be seen from this that satisfaction-seeking and pleasure-seeking are basically very different kinds of activity, the first suggesting a process of being "pushed" from within to act so as to restore a disturbed equilibrium, whilst the second implies one of being "pulled" from without in order to experience greater stimulation (Campbell 2018). Crucially, these contrasted forms of conduct are embedded in different institutional practices and are also accorded different weightings by socio-economic groups. The failure of traditional economic theory to distinguish between satisfaction-seeking and pleasure-seeking has had grave consequences. Distinguishing both is important because only a theory that recognizes pleasure-seeking as a *distinct* form of conduct is capable of explaining modern hedonism and hence modern consumer behaviour.

Traditional and modern hedonism

Traditional hedonism, that is to say, the form of pleasure-seeking which was characteristic of both preliterate societies and early civilizations, whether Greco-Roman, Indo-Chinese or New World, was largely a matter of endeavouring to repeat, as often as possible, all those activities that are typically accompanied by pleasure, such as eating, drinking and having sex. There were natural limits to the extent to which this was possible, however, although the degree of pleasure obtained could be increased by the skilful manipulation of the sensations involved, as practiced for example by such "pleasure artists" as cooks or concubines. Modern hedonism differs significantly from this traditional pattern insofar as pleasurable stimulation is also achieved through the manipulation of emotions rather than simply through direct stimulation of the senses. Emotions, such as fear and anger, involve considerable stimulation in the form of an increased heartbeat, together with various forms of physical agitation such as shaking, shouting and even crying. This stimulation is typically both too intense and too automatically linked to action to be experienced as pleasurable. However, should individuals be able to gain control over both the circumstances under which emotions are experienced as well as their intensity, then it becomes possible for emotions to be employed as a means of experiencing pleasurable stimulation. In which case the hedonist is no longer dependent on direct external stimulation as pleasure can be "conjured up" simply through the process of imagining a situation to which an emotion is attached (Campbell 2018).

This ability is, paradoxically, also dependent on the emergence of Weber's ideal-type modern individual. For an ability to exercise self-control is just as crucial for the modern hedonist as for Weber's Calvinist entrepreneur, as in the absence of this ability the individual hedonist is at the mercy of the external environment, with the consequence that pleasure can only be enjoyed if the necessary stimuli are present. Once however the individual has the ability to employ imagination to conjure up the required stimuli, or at least to manipulate the meaning of those encountered, then the hedonist can, at least in principle, conjure pleasure into being whenever needed. However, while it was the Puritans who managed to break the link between experiencing an emotion and acting on it, it was the Romantics, building on the achievement of the Sentimentalists, who made the pursuit of pleasure ethically acceptable. Here, the English poet William Wordsworth (1770–1850) was a crucial figure, for although not normally thought of as a hedonist, it was he who argued that "the end of poetry is to produce excitement in co-existence with an overbalance of pleasure", before going on to assert that, "pleasure is the grand elementary principle through which man knows, and feels, and lives and moves" (Bloom and Trilling 1973: 602). And while "the pleasures" that Wordsworth had in mind were relatively innocent ones, the Romantic poets who came after him, like Percy Shelley (1792–1822) and John Keats (1795–1821), were less inclined to impose any limits on the poet's right to pursue pleasure (Trilling 1963).

Hedonism, or the enjoyment of pleasure for its own sake, was never accorded a significant role in the Western religious tradition. Indeed, on the contrary, it was regarded with deep suspicion. But it did have an accepted place in traditional Western aesthetic thought where, building on classical teachings, it was considered to be a defining feature of good art. This was insufficient in itself, especially when set against a predominantly ascetic Christianity, to provide a general justification for hedonism, but this changed with the arrival of Romanticism. For the Romantics redefined the nature of divinity, and while rejecting the traditional conception of a personal, judgemental or loving God, they conceived of the divine as an impersonal creative force. This force was then presumed to be present in the natural world but – crucially – could also be found within certain individuals in the form of a personal genie or genius, and it was this latter faculty that made it possible for the poet to "see" the ideal world of truth and beauty that existed beyond the world of appearances. These visions were then embodied in works of art, most especially in poetry, with the result that what was experienced as pleasurable was also, by definition, true. In this way the highest possible moral justification was accorded to an activity that yielded pleasure. Consequently, unintentionally and somewhat ironically, the Romantics helped legitimate modern self-illusory hedonism, and in so doing the basis of modern consumerism. For the truth is that modern consumer behaviour, typified by an ability to continually generate new wants for original, or at least perceived to be novel, goods and services can only be understood in terms of a hedonistic mindset (Campbell 2018).

From producers to consumers

Expressed very simply it could be claimed that asceticism, in the form of a rational mastery of the self and hence of one's actions, was crucial to the emergence of modern industrial society, while hedonism, understood as the unrestrained indulgence of wants and desires, is crucial to the sustaining of a modern consumer society. In fact, logic as well as evidence suggests that modern producers and modern consumers emerged at roughly the same time in eighteenth-century England (McKendrick et al. 1982; Pawson 1978), meaning that a modern consumer society developed alongside, rather than subsequent to, a modern industrial society and its legitimating Protestant ethic.

The extent to which the Protestant ethic is judged to have declined since the late seventeenth and early eighteenth centuries rather depends on which aspects are taken as the focus of study. In its pure form this ethic clearly dissolved long ago given its various parts were held together by the distinctive psychological effects that followed from accepting specific theological teachings, ones that are no longer widely accepted. This means that those who assert that this ethic has declined usually equate this process with the disappearance or replacement of just one of its original features. Thus, both Riesman et al. (2001 [1950]) and Whyte (2002 [1956]) equate decline with the disappearance of individualism and its replacement by either an "other-directed" or an "organizational" ethic. If, on the other hand, the focus is placed on a preoccupation with self and a concern with its preservation and even its promotion, then it has been claimed that the ghost of the ethic lives on in the cult of narcissism (Lasch 1979; Twenge and Campbell 2009) or even the present-day obsession with "self-tracking" (Lupton 2016). Finally, if the focus is placed on the work ethic, then it can be claimed that the ethic lives on, either as evidenced by attitudes towards taxation or unemployment (Furnham 1983; Hoon and Maseland 2013), or even in the popular cult of conspicuous busyness (Bellezza et al. 2017). However, crucially, if the focus is placed on asceticism and self-denial, then it would seem logical to assume that the ethic has declined, and that this decline correlates directly with the arrival of a modern consumer society.

However, decline is not the same as elimination, and as the modern economy shifted from being primarily dependent on the consumption of production to the production of consumption, the suspicion of pleasure typical of the character type associated with the Protestant ethic became experienced as an obstacle to further growth. For increasingly consumption depended on individuals engaging in self-indulgence rather than self-denial, with the consequence that the marketing and advertising of products rather than their research and development became the cutting edge of the modern economy. For what marketers and advertisers found, when probing the thoughts and attitudes of consumers, was that the lingering effects of the Protestant ethic were acting as a restraining influence, holding people back from uninhibited self-indulgence. Consequently, advertisers learnt to focus on eliminating the remnants of guilt that consumers experienced when tempted to indulge themselves. Unfortunately – from the point of view of the manufacturers of products and services in their capacity as employers – the elimination of guilt could also result in the elimination of any lingering sense that work was a sacred duty. Hence a modern consumer society could also be one in which youth decided to "tune in", "turn on" and "drop out" rather than join "the rat race", as demonstrated by the counterculture movement of the late 1960s; a development that has its legacy in the current simple living movement (Elgin 1993). In this way the old, pre-industrial tendency for people to rank leisure above the accumulation of wealth – a form of traditionalism or ingrained habit that Weber regarded as the principle obstacle to the emergence of modern rational capitalism – tended to reassert itself.

This inherent contradiction is a clear manifestation of the tension between asceticism and hedonism that is a persistent feature of modern industrial Western societies. This contradiction creates a prevailing tension between two kinds of dominant encouragements and motivations. On the one hand, economic culture encourages individuals to be unrestrained in the indulgence of their wants and desires, something that is seen as necessary in order to ensure high levels of consumption. On the other hand, this culture expects the very same individuals to manifest a strong and dedicated work ethic, something that is seen as crucial to the maintenance of high levels of productivity.

Asceticism and hedonism in contemporary society

A character type that involves an emphasis on self-mastery, understood as the ability to suppress impulsive and compulsive behaviour and hence choose what emotions to experience and what actions to undertake, is the key to both modern hedonism and modern asceticism, while both forms of action have a place in economic theory. Generally, given its basis in utilitarian theory, economics has always tended to value production above consumption, and consequently the prioritization of thrift, industry and frugality above indulgence, luxury and the pursuit of pleasure. However, given that modern capitalism is more dependent on the production of consumption than the consumption of production, this hierarchy has necessarily been turned on its head. Thus, while lip-service is still given to those values associated with the Puritan work ethic, the reality is that the modern economy can only be kept going, at least in the Western world, by individuals concentrating on the activity of pleasure-seeking rather than engaging in self-denial.

How asceticism and hedonism feature in modern economic theory depends heavily on whether today's Westerners are considered more crucial in their role as consumers or producers. In one respect the answer to this question would seem self-evident, as the generally superior style of life enjoyed by the citizens of the West is largely based on cheap imported goods manufactured in the sweatshops of Asia and the Far East, with the consequence that East–West constitutes a division between a focus on production and a focus on consumption. And yet the picture is, in reality, somewhat less clear-cut, not only because the citizens of the East are rapidly matching those in the West in their tendency to engage in hyperconsumption, but also because of an emerging low-paid, precarious and exploited workforce in the gig economy of the West (Standing 2011).

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26
LEADERSHIP

Peter Simpson

Somewhat surprisingly, relatively little research has been published that explores the relevance of theology for the study of leadership in modern organizations. This might reflect a post-Enlightenment sensitivity related to the fact that leadership elites had claimed divine authority to rule, including not just religious leaders but also the monarchy and aristocracy. The Age of Reason required a new basis for the authority to lead supported by rational thought and scientific method, untainted by theological influences. However, the reality is not quite so clear-cut. Whilst the abusive exercise of so-called "divine authority" was problematic, one must ask whether there are equivalent practices enacted by "god-like" institutional leaders in modern organizations. Moreover, it will be argued that the practice of faith continues to be an important consideration: whilst the basis of authority has shifted from religion to a form of rationality, the relationship between followers and leaders has remained one of faith in which leaders claim legitimacy as representatives of *Reason* rather than of *God*.

Sørensen et al. argue for the importance of theology in the study of organizations on the basis that "the way we think about and act in organizations is profoundly structured by theological concepts" (2012: 267). In relation to leadership studies Grint echoes this, perhaps going even further, by suggesting, "the sacred nature of leadership is not so much the elephant in the room but the room itself – the space that allows leadership to work" (2010: 90).

This chapter reviews current literature on this theme whilst highlighting one issue of theological significance that tends to be given insufficient attention: the practice of faith. This is not a question of whether personal faith is necessary or unhelpful in theological study, a debate that is addressed in Sørensen et al.'s (2012: 267) clarification that a theology of organization does not refer to a study "rooted in faith". By contrast, it is suggested that faith is an integral part of leadership (Simpson 1997) that may be practiced by both leaders and followers. An important dimension of this is that the "object of faith" may vary including, for example, God, Reason, the Leader, Best Practice, and so forth. The practice of faith is understood not as adherence to a dogma but as the social construction of a desired reality, frequently in the absence of requisite knowledge and even when there is evidence to the contrary. The practice of faith thus contributes to leadership in times of uncertainty and anxiety.

This "unseen" element of leadership can be inferred from Zaleznik's classic distinction between managers and leaders, the former favouring rationality and control whilst the latter "work from high-risk positions; indeed, they are often temperamentally disposed to seek out risk and danger, especially where the chance of opportunity and reward appears promising" (1977 [1992]: 71). Setting aside the well-worn disputes about distinctions between "managers" and "leaders", the pertinent issue relates to that aspect of leadership that has more in common with artists and creative thinkers than with evidence-based management. From this perspective, rationality and knowledge are not irrelevant but their primary function is in creating and structuring leadership practice on shifting ground rather than providing a solid foundation. Characterized by uncertainty and complexity, high-risk situations are beyond knowledge and require the practice of faith as a creative engagement. However, such situations also provoke anxiety, which can promote a practice of faith with destructive as well as creative dynamics.

Leadership is a complex phenomenon and a consideration of its relation to theological concepts must address, at least to some degree, its many facets. The extensive literature is organized in relation to a range of approaches (for example, trait, skills, behavioural, contingency, relational, and psychodynamic) as well as bodies of theory that focus on popular trends (including leadership as transformational, authentic, servant, adaptive, and distributed). In addition, links are frequently made between leadership and a number of important societal issues (such as ethics, gender, and culture). A comprehensive review of potential connections with theology across this range is beyond the scope of this chapter. Instead, by way of illustration, a brief introduction will be provided to three areas of research that bring a demonstrably theological dimension to the understanding of leadership. The first addresses heroic and post-heroic theorizations. The second considers the links between leadership and care. Finally, the possibility of theorizing a "disinterested" contemplative leadership is contrasted with approaches that seek to utilize spiritual means for performative ends.

Heroes and hierarchy

The cultural and theological significance of leaders has been evident for millennia. Indeed, some researchers have focused directly on the ancient roles of "prophets, priests and kings" as metaphors for the character and function of leaders in modern organizations (for example, Blair et al. 2012). However, it is worthy of note that the abstract noun "leadership" did not emerge until 1821 (*Oxford English Dictionary*), and so to some degree we are focusing here on a relatively recent concept. It is believed by some that its significance in the English-speaking world only became established in 1840 following an influential lecture series on "The Hero as Divinity" given by the Scottish philosopher Thomas Carlyle in 1840 (Case et al. 2011: 245; Grint 2010: 90).

Heroic *organizational* leadership gained prominence when it was observed to be linked to exceptional performance by Peters and Waterman (1982), and a theological influence can be seen in two respects. Firstly, the leader's role was seen to focus on building a culture with an emphasis on the "cult of the customer", encouraging an approach to customer service with a quasi-religious fervour – the Latin *cultus*, meaning worship (Tourish 2011). Secondly, the shift in focus from transactional to transformational leadership (Burns 1978) utilized overtly theological language in what Western has called the "Messiah discourse" (2013: 149), which has since dominated the popular understanding of leadership. The structural impact of theological concepts is evident in that such leaders provide a vision (*teleios*), charisma (spiritual gifts, *charismata*), and the ability to transform (*metanoia*) both followers and culture, thereby saving (*soteria*) their organizations and bringing success.

There is a range of related approaches that theorize the heroic leader, some of which will be touched upon later, such as authentic and spiritual leadership. The heroic aspect is sometimes obscured by terminology but is identifiable in the requirement for individual leaders with hierarchical authority to possess extraordinary capabilities. For example, this is evident even in Greenleaf's (1977) notion of "servant leadership", which is often associated with the image of Christ emptying himself of divine authority. Greenleaf claims to have been influenced by reading Hermann Hesse's (1932 [2007]) short novel *The Journey to the East* in which the consequences are dire when the "servant leader" withdraws, demonstrating that a heroic contribution had been lost (Gabriel 2015: 328).

Unlike much of the prescriptive transformational leadership literature, Grint (2010) offers a critical perspective on the positive and negative implications of heroic leadership. He draws upon the theological roots of the term "hierarchy" – Greek *hierós* meaning holy and *arkhós* ruler – to suggest that the denial of the sacred nature of leadership is tantamount to the denial of leadership itself. At the heart of this analysis is the requirement for a "distancing" between followers and leaders that mirrors, for example, the practice of faith in Moses, who mediates between the Israelite people and a fearsome God. Grint identifies three aspects to this conception of leadership:

1. *Separation*, as distance or difference, between the leader and the led, which reflects the transcendence imputed to the leader as the representative of the sacred and holy.
2. *Sacrifice*, which makes something sacred. Either through self-sacrifice or the sacrifice of others, leadership will sometimes need someone to pay a price for progress.
3. *Silence*, which reflects not only the power of the leader to shut up the opposition but also that this powerful presence, imbued with otherworldly capabilities, can quieten the existential angst of followers.

Grint concludes that such a sacred understanding of leadership is necessary because alternative models demand greater effort, are ill-suited to large organizations, and require followers to take greater responsibility. Sliwa et al. (2012) build on this analysis and highlight the strategies that critical scholars might adopt to challenge the negative effects of such leadership, paying particular attention to a strategy of profanation. These conclusions, however, contribute primarily to an academic agenda and do not counter Grint's argument that, in most organizational contexts, heroic leadership is necessary.

However, in associating the sacred only with that which is separate, Grint and Sliwa et al. wander into a complex theological territory. In particular, there appears to be an implicit argument that heroic leaders are unique in being the only ones who can be "set apart" (as it were, made holy). A range of studies has sought to counter the status of leadership elites through the development of post-heroic theories, such as distributed leadership (Gronn 2002). Comparable to the Protestant notion of a universal priesthood of all believers, this perspective suggests that leadership can be offered by anyone. This does not deny the continued contribution of individuals in positions of authority but does encourage a more complex, relational understanding of leadership as process (Uhl-Bien 2006). A practical example can be found in the Rule of Saint Benedict (Fry 1986) in which the Abbot, the head of the monastery, is encouraged to listen to the community, particularly the youngest, in order to discern the will of God. The monks are required to speak with humility and not to defend their views obstinately – a receptive stance that is expected to be distributed at a cultural level.

Such an approach requires organizational members to take greater levels of responsibility, as Grint's critique suggests. What would it take for followers to take more responsibility (have faith in) themselves rather than to (dis-)place their faith onto the positional leader? Further research into the potentially sacred nature of distributed leadership might develop fruitful lines of inquiry. For example, the potential expansion of knowledge available to the community relates to practices of organizational learning (Parry 2011: 63–4), which has links with a theology of discipleship (Latin *discipulus* meaning learner). Further, the need to establish a collaborative organizational culture to support a model of distributed leadership aligns with a theological notion of friendship (French 2007), notably captured in Christ's words to his disciples that he no longer called them servants but, rather, friends.

Whilst the distributed leadership literature plays down the heroic images of transcendence, separation, sacrifice, and silencing, it does encourage a consideration of immanence, accessibility, and compassion. In recent years these themes have also begun to emerge in the leadership literature.

Caring leadership

Gabriel (1997) offers a psychoanalytic explanation of the tendency to place faith in leaders in his article entitled "Meeting God", which analyses encounters between followers and their senior executives. Gabriel (2015) builds on this with an analysis of "caring leadership" and, in contrast to Grint, focuses on the place of leaders in the minds of followers rather than their position in the hierarchy. He suggests that a leader is "one of the cast of archetypes that populate our mind" manifesting, variously, as "a saint […] a devil […] a devious schemer […] and a sacrificial lamb" (2015: 319). It is suggested that these archetypes are the "elemental criteria" against which the leader is judged by followers.

Four unconscious fantasies of leaders are identified. The first two involve followers projecting onto the leader the *transcendent* qualities of omnipotence and legitimacy, which has some similarity to Grint's (2010) analysis of leaders as separate and distant. These contrast with fantasies of *immanent* leadership, through which followers experience or construct leaders as caring and accessible. This approach allows a critique of prescriptive studies through an exploration of the bipolarities in these fantasies, in that the leader is experienced as *either* all powerful *or* weak; genuine *or* an impostor; caring *or* selfish; accessible *or* invisible; and *never* somewhere along a continuum.

The theological influence is evident. Indeed, Carl Jung argued that the careful consideration of archetypes "constitutes the essence of religion" (2004 [1960]: 156). Moreover, archetypes are important in understanding the complex dynamics related to creativity and anxiety, "two-faced and paradoxical: a great help and an equally great danger" (1960 [2004]: 156). Gabriel offers an understanding of the relationship between followers and leaders based on unconscious dynamics and emotion, particularly anxiety, rather than conscious thought and rationality. A more reasoned basis for the follower–leader relationship is essential for a creative engagement with uncertainty, which would make it possible to work with the reality that human beings are not ideal types (of saint or sinner) and are invariably somewhere on the continuum.

Gabriel argues that the archetype of the "caring leader" is "especially significant" (2015: 317) and expresses surprise that more attention has not been given to this, especially since Gilligan's (1982) consideration of an ethic of care in feminist theory stimulated interest in the fields of philosophy, psychology, politics, and, only more recently, organization studies. Moreover, little attention has been given in any of these fields to the history of the term "care" (Latin *cura)*, which is a primary function of the priesthood (c.f. Curate) as the "care/cure of souls" – an aspect of pastoral theology. In this vein, Gabriel suggests that the notion of the "caring leader" is "epitomized in images like that of Christ as a good shepherd" (2015: 317). Michel Foucault (2009) addresses this issue in his discussion of "pastoral power", which is related to the "leadership of self" – a prominent theme in Martin Heidgegger's understanding of care.

Tomkins and Simpson add to this, as yet, underdeveloped literature with their study of caring leadership from a Heideggerian perspective. (It is noteworthy that Heidegger learned theology early in his career as he anticipated entering the priesthood.) This exploration of care relates to an "ontology of Being" (2015: 1015), and the analysis emphasizes a

> different kind of agency to that of heroic or charismatic models. It involves tolerance of complexity and ambivalence; a rich sense of temporal trajectory; concern for one's presence in the world; and critically, the ability to resist the soothing normativity of "best practice".
>
> *(2015: 1013)*

In this light, much of the leadership literature is seen to offer simplistic panaceas, mistakenly equating care with kindness when it would do better to give greater attention to the organization and leadership of self. The lack of a capacity for the leadership of self speaks directly to the question of why followers (unconsciously) put their faith in leaders: the tendency towards a lack of authenticity is a consequence of the flight or fall from anxiety-provoking aspects of life. Tomkins and Simpson take issue with the discussions of care and compassion in Positive Organizational Scholarship (Youssef and Luthans 2007) and the emerging theme of authentic leadership, which Avolio and Gardner distinguish from "closely related theories including charismatic, transformational, spiritual, and servant leadership" (2005: 317). This literature highlights self-awareness and the development of self-knowledge as an important feature of authentic leadership, which resonates with an important idea in Orthodox Christian theology: *nepsis*, which "signifies attentiveness, vigilance, recollection" (Ware 2003: 114). However, for Heidegger authenticity involves moving beyond dualistic thinking to *being and becoming care*, in a similar sense that the Buddhist, through enlightenment, becomes compassion. Drawing heavily on Heidegger's work, Macquarrie explores a philosophical theology of existential–ontological theism, in which, he argues, "being tends to replace God and draws to itself the attributes traditionally assigned to God" (1977: 116). Such a perspective implies not a self-awareness developed through personal reflection but, rather, a non-dualistic being-in-the-world that is the goal and practice of *nepsis* and of contemplative attention more broadly.

Contemplative attention

Ramsey (2014: 6) adds to current debates on the place of alternative forms of knowledge in leadership, proposing "a scholarship of practice […] centred on deliberative attention rather than knowledge". A philosophical and theological exploration of contemplative attention promises to make an important contribution to this. For example, Case et al. (2012) highlight how the modern use of the term "theory" has lost touch with its ancient roots in forms of knowing based on contemplation – Greek, *theorein*. Their analysis draws upon apophatic (negative) theology, which maintains that God can be experienced and loved but cannot be known. This requires an approach to the development of knowledge that both "says" and "unsays" what is known in order to approach the unknowable (Ware 2003: 14). French and Simpson (2006) illustrate the practical implications of such an analysis, suggesting that this can sometimes be observed in leaders' narratives that "downplay" (or "unsay") the significance of their own leadership.

Case et al. (2012: 346) allude to a form of contemplative leadership arising from a "direct encounter with the divine". They argue that contemplation, understood in the ancient, theological sense, "is a practice that is always ethically disinterested and valued only *as an end in itself*. A love for wisdom for its own sake will involve a disinterested acceptance of the nature of things without an egoistic drive to manipulate and control circumstances to one's own ends" (2012: 354, italics in the original). For example, contemplative attention in an uncertain and complex context will involve the leader in a practice of faith in creative pursuit of a (divine) truth relevant to the situation. Such an analysis is similar to Heideggerian non-dualism, permitting a disinterested leadership of self that moves beyond an anxiety rooted in self-interest. The leadership of self in this sense does not require a place of authority in the hierarchy, nor does it involve exceptional, heroic capabilities: it is a disinterested acceptance of what is and is becoming that allows the possibility of creative engagement. This radical position differs from Grandy and Sliwa's (2015) formulation of contemplative leadership from the perspective of a virtue ethics, which is more readily aligned with prevailing perspectives in leadership studies.

The contrast between an ethics of disinterestedness and an ethics of utility informs a critique by Case and Gosling (2010) of studies that seek to demonstrate a link between "spiritual leadership" and organizational performance (for example, Duchon and Plowman 2005; Fry 2008). They take issue with "scholarship and corporate practices which treat workplace spirituality in purely *performative* terms, that is, as a resource or means to be manipulated instrumentally for organizational ends" (p. 276, italics in the original). This directly addresses controversies over what constitutes ethical behaviour and merits a more detailed analysis of the nature and function of leadership within Western capitalism, which some have argued emerged through a combination of ascetic discipline *alongside* a performative motivation (Bell 1996: xx). Asceticism (Greek *askein*, meaning exercise) involves the practice of spiritual exercises that do not have a performative purpose but are concerned with the goal of an inner metamorphosis focused on an authentic transformation of existential value. This might contribute to an understanding of the practice of faith in the sense that a competitive athlete (or artist, or scientist) builds a capacity to sustain their own endeavour through years of disciplined "exercise" (see Sloterdijk 2014). From this perspective, faith is understood not merely as an attitude (of, say, wishful thinking) but as a substantial inner capacity that allows a quality of disinterested attention to be maintained even in the face of uncertain, complex, and fearsome circumstances.

Concluding remarks

This chapter has reviewed recent research that has engaged directly with the way in which theological concepts structure the way that we think about and enact leadership. Through a discussion of the heroic leader as an object of faith, the possibility that leadership is inherently sacred has highlighted the important yet problematic aspects of a separation between leaders and followers and the essential role that leaders can play in mediating and managing anxiety. However, it has been suggested that research exploring post-heroic theorizations might benefit from alternative conceptions of the sacred in leadership, possibly shedding light on what might be required to ameliorate the destructive aspects of heroic leadership as well as to support the creative practice of faith through a shared approach to leadership. Further research is required that will investigate the tensions, even oppositions, inherent in the very practical consideration of choices between heroic and distributed leadership approaches: to what degree is effective organizational leadership dependent upon separation, sacrifice, and silencing as Grint (2010) argues, or is there greater, or at least equal, merit in leadership that is immanent, accessible, and caring?

It has been shown how Gabriel (1997, 2015) offers support to Grint's (2010) view that this territory is problematic: the anxiety stimulated by uncertainty and complexity mobilizes unconscious fantasies that reinforce the experience of separation between leaders and followers and inhibit a reasoned, creative engagement. However, a Heideggerian analysis offers a view of authentic, caring leadership that explores how the organization of self might support a tolerance of uncertainty and ambivalence. This involves non-dualistic thinking – contemplative attention – and a disinterested acceptance of the nature of things.

This, however, raises the thorny issue of the prevailing organizational demands for control and performance. The dominance of this discourse in organizational practice as well as within academia (Fry et al. 2017) suggests that research into disinterestedness and contemplative attention will need to move beyond the current emphasis upon philosophical and theoretical argument and present some persuasive empirical evidence if it is going to convince a broader audience of practitioners and academics of its merits.

Much of the leadership literature is dominated by notions of "best practice" and, even where theological concepts are worked with explicitly, there can be a tendency to treat spiritual ideas in performative terms. This is, perhaps, inevitable in the context of Western capitalism, which has experienced the benefits of a primary focus on wealth production. However, a range of persistent societal problems, including ethical malpractice and increasing levels of inequality, suggest that further theologically informed research in this field is to be welcomed.

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27
INTELLECTUAL PROPERTY

Gabriel J. Michael

Introduction

"Patents and copyrights approach, nearer than any other class of cases … to what may be called the metaphysics of the law, where the distinctions are, or at least may be, very subtle and refined, and, sometimes, almost evanescent". So wrote the US Supreme Court Justice Joseph Story in *Folsom v. Marsh*, an 1841 case that laid the foundations of "fair use" for American copyright law. Usage of the term "intellectual property" would not become widespread, nor draw serious attention as a subject of economics, for more than a century (Hughes 2011). Yet today, as then, the underlying logic of intellectual property is more properly a matter of faith than of reason.

In theory, intellectual property protects creations of the mind, whether practical inventions or works of literature or art. But the term is widely used to refer to all sorts of intangibles, from the brand recognition associated with trademarks, to traditional methods of production protected by geographical indications. Our modern system of intellectual property encompasses the legal protections offered by patent, copyright, and trademark law, as well as a host of sui generis formulations. Yet this system's economic justifications and legal implementations rest on implicit and frequently unexamined epistemic claims. Deeply embedded in the institution of intellectual property are philosophical assumptions about the nature and provenance of creativity and knowledge, and ethical assumptions about what constitutes a desirable distribution of value arising therefrom. Because philosophical and ethical claims also lie at the core of religious thought, it seems a worthwhile endeavour to ask how such thought might inform our view of intellectual property.

This chapter begins by reviewing religious perspectives on intellectual property from Christianity, Judaism, Islam, and Buddhism. Some of these religions have more explicitly relevant theologies of knowledge than others, but every tradition offers an alternative vision for how best to manage intangible goods when compared to the current global legal order, an order whose dominance has been established not by merit, but by force.

The chapter continues by suggesting that the core tenets of intellectual property law have become the articles of a secular economic religion (Nelson 2002), whose adherents can be found throughout legal, government, and policy communities. This is not solely a metaphor. Both in its subject matter (the metaphysical and intangible), and the kinds of claims it makes (philosophical and ethical), the logic of intellectual property shares much with theological reasoning. Born of the Enlightenment's turn away from traditional religious explanation, our modern system of intellectual property strictly delimits the kinds of knowledge to which value is attributed. The chapter concludes by calling for wider recognition of the normative nature of intellectual property, as well as a reformation of law and policy that accounts for the perspectives and values of all who are affected by it.

Religious perspectives on intellectual property

Once a topic of little interest outside the legal field, intellectual property now commands attention from many disciplines, such as economics, public health, political science, and religion. In the latter case, scholars have explored what various religions say about intellectual property. Such research often involves thinking about how religious teachings on more familiar forms of tangible or real property might be extended to the intangible, since few religions have any explicit teachings about modern forms of intellectual property.

Much of this research is situated within broader inquiries linking religion and economics. As early as Adam Smith, economists studied the development of religions and religious beliefs using economic methods (Smith 1776; Anderson 1988). Conversely, one can examine the relationship between religious belief and economic development, as in Max Weber's and R. H. Tawney's classic works (Weber 1930 [1905]; Tawney 1926) or as in more modern research (McCleary and Barro 2003; Lewer and Van den Berg 2007).

Some research attempts to employ religion or culture as explanatory variables to understand variation in practices related to intellectual property. Several studies purport to explain national differences in software piracy rates by reference to non-Western cultures (Husted 2000; Simmons and Tan 2002; Swinyard et al. 1990; Yang and Sonmez 2007). Others identify "Asian values" or Confucianism as explanations for East and South East Asian countries' perceived lack of innovation and historical scepticism of intellectual property (Berrell and Wrathall 2006; Lehman 2006; Robison 1996; Wang et al. 2005), or link the cultural legacy of communism to high rates of media and software piracy in post-Soviet countries (Rajan 2007; Rybina 2011; Tiefenbrun 1998), or highlight the role of religion in Middle Eastern legal and economic institutions (Carroll 2001). Much of this research suffers from underdetermination – how plausible is the combination of the individual claims that Confucianism, Marxist atheism, and Islam each result in poor enforcement of intellectual property law? – as well as an implicit assumption that modern Western intellectual property law is the standard from which deviation is to be explained.

In contrast, a more critical literature has emerged from scholars focusing on social and development issues. Adair links the commodification of information with rising inequality (Adair 2010), while Aoki highlights the elements of neocolonialism and coercion in global intellectual property policy (Aoki 1998, 2006). Chander and Sunder discuss efforts to balance competing concerns of intellectual property and social justice (2006). Researchers in public health are among the most vocal critics of ever-extending patent and data exclusivity terms (Cerón and Godoy 2009), as well as the role that trade agreements play in restricting the policy space of developing countries (Lopert and Gleeson 2013). Religious ethics also offers analysis and criticism of economic structures and activities (Finn 2013; Guesmi 2014), although the extent to which theologians and religious ethicists have explicitly examined intellectual property is limited. The following sections briefly summarize existing literature and review several religious traditions' implicit and occasionally explicit perspectives.

Christianity

As early as the fourth century, Christian authors had coined the Latin *innovo* (from which derives the modern term "innovation"), in this context referencing a renewal or return to an earlier state of purity (Godin 2015). Catholicism provides one of the few explicit religious references to intellectual property. In the encyclical letter *Caritas in Veritate*, Pope Benedict XVI criticized the "excessive zeal for protecting knowledge through an unduly rigid assertion of the right to intellectual property, especially in the field of health care" (2009). Earlier, in the encyclical *Centesimus Annus*, Pope John Paul II affirmed that the wealth of developed countries in the form of "know-how, technology and skill", was no less subject to the church's teaching on the "universal destination of goods" (1991). The Catholic Church even participates in international political bodies, intervening to support access to essential medicines and criticize the overextension of patent law (Martin 2001). Both encyclicals hearken back to a long tradition in Catholic social thought that emphasizes the "social mortgage" of property: the claim that rights to private property are not absolute, but subordinate to requirements of common use, thereby ensuring no one lacks the necessities of life. Antecedents of this idea can be traced to the time of the early Church Fathers (Phan 1984).

Several scholars have applied Christian theology in critiques of intellectual property. Berg considers how intellectual property interacts with Catholicism's notion of a "preferential option for the poor", concluding that it can be a double-edged sword: while legal protection of traditional cultural knowledge may offer recognition of and recompense for resources that already belong to the poor, intellectual property law also serves to facilitate the transfer of wealth from less developed to more developed countries (Berg 2008). Andolsen considers the myriad ways in which access – or more often lack of access – to property affects marginalized individuals (Andolsen 2008). Michael reflects on the long history of Catholic social thought regarding the rights and duties of property owners, arguing that intellectual property law neglects to specify what obligations should be attached to the privileges it grants (Michael 2010). Finally, various Quaker organizations such as the Quaker International Affairs Program and the Quaker United Nations Office have played unique roles in international settings, both by promoting access to essential medicines and by promoting the potential role of intellectual property in protecting biodiversity and the knowledge of indigenous peoples.

Judaism

Jewish religious law offers highly developed and explicitly religious considerations of intellectual property. In some cases, this involves applying historical religious precedents to modern legal questions. Rabbinic law has long considered copyright to fall under the concept of *hassagat gevul*, which originally applied to the protection of boundary stones marking property lines (Streibich 1975). Nimmer discusses nineteenth-century conflicts arising from competing Jewish and secular rulings on the printing of prayer books (2008). Netanel provides a treatise on five centuries of rabbinic debate on copyright (2016), while Kwall proposes that Judaism's conception of creativity suggests an expansion of the types of work copyright should protect (2015). In an explicitly religious approach, Michael attempts to identify the ethical impulses behind Jewish institutions such as gleaning rights and the debt-release of the Jubilee, and uses these to inform modern attempts to balance the private privileges of intellectual property with public good (2014b).

Islam

A few authors attempt to locate precursors to modern intellectual property law in Islamic thought and practice, with the goal of demonstrating compatibility between the Western legal concept and Islamic legal tradition, or of arguing for the modern relevance of Islamic law (Khoury 2003; Malkawi 2013). This type of inquiry may have arisen in response to perceptions among Western authors that Islamic tradition and culture present an obstacle to the full implementation of modern intellectual property law. For example, Carroll explains relatively high rates of software piracy throughout the Middle East, despite the region's well-developed formal laws, as a counter-reaction to Western economic and cultural infiltration (2001). This explanation is underdetermined, however, given that rates of software piracy also strongly correlate with relative (un)affordability in the local economy. More convincing is the argument that governments of majority-Muslim countries may be reluctant to deploy state force to protect the property of foreigners (Vaughan 1995), particularly when it comes to cultural products that their populations may view as contrary to Islam.

A more creative approach attempts to cast Islam itself as a form of intellectual property (Khan 2000). Jamar analyses the fit between intellectual property law and Islamic legal structures and principles, with the goal of understanding the potential effects for intellectual property law if countries reform their legal systems to rely less on Western models and more on sharia (Jamar 1992). In this view, since sharia has nothing explicit to say about intellectual property, it falls within the ambit of the state to regulate it so long as such regulations also conform with sharia.

Under Islamic law, unimproved land cannot be owned by individuals (Behdad 1989). Islam's philosophical conception of property is thus closer to stewardship than an absolute right (Sait and Lim 2006). According to one hadith, "Whenever Muslims plant a tree, they will earn the reward of charity because of the food that comes from it; and likewise what is stolen from it … and what people take from it is charity for them" (Hamim et al. 2013). Unlike Judaism and Christianity, however, this stewardship delineates few explicit claims of others' to one's property. As a result, Jamar finds little reason to expect dramatic changes in intellectual property law that can be traced directly to sharia, concluding that such changes are more likely to be driven by political considerations.

Buddhism

Buddhism, with its tendency to de-emphasize the material world, seems an unlikely candidate for theological thought on any aspect of economics. Western economics places primacy on the concept of self-interested individuals, whereas the Buddhist doctrine of *anatta* denies the existence of a permanent self, and Buddhism posits the abandonment of desire as an escape from suffering (Pryor 1990; Zsolnai 2007). Nevertheless, there exists a literature on Buddhist economics. Pryor offers a helpful overview, explaining that in Buddhist thought, private property constitutes an imperfect response to human transgressions that result in scarcity. Pryor also briefly discusses innovation, arguing that with the right motives, it may be reconciled with a Buddhist economic system, even though it has the potential to cause distress to competitors (Pryor 1991).

South East Asian authors have occasionally referenced Buddhism as part of their criticism of the imposition of Western intellectual property in developing countries. For example, in the period surrounding the US–Thailand Free Trade Agreement (FTA), which required Thailand to offer levels of protection for intellectual property stricter than those specified by the World Trade Organization, many academics and policy professionals noted the potential negative effects on public health in Thailand (Akaleephan et al. 2009; Kuanpoth 2006; Roffe and Spennemann 2006; Sell 2007). Chaisumritchoke recalls Buddhism's teaching about suffering, arguing that local Thai pharmaceutical firms and the Thai government have a responsibility to minimize suffering by providing alternatives to expensive, patent-protected medicines imported from abroad (2007).

The religion of intellectual property

This brief overview has focused on what religious traditions say about intellectual property. However, more abstractly, economic theory itself functions as a modern form of religious belief, laden with deep metaphysical assumptions and value judgements (Nelson 2002). Although the study of intellectual property sits uncomfortably between the fields of law, economics, and public policy, it is perhaps the best example of an area whose economic tenets have inspired a religious-like devotion among followers.

The technological advances of the past few decades have drastically increased the value of and interest in intellectual property. Yet academic research has been surprisingly ambivalent regarding its necessity. In 1958, economist Fritz Machlup concluded in a report to the US Congress that "no economist, on the basis of present knowledge, could possibly state with certainty that the patent system, as it now operates, confers a net benefit or a net loss upon society" (1958). Six decades of additional research offer no firmer conclusions: we remain unsure of whether, on the whole, patents promote or hinder innovation, or to what extent copyright truly incentivizes people to create art and knowledge (Boldrin and Levine 2010; Sprigman and Raustiala 2012; Zimmerman 2011). This disconnect between research findings and the legal system is widely acknowledged, even by proponents of the status quo. One prominent legal scholar calls intellectual property law a "faith-based" discipline (Lemley 2015). Lemley notes that when adherents are presented with evidence to the contrary, they reassert their beliefs, even going so far as to employ a quasi-religious vocabulary:

> Try as I might, I simply cannot justify our current IP system on the basis of verifiable data showing that people are better off with IP law than they would be without it … And yet, through all the doubts over empirical proof, my faith in necessity and importance of IP law has only grown.
>
> *(Merges 2011)*

Modern intellectual property can be traced to the Enlightenment, which represented a radical shift away from viewing human knowledge and creativity as the product of divine inspiration, and towards viewing these as deriving from humanity itself (Hesse 2002). Humans thus came to replace the role that gods once held – an apotheosis of the species, and a necessary precondition for individualistic claims to ownership of knowledge. However, only Western-style knowledge fits within this framework. Traditional and indigenous knowledge and arts fall outside this scope, and may even be categorized as part of the common heritage of humanity, and thus free for anyone to appropriate without compensation (Coombe 2001). In a simplistic analysis, intellectual property serves as a legal mechanism for solving the theoretical problem of the underprovision of public goods. For much of the community that deals with intellectual property on a daily basis – lawyers, policymakers, and businesspeople – this veneer of economic plausibility is sufficient. Consequently, we employ the power of the state to enforce and promote a system of normative beliefs and values whose connection to reality has never been firmly established. If these beliefs and values were associated with a religion, rather than economics, we would call such a system theocratic.

Modern intellectual property may be historically rooted in a turn away from divine inspiration, but in a great irony, its chief proponents – or perhaps priests – find themselves supported by belief rather than evidence. Yet in a pluralist society, we cannot justify law or policy solely on the basis of normative beliefs unless they are explicitly acknowledged and widely shared; even more so in a global context. From this perspective, complaints that developing countries fail to respect intellectual property are more properly viewed as complaints about a lack of common beliefs. Indeed, the "capacity building" or "technical assistance" projects of international organizations and national intellectual property offices are sometimes described as "missions", and attempt to socialize and convert recipients (Morin et al. 2011). Convincing others to adopt these beliefs has proven difficult, no doubt in part because they lack clear merit. As a result, powerful countries have resorted to persuasion or coercion (Michael 2014a). This strategy has succeeded in building a harmonized global legal order, but has its costs: compliance is patchy, enforcement is expensive, and resistance is constant.

After decades of failed efforts, the chief priests of intellectual property are finally abandoning their search for empirical evidence. But even if the evidence existed, intellectual property cannot be separated from normative claims. Like economics, it involves fundamental philosophical and ethical assumptions about the proper distribution of value, and the balance of private and public good. To the extent that its proponents draw attention to the normative, "faith-based" nature of intellectual property law and policy, they may facilitate a fruitful public debate. The danger is that instead, they will allow the much larger community of practitioners to continue to rely on false assumptions about the basis for the law and policy that guides their daily work. Globally, that work includes imposing inappropriate and ill-conceived law and policy in developing countries, often resulting in reduced access to knowledge or medicine (Krikorian and Kapczynski 2010). If intellectual property law can be justified only with reference to beliefs and values, then we must account for the beliefs and values of *all* who are affected by it.

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28

ACCOUNTING AND ACCOUNTABILITY

Alistair Mutch

In the words of the sociologists of religion N. J. Demerath and Terry Schmitt (1998: 382), religion is "any mythically sustained concern for ultimate meanings coupled with a ritually reinforced sense of social belonging". Drawn from the comparative study of religion, their definition is deliberately pitched at an abstract level to counter accusations that the very concept of religion is so freighted with the assumptions of its origins in Western intellectual life that it is not capable of transfer to other parts of the world (Asad 1993). While the account presented in this chapter draws heavily on material derived from variants of Christianity (reflecting the nature of existing research), the definition adopted facilitates potential avenues for research in other traditions. The focus on both belief and practice informs the approach taken here, as will be explained as the chapter unfolds. Specifically, it is developed by an explication of the work of another sociologist of religion, Roger Friedland (2009, 2014). Drawing on his work, the chapter pays attention both to belief as manifested in formal theological statements, and belief as immanent in practices such as rituals.

In their review of the literature on the relationship between religion and accounting in the historical literature, both Carmona and Ezzamel (2009) and Cordery (2015) devote considerable attention to the debate over the sacred and profane. Drawn from a reading of Émile Durkheim, this presumed antagonism was used to explain ambivalence about the place of accounting in the Church of England (Booth 1993; Laughlin 1988). In this analysis, accounting is seen as belonging in the profane, secular realm and so to be excluded from the domain of the sacred. Arguably, this division in the Church of England could be related to the particular history of accounting in that church, where historically much of the stewardship of resources was indeed carried out at arm's length, certainly at the local level (Mutch 2012). From their extensive reviews, Carmona and Ezzamel (2009) and Cordery (2015) show that the distinction is not found in other times and places, with accounting being woven into many religious traditions. It could be argued that some of their examples still point to accounting having a subordinate, support capacity to more central activities founded in belief. However, the work of Paulo Quattrone (2004) on accountability in the Society of Jesus pointed to the inextricable linking of accounting practices to the central tenets of religious faith. This suggests that rather than looking for an absolute division between the secular and profane, accounts of the relationship between religion and accounting needs a more nuanced approach, one which examines both belief and practice to examine not only what is said about accountability but also what techniques are used and who is involved in that use. As Hardy and Bellis (2005: 252) argue, "approaches to the study of accounting and accountability within religious organizations can be enhanced by endeavouring to better understand a community's belief systems and its internal history".

Such an approach can be found in the work of Friedland on institutional logics. For Friedland (2009, 2014), institutions are those combinations of symbols and practices that give meaning to life. Religion is one such institution, but Friedland argues that we need to see all institutions as having a religious dimension, motivated by belief in a central substance. This substance, and Friedland uses "accountability" as a specific example, is what provides the logic inherent in the institution, a logic which provides guidance and shape to action. In this religious perspective on institutional analysis, he draws on an Aristotelian notion of substance, in which the substance is the essence of a particular form, something which gives it its distinguishing character. Derived from this he suggests that an institutional logic is "a bundle of practices organized around a particular substance and its secondary derivatives from which the normativity of those practices is derived" (Friedland 2009: 61). Further, those practices are central to the creation and maintenance of substance. Substance, argues Friedland, cannot be directly observed but is "immanent in the practices that organize an institutional field, values never exhausted by those practices, practices premised on faith" (2009: 61). That is, we may justify particular accounting techniques by their presumed capacity to provide accountability. However, when accountability is sought, it recedes from grasp. This approach then suggests a need to examine both ultimate values, as manifested in belief, and the practices which are animated by and carry those values. In what follows, I first examine the state of accountability as a concept elaborated in theological statements. I then examine how such commitments to accountability as a core value are manifest in practices. I close by indicating some of the gaps in our existing knowledge which future research might productively address.

Accountability and theology

Across Catholic Europe, worshippers were faced with a prominent and vivid pictorial representation of the Last Day of Judgement, in which individual souls were to be judged before God. More frighteningly referred to as "Doom" paintings, these often featured Saint Michael holding a set of scales which he used to weigh souls. Based on their conduct on earth, souls were either committed to eternal damnation (vividly depicted as a fiery cavern guarded by grinning devils) or granted eternal bliss. A similar sense of accounting for conduct is to be found in Islam, where the Koran details a "day of accounting" (Abdul-Rahman and Goddard 1998). It is this sense of moral accountability, of an ultimate accounting for deeds and thoughts laid open to judgement, that characterizes theology, rather than any detailed concern with accounting practices. Such practices are implied rather than spelled out. This has two implications. One is that we need to unpack theology a little, in order to understand how these large but rather abstract themes of accountability and judgement were transmitted. The second is that the example of the pictorial representation of beliefs reminds us that belief as expressed in formal theological statements does not exhaust the category of belief. Often theological debates remain in a somewhat rarefied domain, with numerous mediations and interpretations intervening before they manifest in belief as practiced. It may therefore be misleading to focus only on core texts to get a sense of what accounting for conduct meant and what its implications were for secular activity.

Religions such as Judaism, Christianity and Islam have sacred texts which are held to be foundational, the product of divine authorship and the source of core commitments (Barlev 2006; Joannidés de Latour 2016). Other belief systems, such as Buddhism and Hinduism, have "no central theological elite or ecclesiastical authority" that believers can look to, but a more diffuse range of texts (Jayasinghe and Soobaroyen 2009: 1003). However, while followers may claim to follow them to the letter, the putting of abstract commitments into practice necessarily involves interpretation, often revealing contradictions that invite further exegesis. This then provides the basis for a burgeoning theological literature, often one which goes far beyond the original texts. In Catholicism, for example, despite very limited mentions in the Bible, theologians constructed an elaborate edifice of devotion to the Virgin Mary as Mother of God (Oakes 2008). It was in reaction to these efforts that the Protestant reformers launched their own counter-blast which contested these interpretations. It is in John Calvin's *Institutes of the Christian Religion* that one finds some hints about the translation of abstract concepts into practical application. For example, he speaks of the office of deacon, responsible for collecting and distributing church revenues (Calvin 1983: 322). So it may well be that in examining sacred texts we are looking in the wrong place. However, it is as well to note that Calvin's *Institutes* occupy two volumes and 676 pages. Like other theological statements, it was aimed at an elite audience; something more was needed to translate these weighty tomes into material more accessible to the faithful.

Robert Wuthnow (1989) notes the centrality of print to the Protestant Reformation that ended the hegemony of Catholicism in Europe in the sixteenth century. Print enabled the translation of the Bible into vernacular tongues, making it accessible to a growing audience of literate believers. But it also fostered the development of a new genre of printed sermons. Sermons were a means of translating abstract theological ideas into vivid language that could connect with an audience, often using examples which made sense to them because of being drawn from their practical experience. In 1703, the minister of the Tron Church in Glasgow, James Clark, published *The Spiritual Merchant: or, the Art of Merchandizing Spiritualized*, the text of a series of 20 sermons that he had preached in 1689. The Tron Church was known as the merchant church of Glasgow, and Clark had informed his audience that he was well suited to address them in language with which they would be familiar, drawing on his training in merchant accounts in the Netherlands. He used this language of accounting to draw parallels with the need to account for conduct, drawing explicitly on the language of "Italian Book-keeping", that is, double-entry bookkeeping. He urged his audience that, just as they kept detailed books of account to track their profit and loss, they should keep a

> Debt book or Book of Conscience, wherein he sets in order all his sins against God, committed such a day, on such an occasion, at such a place, with such companie &c which exactness will mightily help you in your penitential exercises, speciallie in confessing of sins & clearing Counts with God.
>
> *(Clark 1703: 105)*

Not all sermons, of course, were printed, but examination of the body of material that was could be more instructive in looking for the impact of religious belief on accounting practice than more abstract theological texts.

Sermons and other devotional material do not, however, exhaust the potential source material. Also important in translating abstract theological statements into practical guidance was what we might term "advice" literature. This had two principal forms: texts aimed for internal consumption by officers of the religion and texts aimed at a lay audience. Michel Foucault's detailed account of the confessional, for example, pointed to and drew from manuals for those who were to hear confessions, suggesting questions to be posed and strategies to be adopted. Of course, as Foucault admits, such texts "were effectively put to work in the formation of confessors themselves, rather than in the average faithful among the people" (1999: 191). Other texts, however, were produced to guide the "averagely faithful" in accounting for their conduct. In 1737, for example, the minister of Benholm in Scotland, William Trail, published a pocket-sized text, deliberately aimed at the "poorer sort, for whom it was chiefly design'd", exhorting them to prepare themselves for communion, a key ritual in the Christian church symbolizing faith in Jesus Christ, by rigorous self-examination (Trail 1737: 3).

What these examples suggest is the need to look at the means of communication, publication and dissemination of theological tenets. It may be that more purchase is to be gained on the practicalities of accounting by looking at literature aimed at a wider, more popular audience than sacred texts or theological treatises. It is here that we might find practices that are only implied in more abstract discussion made more concrete. Of course, it is entirely possible that such detail is absent, and that practices have developed to meet specific demands that were neither foreseen by nor covered in theological discussions. Such practices might have been generated, as we will see, by the day-to-day activities of religious organizations. A focus on religion as social practice, as essayed by Foucault (1999) in his consideration of the confessional, has much to recommend it. However, the danger is that practices become entirely divorced from the theological framework that sustains them and gives them ultimate meaning. Such is the critique of Foucault by the theologian Jeremy Carette (2000). Foucault's work was drawn on in Aho's (2005) argument that double-entry bookkeeping was engendered by the demands for accountability manifest in the confession. Aho drew attention to the dangers inherent in reading off practices from theological treatises that only circulated amongst a small intellectual circle. However, his positing of a link between the sense of moral accountability engendered by the practice of regular individual confession of sins and the development of accounting techniques has been comprehensively dismissed by both Yamey (2007) and Derks (2008).

Responding to an earlier version, Yamey was sceptical that a bookkeeping technique could by itself engender moral conduct, pointing to the ways in which "the double-entry system was as able to record the affairs of the most unscrupulous moneylender or crooked business man as it was those of an honest and moral business man" (Yamey 2007: 81). For Derks (2008: 208), the more plausible explanation for the codification of certain accounting techniques by Pacioli was both the economic activities of the Franciscan order to which he belonged and the practices that had emerged in other sites. What also undermines Aho's argument is the sweeping statement that the Calvinist merchant, having secularized double-entry bookkeeping, "could pursue his monetary interests with no other concern than the 'bottom line'" (Aho 2005: 91). No evidence is cited for this claim, which looks distinctively implausible when set against the sort of treatise that Clark produced in Scotland, the most thorough instantiation of Calvinism in Europe. The origins of double-entry bookkeeping remain open to debate, but the use of Foucault has moved on to a consideration of his notions of pastoral power and governmentality (Derks 2008; Mutch 2016a). Here, accounting practices are seen by Bigoni and Funnell (2015) to be related to the control of conduct by the church hierarchy. This is a promising line of inquiry, pointing as it does to the impact of forms of religious organization. But in order to avoid the divorce between theology and practice, I suggest that Friedland's substance–practice approach is more fruitful.

Accountability in practice

Another criticism that Carette (2000: 28) makes of Foucault is that his focus on the confessional as a practice inducing accountability is that it causes him to neglect other aspects of the Catholic liturgy. A liturgy is a collection of rituals, specifying the nature of their performance. As well as a liturgy, many religions also take organized form, spawning in some cases a distinct discipline of ecclesiology, the theory and philosophy of religious organization. Such a theory takes theological tenets and makes them concrete by specifying the nature of religious organization, covering such matters as the nature of the authority relationships within the organization and the place of the lay faithful in such structures. Both liturgical and ecclesiological considerations need to be taken into account when thinking about practices of accountability.

Harvey Whitehouse (2004) has pointed out that effective performance of shared rituals does not necessarily rest on detailed knowledge of the theological warrant for such rituals. That is, as Friedland would argue, the substance of religious belief is immanent in the performance of rituals, rituals which take their meaning from that substance and which connect the faithful, but which may not rely on "the kind of complex theoretical knowledge available to [theological] experts" (Whitehouse 2004: 17). While rituals are the "public" face of belief, they need to be put into action. That is, all sorts of mundane actions, which we can label as "routines", are needed to produce the occasions on which rituals can be performed (Mutch 2016b). It is accepted that, in turn, such routines can come to take on something of a ritual quality, as in the Buddhist temple examined by Jayasinghe and Soobaroyen (2009). (And, of course, accounting practices in secular life can themselves be treated as ritualistic in nature, as argued by Gambling (1977).) Categories blur in practice, but the analytical distinction is useful in foregrounding practices which might otherwise go unremarked. In turn, the nature of such routine acts is ultimately derived from theological concerns but mediated by the organizational form adopted. In considering such organizational forms, a key factor appears to be the participation of lay actors in accountability practices. To take Christian forms of organization as an example, there is a spectrum of organizational forms from Catholicism, which operates with a defined and strict hierarchy of religious officials subject to strong central direction, to Congregationalism, in which decisions are taken by lay members at the local level. Lay involvement is also to be found in Buddhism and Hinduism, where lay committees run temples (Jayasinghe and Soobaroyen 2009: 1008). A further consideration here is the articulation of religious structures with the state, varying from religious organizations being accountable to government departments to religious organizations as purely voluntary associations.

Jayasinghe and Soobaroyen (2009: 1022) contrast the running of temples by lay actors with "Judeo-Christian accountability studies where religious organization is strongly and hierarchically controlled". However, this conclusion reflects the large number of studies which draw on Catholicism, where lay involvement does indeed seem to be marginal and restricted to the parallel organizations such as Spanish Brotherhoods (Bigoni et al. 2013; Espejo et al. 2006; Quattrone 2004). By contrast, the governance structures of Reformed Protestantism involve bodies of elders, lay actors who act in conjunction with the religious official to run accountability practices (Mutch 2015). (It needs to be recognized here that, as elders were ordained and held office for life, they were not strictly "lay". Such fine discriminations require a more extended discussion of ecclesiology than is possible here.) Yet another model is provided by the Church of England, where local affairs are run by annually elected churchwardens (Mutch 2012). The contrasts here are in the selection processes to form these bodies and their relationship with religious officials. In the Buddhist temple, for example, the committee worked with the priest, but in the Hindu temple the priest was marginalized (Jayasinghe and Soobaroyen 2009: 1017).

These organizational arrangements also have or had a different articulation with state structures. In the case of the Islamic Religious Councils examined by both Abdul-Rahman and Goddard (1998) and Nahar and Yaacob (2011), questions of power in state bureaucracies seem to trump religious concerns. The Malaysian cash *awqaf* (charitable trust) explored by Nahar and Yaacob (2011) had been taken under state control and poor quality reporting, in contradiction to the Islamic focus on accountability, seemed to flow from its position as a government body. Both the Buddhist and the Hindu temple operated under the aegis of government departments that required the maintenance of accounting records, although the impact on practice was limited. By contrast, the Roman Catholic Church is an autonomous body, although one closely aligned with particular states, often mirroring hierarchical forms of organization with some transfer of personnel. In the Reformed Protestant tradition, the Church of Scotland, although recognized as the national church, guarded its autonomy fiercely, fighting legal battles to preserve control over the accounting records kept for poor relief (Mutch 2015).

If we put these factors together, empirical work suggests a return to theology, in that there appears to be a contrast between what has been termed "systemic accountability" and "personal accountability". In the former, as exemplified by Talmudic Judaism (Fonfeder et al. 2003) and Scottish Presbyterianism (Mutch 2015), accountability resides in a system of roles with processes of monitoring carefully designed and specified. By contrast, Buddhism, Hinduism, Islam and the Church of England all exhibit, to different degrees, trust in the character of those appointed to office. Yasmin, Haniffa and Hudaib (2014: 117), for example, in noting a low level of detail in the financial reports of UK Muslim charitable organizations, report "that one of the main reasons is due to the inherent trust by the donors of MCOs". In a similar vein, Jayasinghe and Soobaroyen (2009) emphasize the centrality of trust which downgrades the importance of accounting information, attributing this to religious "spirit". What one can see here is a contrast between religions of law, where the emphasis is on following rules laid down in foundational texts, and religions of the spirit, where belief flows from personal experience. This is not just a contrast between but also within religious traditions. In Christianity, for example, Presbyterianism is strongly associated with a focus on rules and order, whereas Methodism is a religion of strongly felt spiritual emotion (Mutch 2016a). The culture of accountability produced in Scotland formed the context for the pre-eminence of Scottish accounting texts in the eighteenth century and the formation in Scotland of the first professional body for accountants in the nineteenth century (Mutch 2016c). By contrast, the combination of Confucianism and Buddhism in China, argue Gao and Handley-Schachler (2003), resulted in low social status for accountants and hindered the development of accounting techniques.

Conclusion

It is not possible to do more here than sketch out some of the dimensions of the relationship between theology and accounting. I have suggested that a focus on only theology or only practices is insufficient; an approach that combines both, as advocated by Friedland is much more productive. In such an approach, what theology consists of requires unpacking. Attention to sacred texts might give insight into core commitments, but we need to pay attention to the ways in which such texts are interpreted and disseminated. Here, concrete guides to action are likely to be particularly illuminating as forming the context for accounting practices. However, one cannot simply "read off" such practices from documents: it is vital to look at the practices themselves. Here I suggest that an analytical distinction between rituals and routines is a good way of bringing out what might otherwise be taken for granted. This then needs to be set into the context of religions as organizations, both at the national and the local level. Here I suggest that an examination of lay involvement is crucial. In addition, the articulation of religious organization with the state is also important.

This suggests something of an agenda for further research. Much existing material has been devoted to a rather unproductive division between the sacred and the profane. Now that this debate seems to have been laid to rest, what we could do with is a framework which enables comparative analysis, one which does not rest on rather caricatured oppositions between religious traditions. As Yasmin, Haniffa and Hudaib (2014) point out, both Islam and Christianity have a strong focus on accountability. Similarly, the material presented by Jayasinghe and Soobaroyen (2009) on lay running of temples has intriguing points of contrast with similar practices in varieties of Protestantism. Two directions suggest themselves. One is to examine the logic of accountability that is either stated or implied in sacred texts and to consider its impact on practices. The second is to examine those practices of accountability, ideally in a comparative context, with due attention to organizational form and lay involvement.

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PART IV

Genealogy of economic theology

29

JEWISH ECONOMIC THEOLOGY

Joseph Isaac Lifshitz

Introduction

In his famous book *The Idea of the Holy*, Rudolf Otto chose the term *mysterium tremendum* to define holiness, emphasizing the feeling of awe and mystery that leaves the man who encounters the numinous (a new term that Otto coined based on the Latin *numen* – deity), with a "blank wonder, an astonishment that strikes us dumb, amazement absolute" (Otto 1950: 26; on God as "the Wholly Other" see pp. 25–30). The Holy God as the wholly Other is the God of the heavens as described in Psalms: "Praise God in his holiness; praise him in the sky" (Psalm 150:1). His holiness and the sky (or Heaven) are synonymous. His holiness is in the sky, far from human reach. Otto's description is typical to modern theology. Since the writings of Friedrich Schleiermacher, God has been described through human experience. The focus is on human reaction to the numinous rather than to God himself. While accepting the new theological paradigm, some Jewish philosophers rejected Otto's description. Some rejected his description of God as the Wholly Other, and some, his description of the effect His holiness has on man. For Otto, the encounter of man with God as *mysterium tremendum* is stifling. A true believer is thus described as modest and not pretentious. For these Jewish philosophers, His awesomeness does not leave man passive without any pretention to create, to change or to conquer. According to them, God is close to man and man is eager to get close to God. Indeed, Jewish tradition is weary of those who are attracted to the holy like a moth to a flame. That is why Judaism is concerned with regulating those who are getting too close to the holy rather than expressing the distance between man and God. Many voices within Jewish tradition thus assume that man is not passive and is not belittled because of the encounter with God, but instead his power is increased. It is this theological tradition that generated an active toll for man, a moral duty to take an act of responsibility towards the world, and it is this theological tradition that generated an active economic theology, which is expressed in several ways.

In Judaism, man is perceived as having power over nature. As the Torah says, God ordered Adam: "Be fruitful and increase, fill the earth and master it; and rule the fish of the sea, the birds in the sky, and all the living things that creep on earth" (Genesis 1:28). Man is supposed to rule, to have dominion, to control. Ownership is about dominion, about being the lord of one's own property. That is why man is entitled to private property, to have dominion of property.

Man is also obligated to imitate God, *imitatio dei*. As the Talmudic sages say: "Be like Him. As he is merciful, so should you be merciful" (BT Shabbat 133:b). Man is created in the image of God, and he is ordered to perform acts of kindness similar to the ones ascribed to God. He is not only ordered to rule the creatures of the world, and not only to have dominion, but he is also obligated to be charitable, to love his neighbour and to help the needy. Thus, faith enriches man with power, on the one hand, and bestows him with responsibility, on the other. It is these two effects of the encounter with God that generate private property and social responsibility.

Ownership and dominion

In Judaism, ownership is not only a right to use but also a right to domain. Dominion, I am going to show, is a judicial value of that which law is protecting, and since Judaism is a juristic religion, it is dominion that stands at the core of its perception of ownership. The rights of ownership are among the most important rights, but as any other rights, they do not stand by themselves. The areas in which property rights may be qualified are theology and ethics. In the world of theology, property rights are qualified against God's dominion, and in the world of ethics, property rights are qualified against the rights of the needy. Ownership generates responsibility towards the needy, and through this responsibility it expresses the Godly portion within man. Property rights in Judaism are not given to the individual from the state, and they are not respected because of their contribution to society. They are perceived as a just right, and they are generated from the divine law, as prohibitions and obligations of every person towards his fellow's property, as respect of his neighbours' right to dominate.

Jewish tradition takes a very positive view of both the institution of ownership and the accumulation of wealth. It respects economic success, seeing it as both a blessing and the basis of normative life on earth – so long, that is, as it is obtained honestly, and proper respect is shown for the social responsibility that accompanies it. In what follows, I will explore the basic tenets of a Jewish economics, and will make in this context the following two arguments: (i) Judaism presents an ideal according to which man must exert control over the material world in order to realize his divine potential as having been created "in God's image"; (ii) this view is reflected in the Jewish approach to property, according to which the right of individual ownership and the accumulation of wealth is seen as a means of fulfilling man's responsibility in the world.

Unlike what I have described so far, we find within Jewish tradition statements that direct all property to God and leave man as a guardian, as claimed by R. Yaakov B'R Asher (1269–1343. In Arba'a Turim, Yore De'a, 247). We even find a Talmudic source that perceives true ownership only in common property (BT Baba Kama 50b). Yet, I contend that this sort of rhetoric does not redefine ownership and qualify it for the purpose of use only. These sources did not intend to reject the idea of dominion, but serve as a rhetorical exaggeration in order to demand from the owner responsibility, to care for his fellow human being, to be charitable and to help the needy.

Jewish tradition insists that man can, and should, have a powerful impact upon the material world. This insistence plays itself out in a vastly different view of property rights. Judaism begins with the idea that man was created "in God's image". The fact of having been created in God's image elevates man's material existence. His inherent godliness sets man apart from all other creatures on earth: he is not merely flesh and blood, but rather a "portion from God above" (Job 31:2), an earthly being who contains an element of the divine essence. This unique combination of the human and the divine does not mean that man should cut himself off from the material world or direct all his actions towards God; on the contrary, man's place is here, in this world, as an integral part of material existence. Man is obligated to express his dominion over creation, to channel his efforts towards worldly action, and in the process to elevate the material world to a higher level.

Man's dominion finds expression, first of all, through his enjoyment of the good of creation. The Jewish sources teach that man is entitled, even obligated, to take pleasure in the world. This is not an endorsement of hedonism; rather, the aim is to enable man to actualize the potential hidden in creation, and thereby to bring the work of creation to completion. By benefiting from the world, man infuses it with spiritual content, which serves as a link between the Creator and creation. "If one sees beautiful creatures and beautiful trees", the Talmud teaches, "he says: 'Blessed is he who has such in his world'" (BT Brachot 58b). This is not simply an expression of gratitude but also an act of elevation of the mundane. This is why the rabbis taught that "man will have to account for all that he sees with his eyes and does not partake of" (PT Kidushin 4:12). They also taught that: "If one who afflicted himself only with respect to wine is called a sinner, how much more so one who afflicts himself in many respects" (BT Nedarim 10a). When we deny ourselves the experiences of this world, even the simplest of pleasures, we cut God's creation off from its higher source and condemn it to a crude, brutish existence. Jewish tradition insists that man does not limit himself to his bare necessities, but instead delights in the goodness of the world as an expression of his dominion over it.

Beyond benefiting from the world, however, dominion means that man is also obligated to take responsibility for protecting and preserving it. The rabbis put it most succinctly in the following parable:

> At the time that God created man, he stood him before all the trees of the Garden of Eden and said, "See the works of my hands, how beautiful and wondrous they are. All that I created, I created for you. Yet take care not to spoil or destroy my world, for if you do, no one will repair it".
>
> *(Ecclesiastes Rabba, 7:13)*

Man is called upon to take care of his world because it is given to him as a responsible being. When God created Adam and Eve, he commanded them to "have dominion over the fish of the sea, and over the birds of the air" (Genesis 1:28). As the Rabbis taught, his commandment was given to man while he was still in the Garden of Eden, and was not altered after he sinned (BT Yevamot 65b; BT Kidushin 35a). Indeed, the Jewish tradition makes clear that man's authority over all other creatures is unequivocal. Yet, at the same time, he is enjoined to act responsibly in the material realm. When God placed man in the Garden of Eden, he commanded him "to work it and to keep it" (Genesis 2:15) – to derive benefit from it, but also to protect it for future generations.

Man's sense of dominion, however, is most vividly expressed not in the benefit he derives from the world or his protection of it, but in his unique ability as a *creator* – the most important manifestation of his having been created in God's image. Man is required not only to be involved in the world but also to perfect it through creative acts. As rabbinic tradition teaches us, man's creative development of the world is the ultimate expression of his unique status. Man is obligated, to use the idiom of the rabbis, to "create worlds": "So said the Holy One to the righteous, 'You are like me … I create worlds and revive the dead, and so do you'" (Midrash Tehilim on Psalms 116). Such an idea is expressed in the following: "The Holy One creates worlds, and so, too, your father creates worlds" (Genesis Rabba 99). Moreover, according to the sages, since man was created in the image of God, his first duty is to create a God-like man – a being in which soul and body merge: "Elazar ben Azaria says that whoever is not engaged in fertility and propagation sheds blood and negates the character according to which man was created in the image of God" (Tosefta Yevamot 8:7).

The power of mankind, according to the rabbinic view, is nearly unlimited. Like God, who "renews creation each and every day" (traditional weekday morning prayer, *Yotzer Or*). Man, too, is invested with the supreme power to create worlds. As such, he reshapes reality in accordance with his human spirit – a spirit which in its godliness brings the material world to fulfilment through its elevation. In this way, man plays an integral part in the process of creation, a process that cannot be brought to completion without human intervention. "All that was created during the six days that God created the world", says the Midrash, "still requires work". Even the smallest, seemingly trivial things require man's contribution for their completion. "Even mustard seed must be sweetened, and wheat must be ground" (Genesis Rabba 11:6). The ultimate act of creation, however, is undoubtedly that of human procreation: man and woman bring another creative soul into the world, the ultimate expression of human godliness. In this way they, like God, "create worlds and revive the dead", and become true partners in the act of creation.

Man's role, according to Judaism, is thus distinctly informed by the notion that he, having been created in God's image, is to have dominion over the world – a dominion that expresses itself through his obligation to benefit from it, to take responsibility for it, and to perfect it through creative acts. This conclusion is of course theological and is based upon Jewish traditional sources. Yet many Jews adopted an anti-capitalist approach throughout history, as can be seen in Werner Sombart's book *The Jews and Modern Capitalism* (2001 [1911]: 119–32).

The biblical roots of private property

The creation of man in God's image, and his consequent duty to exercise dominion over the world, are the foundations upon which the Jewish concept of property rests. The right to private property in Judaism is nearly absolute, and can be restricted only in the most extreme circumstances. In accordance with man's role in the world, it is only through the protection of the individual's property that human beings will be able to actualize the divine image within them and act as full partners in creation.

Evidence of the high regard in which Judaism holds private property can be found in the punishments which are meted out in the Bible to those who undermine the social order through their flagrant disregard for it. Such, for example, is the attitude taken by the prophet Elijah against King Ahab for his mistreatment of Naboth the Jezreelite in the Book of Kings. Ahab is cited repeatedly in the text for his worship of the pagan gods Baal and the Ashera, but his most important sin, for which he is stripped of his kingdom, is the murder of Naboth for stealing his vineyard. Here, the theft is seen as an atrocity, equal in weight to the murder itself:

> And the word of the Eternal came to Elijah the Tishbi, saying: "Arise, go down to meet Ahab King of Israel, who is in the Shomron, in the vineyard of Naboth, where he has gone to possess it. And you will speak to him, saying, 'Thus says the Eternal: Have you murdered, and also taken possession?' And you shall speak to him, saying, 'Thus says the Eternal: In the place where the dogs licked the blood of Naboth shall the dogs lick your blood, even yours'".
>
> *(I Kings 21:17–19)*

The rabbinic tradition, as well, emphasized the gravity of acts that violate another's property, equating them with the destruction of the foundations of society. The flood in the time of

Noah, for example, was depicted as punishment for the sins of his generation against the property of others: "Come and see how great is the power of thievery", the Talmud teaches, "for behold, the generation of the flood transgressed all, and yet they were not doomed until they stretched out their hands to steal" (BT Sanhedrin 108a). Talmudic sages equate elsewhere theft and fraud to idolatry as the three worst sins (BT Baba Metzia 59a).

But it is not only the high regard in which Judaism holds private property. Property, understood as full dominion over an object, is a central pillar of Jewish law, and its protection is a recurring theme in the Bible and the rabbinic teachings. The significance with which the Torah invests the right of dominion over property is evident in the numerous prohibitions pertaining to the property of others: the commandment, "You shall not remove your neighbour's boundary mark" (Deuteronomy 19:14) establishes the prohibition against stealing land; "You shall not have in your pocket different weights, large or small. You shall not have in your house different grain weights, large or small … All who do such things … are an abomination to the Eternal your God" (Deuteronomy 25:13–16), prohibits the acquisition of property through fraud; "You shall not see your brother's ox or his sheep go astray, and hide yourself from them: You shall surely bring them back to your brother" (Deuteronomy 22:1), prohibits the neglect of other people's property even when it is not in your care, and obligates the return of lost items. By declaring as criminal anything that results in the loss of other people's property, the Torah emphasizes the importance accorded to the institution of private property. This is expressed as a general principle in a number of verses in the Torah, such as: "You shall not steal" and "You shall not defraud your neighbour, nor rob him" (Leviticus 19:13). The length to which the Torah goes to encourage respect for private possessions, however, is demonstrated most sharply in the Tenth Commandment: "You shall not covet your neighbour's house … or his ox, or his ass, or anything that belongs to your neighbour" (Exodus 20:14). Here the prohibition goes beyond the unlawful acquisition of property to include even the "coveting" of another's possessions.

I should add that according to the rabbinic tradition, "You shall not covet" does not apply to thought alone, but rather to the act of bringing unreasonable pressure to bear on one's neighbour in an effort to persuade him to hand over his property, even for monetary compensation (see, for example, Maimonides, *Mishneh Torah*, Laws of Robbery and Loss 1:9). However, even according to this interpretation, it is an extremely significant extension of the principle of private property.

Notice that the Torah does not prohibit pertaining to the property rights of others, but pertaining to the dominion of their property. Ownership or property rights are just a result of such prohibition. The Torah establishes ethics of dominion, and through doing so it generates the law, and hence the right to property. The commandments of the Torah are not meant to obey the law but to respect people's dominion, instead. Only after there is an ethical system is law created. Law as a convention depends on the ethical system of its society. If the ethical system protects people's dominion, it is people's dominion that becomes the essence of the law.

But it is not only the violation of the law that teaches us the importance of dominion. We can realize the importance of dominion as the core essence of property rights from the way Jewish law instructs how to act in transference of ownership. Apparently, transfer of ownership is valid only when accompanied by an "act of acquisition" (*ma'aseh kinyan*), an expression of dominion, such as erecting a fence around a property or breaking down a surrounding fence, acts that signify the assumption of new ownership over the property, or at least the previous owner's relinquishment of his claim. An owner's dominion over his property is signified not only by his right to transfer, or to refuse to transfer, his assets to another, but also by his ability to do with his property what he wishes, even if that means its neglect or destruction (Mishna Bava Batra 3:3).

On the strength of this law, Rashi (1040–1105), the great commentator of the Talmud, offered an interpretation of the rule cited in Baba Kama 26b, which exempts a man from punishment if he uses a stick to break a vessel that someone has thrown from a roof, while it is still in flight. Rabbi Yosef Dov Halevi Soloveichik, author of *Beit Halevi*, explained: "As has previously been said, if someone threw a vessel from the roof and someone comes along and breaks it with a stick, he is not liable. Why so? He broke that which was already broken". Rashi adds on this case: "The owner of the vessel threw the vessel", he and no other. Rashi's insistence on this point is difficult to understand, since if the vessel is thrown by its owner from the top of the roof, then it must be considered to have been abandoned, and there is no liability for damaging an abandoned object. The most likely answer is that by throwing the vessel, the owner demonstrated his ownership by doing with it as he pleased. Ownership in this case is shown not by the use of the vessel but by its deliberate wilful destruction (Rabbi Yosef Dov Halevi Soloveichik, *Responsa of the Beit Halevi*).

The definition of ownership as complete dominion is a fundamental principle of Jewish law, the aim of which is to preserve the individual's dignity and sovereignty, and to prevent any encroachment on his dominion over his small portion of the material world. The rabbis of the Talmud, indeed, pushed the matter to the point of hyperbole: "To rob a fellow man even of the value of a *peruta*", the Talmud asserts, "is like taking away his life from him" (BT Baba Kama 119a). Indeed, the right to private property is protected even in the most extreme cases. For example, the rabbinic legend tells the story of King David's deliberations over whether he should set fire to another man's field in order to drive out the Philistines who were hiding there (Baba Kama 60b). The rabbis answer that in all cases in which a person "saves himself through his friend's wealth" – that is, destroys someone else's property in order to save his own life – he must nonetheless pay damages. In other words, even in the case of saving a life, which in Jewish law is understood to override nearly every law, one is not exempt from paying damages that result from the actions taken. All that is true within and outside the Jewish community, and there is no difference between a Jew and a non-Jew. One of the striking examples is a response of R. Meir of Rothenburg (1220–1293), regarding a case of a Jew who was blamed for scraping coins that were given to him as a money lender:

> With regard to individuals who scrape coins after they have given an oath [before a Christian priest not] to scrape [coins or measuring tools] for a corrupt end. Their actions are guilty of two evils, which are actually four. They are cursed and their oath is cursed. [They deserve] to have their hands cut off … Even a little scraping is considered theft if a Jewish person transfers [to non-Jews] these coins which have been scraped and have a deficient weight.
>
> *(Lvov, 1860, #246; see also Katz 1960 [1961]: 70–1)*

Wealth

Faith in God or even the encounter with God creates a wish to imitate Him, or at least to appreciate his world. That is why the Jewish tradition affirms ownership, an affirmation which does not end with the protection of property; in many places it also encourages the accumulation of wealth. Economic success is considered a worthy aim so long as one achieves it through honest means. In the Jewish view, man's obligation to exercise dominion over the world, as a function of his having been created in God's image, brings him to an affirmation of wealth. For wealth that is gained through hard work and honest means is, in Judaism, a positive expression of man's efforts as a godly being. "One who benefits from his own labour is greater", says the

Talmud, "than one who fears heaven" (BT Brachot 8a). This stunning assertion is not meant to denigrate the fear of heaven, but rather to affirm the principle that one who turns his talents into achievements is greater than one who neglects his own capacity to strive and create in the world. In the Jewish view, wealth that is derived from hard and honest work is considered a sign of virtue rather than vice; in the rabbinic teachings, such wealth is the lot of the righteous. Thus the legend says of Jacob, who risked his life to save his property: "Said Rabbi Elazar … . 'For the righteous, their property is dearer to them than their own body. Why so? Because they do not stretch out their hands to steal'" (BT Hulin 91a). Worldly wealth, despite having no obvious spiritual content, is even said to contribute to the indwelling of the Divine Presence: "The Divine Presence rests only on one who is wise, strong, wealthy, and of great stature" (BT Shabbat 92a).

Judaism's affirmation of wealth becomes even more striking when one considers its attitude towards poverty. In rabbinic teachings poverty is first of all considered a form of pointless suffering. "There is nothing worse than poverty", we find in Exodus Rabba. "One who must weigh every penny – it is as though he bears all the suffering of the world upon his shoulders, and as though all the curses from Deuteronomy have descended upon him" (Exodus Rabba 31:14). For this reason, Jewish law calls upon man to do everything in his power to avoid becoming dependent on his community for his welfare. "There shall be no needy among you" (Deuteronomy 15:4) is understood as an obligation upon man to avoid becoming poor, and not as understood by some, as a divine promise to negate poverty (see BT Baba Mezia, 30a; ibid., 33a; Sanhedrin 64b; Rashi Sanhedrin 64b Sanhedrin 64b). That is why Rabbi Akiva taught his son: "It is better to profane your Sabbath than to become dependent on others" (BT Pesahim 112b). From his perspective, man is never excused from taking responsibility for himself, and should do whatever he can to avoid being a burden on others. I must add that at the same time, poverty does have a value. The sages said, for instance, that "poverty is good for the Jews" (BT Hagiga, 9b).

Becoming rich is considered a virtue. That is why the Talmudic Sages discussed who is considered a rich man:

> "What is the definition of a rich man?" "It is anyone who has satisfaction from his wealth", in the words of R. Meir. R. Tarfon says, "It is anyone who has a hundred vineyards, a hundred fields, a hundred slaves to work them". R. Aqiba says, "It is anyone who has a wife made beautiful by her deeds". R. Yosé says, "It is anyone who has a toilet near his table".
>
> *(BT Shabbat 25b)*

It is true that not everybody defines wealth as accumulation of goods. Certainly not R. Meir, who perceives wealth as satisfaction. But R. Tarfon, who takes wealth literally, and R. Yosé, who understands it as living comfortably, are definitely in favour of wealth. Even R. Aqiba, who connects it to being married to a good wife, understands wealth as defined by having something which is connected to the material world. Not as a spiritual achievement, or as self-development.

The Talmudic question "What is the definition of a rich man?" is not only a philosophical question. The medieval sages understood it as an instruction how to fulfil the obligation to become rich (Rashi, Shabbat 25b). To that end, the sages exhort all men to earn their living through work. Under no circumstances are the poor to be absolved of their responsibility through the redistribution of wealth. The property of the wealthy in Judaism is entirely theirs, to do with as they wish. Even in a society of significant income differences between the wealthy and the poor, the poor have no legal claim against the wealthy. Even in a case of voluntary giving, Jewish law cautions against excessive generosity and forbids a person from donating more than one-fifth of his assets, so as not to become poor himself (BT Ketubot 50a). This was expressed powerfully in the ruling of Maimonides in his code, *Mishneh Torah*:

> One should never dedicate or consecrate all of his possessions. He who does so acts contrary to the intention of Scripture … Such an act is not piety but folly, since he forfeits all his wealth and will become dependent on other people, who may show no pity towards him. Of such, and those like him, the rabbis have said, "The pious fool is one of those who cause the world to perish". Rather, one who wishes to spend his money on good deeds should spend no more than one-fifth, so that he may be, as the prophets commanded, "One who orders his affairs rightly", (Psalms 112:5) whether in matters of Torah or in the affairs of the world.
>
> (Maimonides, *Mishneh Torah,* Laws of Oaths and Vows 8:13; see also Karo, *Shulhan Aruch, Yoreh De'a 249:1)*

The prohibition against giving too much to the poor is an expression of the view that charity has to be an act of responsibility, and not just mercy. This includes responsibility of each one for his own good as well as responsibility for his neighbour.

Conclusion

A true faith in God causes modesty. The greatness of God creates in man a perspective of himself and the world around him, a perspective of his limits against God. Nonetheless, this perspective does not have to belittle him. The understanding that man is created as a "portion from God above" generates in man a wish to come close to God, and at the same time, it generates a responsibility towards the world. With this feeling of responsibility, man cares for his fellow man and also for other creatures. But this "portion from God above" does not only create responsibility. It enables him to express his own ego, to dominate – an expression of *imitatio dei*. Thus, he owns, buys, sells, benefits from his work. He himself has a right to be, to enjoy and to do as he wishes. These ego wishes do not contradict his faith in God but rather give expression to a faith which is based on a dialogue rather than on a theocentric faith. In such a dialogue, the voice of man should be heard as well. We are accustomed to the human religious voice through poetry and piety, but this voice is expressed in property as well.

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30
OIKONOMIA

Dotan Leshem

Introduction

Oikonomia is a key concept in Greek patristic thought that until very recently was lost in translation, as noted by Marie-José Mondzain, who pioneered the contemporary research that revitalized the importance of the term. This chapter will take a different approach than Mondzain (2005), who conducted a semantic study of the term in patristic texts. Instead, it will begin with a historical account of the term's rise to prominence in Greek-speaking Christian antiquity. Then it will review some of the contemporary research of the term both within Christian circles and in what may be termed, following the publication of this companion, "economic theology".

Pre-Christian history of *oikonomia*

The word *oikonomia* has a long pre-Christian history which is of some significance when evaluating its role in Christianity. It is composed of *oikos*, which is translated into "household" but resembles more an estate, and *nemein* (and not *nomos*), which is translated into management/dispensation. Therefore, its original meaning was the management and dispensation of the estate as a reproduction, production and consumption unit. While the first use of the root of *oikonomia* can be traced back to the pre-political archaic age, its use became commonplace with the rise of the Athenian polis in the classical age as well as Socratic philosophy. The word was used in its original meaning (i.e. household management) throughout antiquity. At that time, a comprehensive knowledge of oikonomia was developed and philosophers from various schools of thought dedicated treatises to the study of *oikonomia* (Asmis 2004; Baloglou 1998, 2002; Natali 1995; Trever 1916). The study of *oikonomia* – *oikonomikeh* – was divided into a technical (Leshem 2014) and a theoretical (Leshem 2013a) branch and was governed by ethical considerations. Both the technical and the theoretical branch dealt with the question of guiding the head of the household in how to manage his estate – most importantly his wife and slaves – by harnessing nature's abundance in a prudent and just manner. The goal of *oikonomia* was to generate a surplus of leisure time for the head of the household that would allow him (and materially support his friends' and fellow citizens in case of a well-to-do oikos) to spend all of his time in non-economic activities in an extra-economic sphere. Ancient philosophers held two of these activities as praiseworthy. These were philosophy and politics. At the same time, the indulgence in economic matters was despised, and was considered slavish and unmanly, as aptly described by Kurt Singer:

> the Greek aversion "to expose oneself to any man's censure" (and incidentally showing that the Greeks did not despise, as it commonly assumed, manual labour but rather loss of independence). But it also goes far to suggest that the office of an *oikonomos* was in the eyes of an old-style Athenian tainted by its association with women and with slaves or hirelings.
>
> *(Singer 1958: 44)*

As described by Aristotle "the more self-sufficing a community is, the more desirable is its condition" (*Pol.* 1261b), which explains the aversion of the ancient Greek philosophers to market trading. The latter was seen was seen as falling outside the scope of *oikonomia*, and was dealt with instead by the art of *chrematistikeh*. The difference between the two is described by Aristotle as follows: "The function of the former is to provide and that of the latter to use" (*Pol.* 1256a). *Chrematistikeh* itself was divided into two kinds: the natural one, which supplied the need of the *oikos* without hurting its integrity, and market trading, which was seen as the other and unnatural kind. The latter was believed to be driven by the vice of licentiousness, which opposed the economic virtue of soundness of mind (Leshem 2016b).

As time went by, *oikonomia* became a loan word and appeared everywhere. As I have described in Leshem (2013b), whatever people did, wherever they turned, they were seen as economizing. Both bodily functions and ethical choices were conceived as "economized" – that is, seen as prudently managed; the term political economy appears in reference to Ptolemaic Egypt; and even the cosmos itself was conceived by the Stoic philosophers as rationally economized by Nature (Hill 2012). *Oikonomia* was also used as a term denoting the rational management of resources in political theory, military strategy, law, finance, medicine, literary criticism, architecture, music, history, and rhetoric. It is uncertain what caused the rise in the popularity of the word *oikonomia* in the Hellenic and Roman Empires. Recounting other episodes of economic imperialism in the history of the west, I suggest in Leshem (2013b) that it was a by-product of both the spirit of political expansion that was a hallmark of both the Hellenistic and the Roman Empire and of a contemporary ideology that sought to identify rational design everywhere, both in nature and in culture.

Early beginnings

Both John Reumann (1992, 1957), Gerhard Richter (2005), and Leshem (2016a) hold that the concept of *oikonomia* made its way into the new testament from the Greek-speaking profane world, and not from the Jewish one. *Oikonomia*'s first steps on the Christian stage were modest. It appears only nine times in the New Testament, *oikonomos* (economist/steward) ten times, and the verb form only once. In most cases the word refers to its traditional sense of household management. It was only in the letters ascribed to Paul that the word acquired the meaning that would become dominant in patristic thought (Meyendorff 1982), based on its metaphorical and quite popular uses among the Greek-speaking gentiles to whom Paul's letters were addressed. In these letters, *oikonomia* is rendered as the fulfilment in time and in space of God's salvific plan, while the clergy are seen as economists (*oikonomoi*) entrusted with the office of executing the plan (Tooley 1966). This meaning can be deduced without reading too much into the use of *oikonomia* in Paul, which recent literature on the subject (Agamben 2011; Richter 2005) tends to do by reducing its meaning to its managerial traits as far as possible. The verses that in years to come will be used to set its meaning as a key concept in Christian thought are found in the first letter to the Ephesians (1:9–10; 3:9), and are worth citing:

> He made known to us the mystery of His will, according to His kind intention which He purposed in Him; with a view to an economy of the fullness of ages to recapitulate all in Christ, things in the heavens and things on the earth.
>
> *(Ephesians 1:9–10)*

> Whereof I was made a minister, according to the gift of the grace of God given unto me by the effectual working of his power; Unto me, who am less than the least of all saints, is this grace given, that I should preach among the Gentiles the unsearchable riches of Christ; To enlighten all what the economy of the mystery which from eternity has been hid in God, who created all things.
>
> *(Ephesians 3:7–9)*

As can be seen, in these verses *oikonomia* is a plan that subsisted in God before creation, and its revelation/fulfilment unfolds in created time from its beginning up to its end. The history of its fulfilment will be termed since the nineteenth century, mostly by German-speaking Lutheran scholars such as the members of the Erlangen School and by Oscar Cullmann in the following century, the "economy of salvation" (German: *Heilsgeschichte*).

While the term was used by apostolic writers and early apologists, it was not yet a key concept. In the texts from this period that came down to us, one can detect the emergence of new meanings in addition to those introduced in the Pauline letters. The most common of them, which indicates little development compared to Paul, is the notion of economy as a divine intervention in the regular affairs of the created world – specifically, an intervention in which the divine plan of salvation is revealed. In most instances, the intervention referred to by the authors is the incarnation. This usage sets the tone for years to come, when incarnation would become synonymous with *oikonomia* (Prestige 1964). The second new meaning was introduced by Justin Martyr in the second century AD. It denotes immoral and otherwise unacceptable accommodation to the circumstances in order to achieve a sought-after goal (such as salvation), the achievement of which justifies the use of such means (a common use of the term in non-Christian circles by then (see Benin 1993; Mondzain 2005). The *oikonomia* of God and later the bishop, that is, Divine sanctioned diversion from what will be considered the just mode of action, is justified by this otherwise unjust contribution to the realization of the greater plan of salvation. The third meaning, which was introduced by Tatian in the second century, describes the mode by which God the Father begets His Son, that is, the relationship between the Father and the son in the Godhead which will later occupy the centre of the debate between the orthodox and the Arians from the fourth century onward.

Second- and third-century consolidation

Oikonomia was consolidated into a key concept in texts by apologists between the second half of the second century and the first half of the third. It is customary to describe its development along three axes, following Otto Lillge's dissertation on the subject (Lillge 1955; Reumann 1957). The first axis, and arguably the most important of them, was developed by Irenaeus of Lyons (see Grant 1997), who was the first to turn it into a central concept (Markus 1958; Osborn 2001) in Christian theology. Much like his predecessors, Irenaeus begins with the meaning attached to *oikonomia* in Ephesians (Clifford and Anatolios 2005), which he rendered as "the mysterious plan to recapitulate all in the fullness of ages". *Oikonomia* appears in his *Against Heresy* more than 100 times. In this work, written against the Valentinian heresy in which the concept of *oikonomia* took centre stage, Irenaeus developed for the first time a clear unified concept of divine economy (Behr 2000: 33; Minns 1994) as a (hi)story of the unfolding of the salvific plan from the moment of the world's creation to the fullness of ages. The major event of this story – its turning point – is the incarnation. In giving *oikonomia* this meaning, Irenaeus diverted its course from a synchronic to a diachronic one, setting the stage for a radical shift in the conceptualization of time as linear and of history as progressive.

The new *oikonomia* of time has a beginning and a *telos* in time, and at its end, in *eschaton*, a new temporality will appear. The new conception of time was accompanied by a new concept of history. This new concept departed from the classical Greek view of history as the story of (spatial) exceptions from the circular economy of time. According to the Christian concept developed by Irenaeus, the exception is not from *oikonomia* as it was in the case of the classical *oikos*. Instead, *oikonomia* itself is conceived as the exception from the worldly order of things, and history as including those moments in which God's *oikonomia* is revealed and actualized. In these moments an exception from the present time occurs and a new time reveals itself – the eschatological time.

The second axis can be found in the texts of Clement and Origen of Alexandria. The Alexandrian developed the pedagogical and hermeneutical model that the economists – that is, bishops – of salvation (see Behr 2000; Kovacs 2001) would follow. Clement and Origen, who were heavily influenced by Neoplatonic philosophy, approached *oikonomia* as a philosophical–pedagogical endeavour. Accordingly, it would be fair to present them as rendering Ephesians 3:9 as "the economy of the incarnation enlightens all to know the mysteries hid from eternity in God, who created all things". On top of focusing on the centrality of the incarnation as the hermeneutical key, rendering *oikonomia* and incarnation synonymous many times, they combined personal and ecumenical enlightenment to go hand in hand leading each member and humanity as a whole to recapitulation at the fullness of ages. They combined macro-level, historical movement and micro-level of training and education of the individual. At the heart of both lies the economy of the incarnation. In it, the Logos (i.e. God's Son) appears as pedagogue of the whole of humanity.

The third path was developed by Tertullian and Hippolytus who further developed Tatian's use of *oikonomia* to describe the relation between God the Father and his Son. They used *oikonomia* to tackle the problem of the father's monarchy coexisting along a conception of a triune God (McCruden 2002), arguing that the monarchy of the father is triune, just as the head of the household's rule is not diminished when he delegates authority to his stewards.

All three axes contributed to yet another revolution in the conceptualization of *oikonomia* as all three did no longer speak of the *oikonomia* of the mysteries or of the fullness as did Paul, but of the mysteries and the fullness of the *oikonomia*. That is, *oikonomia* becomes a tangible thing in the world, *the Object* for the Christian theoretical gaze that encapsulates the fullness of mysteries of divinity.

Fourth- and fifth-century Orthodox acclamation

Oikonomia came to define a certain space in the fourth century. This was due to two processes. The first was the Christianization of the Roman Empire. This in turn contributed to two other changes. The first was to make the Christian meaning attached to *oikonomia* a prevailing meaning in the Greek-speaking world. The second was the amalgamation of an orthodoxy by ecumenical councils that pronounced strict views of the Christian creed, in which *oikonomia* played a major role. This role was not restricted only to declaration of faith but also to the actual effort of uniting the different sects into a universal church. *Oikonomia* was the term chosen by Basil the Great, and which has been used ever since, to acknowledge a bishop's discretion to declare a state of exception and temporarily suspend Church canons that demanded the rebaptism of certain sects in order to allow their inclusion into the Church.

At that time, yet another crucial shift in the meaning of *oikonomia* occurred when the line that was introduced by Tertullian and Hippolytus was abandoned and a clear-cut demarcation line between *theologia* and *oikonomia* was introduced. The former term was used to describe the inner organization of the Godhead in itself, while *oikonomia* was restricted to the revelation of God in the world, first and foremost the incarnation of God the Son. So, for example, in the Chalcedonian Declaration of Faith, which settled the Christological debate concerning the divine and the human operations in Christ, *oikonomia* was used as practically synonymous to incarnation. The latter, following the Alexandrian axis presented above, served as *the working model* for the Church and its bishops in its eschatological mission promoting universal salvation. Everything – the things in heaven and on earth – was to be economized according to the model set by Christ's *oikonomia*. So, for example, the inclusion of a sect by *oikonomia* was modelled according to (and rationalized by) the Son's philanthropy to accommodate the sinful ways of the sons of man. The exclusion of *oikonomia* from the Godhead which was introduced by Tatian and then followed by later apologists such as Tertullian and Hypolitus might seem at first sight as a blow to the centrality of *oikonomia*. For instance, it made the notion of "economic theology" impossible. Actually, it established economy's own, distinct domain.

As a result, *oikonomia* was assigned not only its own temporality by introducing a new concept of quasi-linear time and progressive history as developed by Irenaeus. By now, this temporality was assigned a worldly sphere of its own, the Church as the body of Christ in which the human–divine *oikonomia* is taking place. The rise of *oikonomia* from the private space of the ancient household and its subsequent exclusion from the divine one in which the triune God subsists to public glory brought two major changes in the conception of space in Greek-speaking antiquity. First, a third sphere which is neither public nor private in the strict sense is introduced alongside the private sphere of the *oikos* and the public one of the (cosmo)polis. Second, a tripartite partition of another sort is introduced, as follows: i) theological "space", found outside of space and time and beyond the reach of human consciousness; ii) economic space, where the divine reveals itself in the *ekklesia* (Church); and iii) secular life, encompassing both the political and the private.

As can be seen, by the middle of the fifth century, *oikonomia* was a key concept in Christian thought to the extent that it became synonymous with the incarnation. It came to denote a well-defined space and temporality. These were genuinely new and long lasting well into secularized modernity. The new *oikonomia* also brought about a radical change of the relations between the (new) economic sphere, politics and philosophy. The latter was considered an economic affair, as its object – Divinity as revealed to humans – was now considered to be an economic phenomenon (unlike God in himself – the subject matter of theology in the strict sense). In this, philosophy was not alone, as most Christian sciences such as ecclesiology, Christology, eschatology and Mariology, to name just a few, were all considered branches of economic knowledge (Azkoul 1995). At the same time, politics and *oikonomia* experienced a role reversal. By then, politics was considered a handmaid to *oikonomia*, and the emperor and the imperial establishment were assigned with the role of promoting the economy of salvation.

Oikonomia in contemporary Christian theology

Although two large monographs that present detailed historical analysis of the use of the concept of *oikonomia* were published by Gerhard Richter (2005) and Flurian Schuppe (2006) in recent years, it is safe to say that the concept is not as central in contemporary theology as it was in the patristic age. In Western Christianity one can trace its working in the distinction between the immanent trinity and the economic one that resembles the patristic distinction between *theologia* and *oikonomia*. Catherine LaCugna's book *God for Us* (1983) is the most elaborate effort to restore *oikonomia*'s central position in contemporary theology. In Eastern Christianity, *oikonomia* is very much present, but is usually relegated to canon law. This usage, which can be traced back to the fourth century, equates *oikonomia* with the suspension of canon law in order to accommodate to the ways of the believers and to include people who were baptized outside the Orthodox Church. As such, it plays an important role in the ecumenical movement that aims at uniting Eastern and Western Christianity.

Critical engagements

The concept of *oikonomia* has raised more interest in critical circles, a fact which this Handbook testifies to. This is due to a large extent to the publication of Michel Foucault's lectures from the late 1970s and early 1980s, in which he returned time and again to late antique Christianity's practice and concept of "pastoral power", trying to locate the origins of contemporary governmentality in it. Unlike Foucault, who chose to dismiss focusing on the concept of *oikonomia*, three publications have recently conducted genealogical inquiries that insist on the critical importance of the term, both in early Christianity and in the present. The first of these books is Mondzain's book (2005) that traces the influence of the concept of *oikonomia* on our visual culture through the theory of the icon, in which *oikonomia* is the key concept. The two other books, by Giorgio Agamben (2011) and Dotan Leshem (2016a), engage more directly with Foucault's genealogy of neoliberal governmentality, each offering some large-scale revisions of Foucault's genealogy that stresses the centrality of the concept of *oikonomia*. Together, these books clearly demonstrate that the study of *oikonomia* is of crucial importance for a critical engagement with the present, and speak loudly for the need of establishing "economic theology" as a field of research. At the same time, they leave a lot of ground uncovered for future research.

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31
THE ECONOMIC THEOLOGY OF LATE ANTIQUITY

Devin Singh

Introduction

Late antiquity represents a formative period in Christian thought: it is the patristic age, the age of the esteemed church "fathers" and great councils, where doctrine receives formal synthesis and ecumenical as well as imperial approval. Christianity as an institution and set of practices also obtains the support of emperors and becomes enforceable through law. Here the legal systems and institutional frameworks of the Roman Empire influence early Christendom. Furthermore, and most centrally for this volume, the monetary, economic, and broader administrative practices of the Roman Empire and the Mediterranean world become encoded in Christian thought and practice, to be passed on for centuries. Late antiquity is an important phase to examine in its own right, as a foundational period for doctrine and institutional templates for the Christian church, and because it sets the groundwork for many trends that will develop in Eastern and Western traditions of Christianity and, by extension, Christendom, the medieval world, and secular Europe.

Late antiquity encompasses the period from approximately 300 to 700 AD. In this time frame, diverse factions argued and lobbied for beliefs that would come to define "orthodox" faith, including foundational definitions of the Trinity and Incarnation. Thinkers as diverse as Irenaeus of Lyon, Origen of Alexandria, Eusebius of Caesarea, Athanasius of Alexandria, Basil the Great, Gregory of Nazianzus, Gregory of Nyssa, and Augustine of Hippo, for instance, have been regularly drawn upon as authoritative voices for the amalgam of claims that coalesced in this period. Key defining councils included those of Nicaea (325 AD), Constantinople (381 AD), Ephesus (431 AD), and Chalcedon (450 AD). The theories that this era produced, while diverse and appearing at times in tension, remain authoritative in Christian tradition, and various reform movements throughout the history of the church have appealed to such thinkers to legitimate their views. Indeed, it is because of, and not despite, the contradictions and ambivalences in this body of thought that ongoing debate around such central doctrinal tenets has formed much of what Christian theological tradition entails. For these reasons, the ideas developed in late antiquity in the form of patristic thought enjoy a kind of pride of place in Christianity and, by extension, Western society, permeated as the latter has been historically by forms of Christian theory, practice, and institutionality. This means that the significance and the potential for historical, sociopolitical, and cultural impact of the economic theology of this age require due consideration.

In this chapter, I review major themes in this period that address matters of economy and theology. My aim is to highlight doctrinal issues that pertain to the economy, rather than focus primarily on ethical or moral exhortations to particular economic attitudes and actions, although these are surely related. My intent is not to drive a wedge between doctrine and ethical application. Rather, I want to introduce a heuristic suspension or pause between theory and practice in order to give more attention to the thought systems, conceptual images, metaphors, and terms informing theological reflection on economic matters in late antiquity. This is partly out of a conviction that the ideas are interesting and worthwhile on their own, and it is also an attempt to consider how such concepts may have ramified to influence wider society beyond Christian communities focused on discipleship and specific ethical practices.

Despite being arguably the most examined era of Christian history with regard to theology, very little has been written about the *economic theology* of this formative stage of Christian tradition and "founding moment" in the West. Certainly, we have reflection on the ethical exhortations found among the fathers that pertain to wealth and poverty. We also have important historical work on the lives of individual Christians and their communities that reveal attitudes towards matters of money, labour, and possessions. But few if any studies of explicit and implicit economic theology exist. This is partly because self-conscious theologizing about the economy as such was rare, if at all existent in this period. This absence derived partly from the broader embeddedness of the ancient economy, where the market was not yet reified and depicted as a thing in itself and object of theorization (Polanyi 1944; Finley 1999). We are left to retrieve and reconstruct many implicit but no less important and influential economic theological ideas that are operative. Relying on the many rich theological accounts of this period, coupled with the growing body of historical work on the society, culture, and economy of the time, we can begin to consider what forms of economic theology existed and how they might have influenced the early Church and early medieval culture and society. We can also ask how economic theology has influenced economic and theological thinking in the West across various periods and how it might be accessed and mobilized in the present towards fruitful analysis and practice.

Almsgiving and the poor

According to Peter Brown, whose oeuvre alone has established the field on Late Antique studies, the Christian bishops were largely responsible for creating the category of the poor (Brown 2002; Brown 2012; Brown 2015). They made the spiritual and material poor a crucial leverage point in discourse on holiness and sanctification. Of course, this does not mean that such leaders created the sociological reality of the poor. Rather, through their preaching, advocacy, and intervention, they came to help define a social category of destitution and need that was not central to the Greco–Roman imaginary. The primary civic duty and social expectation of the Greco–Roman ideal was to give on behalf of the city and to its citizens (Veyne 1990). While the majority of such recipients were in need and took part in the dole, they were beneficiaries based not on their status as poor but on their identification with the city.

The Christian bishops shifted focus, drawing on the long history of Hebraic biblical reflection on the poor, vulnerable, and marginalized in society. They spoke of God's kindness and compassion towards the destitute, and invoked Christ's identification with the outsider. Substantive theological projects and ecclesial programmes developed around the category of the poor, the status of the poor before God and before wealthy Christians, and the role of almsgiving and economic justice in the Christian tradition. The materially and spiritually poor were established as categories of reflection, with the latter taken to symbolize a spiritual openness or neediness before God (Gutiérrez 1988: 162–73). Yet, contrary to the ways many modern Christians seek to "spiritualize" away the focus on material poverty, these early theorists focused on the actual poor as those loved and cared for by God and, by extension, by God's church. Thinkers such as John Chrysostom regularly challenged the wealthy in his congregation to provide for the less fortunate (Pohl 1999).

Two key theological principles that were elaborated and that worked in tandem were the benefaction and poverty of Christ. On one hand, Christ was envisioned as the supreme, heavenly benefactor, one who "though he was rich", for humanity's sake "became poor" (2 Cor 8:9). Christ, who enjoyed divine equality and the benefits of being God, engaged in downward mobility and took on servitude in the form of human weakness (Phil 2:6–7). As such, Christ served as an exemplar for the wealthy and powerful, establishing the pattern that "those who would lose their life for [Christ's] sake" would save their souls and gain eternal life (Matt 16:25). While one supreme example of imitating the suffering and downward mobility of Christ was to take up the cause of martyrdom (Moss 2010), another major pattern involved divestment and almsgiving as modes of discipleship (Brown 2015; Rhee 2012; González 1990).

The complementary but distinct theological notion of the poverty of Christ strengthened the call to charity and to ascetic simplicity. Not only was Christ the great benefactor, who shared the riches of grace with all of creation, but Christ was also the poor one. Christ was located among the needy, and to aid such persons was to provide directly for God. Preachers invoked the claim that "he who is kind to the poor lends to the Lord" (Prov 19:17). This contributed to a mystical theology of Christ's presence among the poor. Christ might be found among the outcasts and poor as a group implicitly (Matt 25:31–46), or be present in angelic form as a single stranger or poor person requiring assistance (Heb 13:2). This meant that not only could God be imitated as a wealthy donor; it also meant that God could be given to as a needy recipient. God as both benefactor and recipient bookended the almsgiving process as the one to be imitated and the one, ultimately, to be helped.

In emulating and providing for God, almsgiving emerged as central to the sanctification process. Indeed, almsgiving appears as an indispensable mark of the truly saved according to many patristic thinkers. The wealthy were urged to give, not simply to be compassionate and to address a need, but to save their souls. Thus, a key theological tenet in this period, voiced among thinkers such as Origen of Alexandria, Eusebius of Caesarea, John Chrysostom, and Augustine of Hippo, was the necessity of economic giving as integral to Christian discipleship. It was predicated upon the model of Christ as merciful benefactor and of Christ as the poor one in need. Significantly, what one did with one's material, real money had ramifications in eternity. Money and giving were not spiritualized away in figurative dissimulation, which is noteworthy given the allegorical tendencies in patristic exegesis. If such spiritual interpretations were offered, they did not displace the more fundamental call towards the giving of actual money and resources.

Naturally, a spectrum of almsgiving was possible, given the diversity of models and calls to charity found in Scripture. On the one hand, we hear the challenge of total divestment, and many heeded this call and were led into lives of ascetic monasticism in sustainable communities or itinerant and wandering dependence on the mercy of others. While such acts were noteworthy, and earned one no small modicum of spiritual glory and acclaim, this extreme position was untenable for most. Thus, on the other hand, patristic thinkers such as Basil the Great or John Chrysostom developed models of periodic, regularized, and sustainable giving. Such an approach was more feasible for the wealthy patrons who were sustaining church communities, and many a bishop agreed that this long-term vision was preferable to a one-time, massive donation of wealth before the rich person joined the ranks of poor monks. From a practical standpoint, the wealthy needed to remain wealthy in order to keep churches running as patrons (Countryman 1980). Bishops therefore modified stringent calls to divestment, making space for the regular and more mundane giving of wealthy congregants.

God as economist

A key theological model informing many Christian ideas of just giving was that of God as a wise and just economic administrator. We find stewardship itself lauded in the New Testament, as faithful discipleship is likened to servants taking money loaned from the master and investing it wisely to gain a return (Mat 25:14–30). Remarkably, even shrewd and deceptive stewardship is praised, if only for the desire for self-preservation that it reveals (Luke 16:1–13). Scriptural themes of God approving of good stewardship coalesce into a patristic view of God as carrying out such stewardship at a cosmic level, and as serving as the exemplar under which all righteous stewards labour.

Clement of Alexandria, Origen of Alexandria, and Eusebius of Caesarea, among others, describe God as an "administrator of souls" (*oikonomos psychôn*) as well as of the cosmos (Reumann 1968; Reumann 1992; Reumann 1958; Singh 2018: 71). In this regard, God is understood to manage and allocate resources, and to determine their optimal deployment. God functions as a steward or manager of household goods, overseeing the household of creation and the community of the redeemed. Often, this role is specifically given to the divine Son, as that member of the Godhead that represents delegated authority engaged directly – and, in the incarnation, even materially – with creation. The aforementioned theological principle of Christ as benefactor here works together with a model of the eternal Son as the administrator and steward of heaven. The Son as deputized governor shares the riches of the divine realm with creation. As a wise benefactor, he is generous and yet prudent, apportioning goods justly and using such acts and arrangements for the sake of the glory of God and the salvation of the world (Mondzain 2005).

This idea of God as economic administrator served as a model for Christian leaders, both in the church and the state. Bishops were to watch over and act as caretakers for their flocks. Such caretaking and oversight meant not only stewarding souls but also managing church resources, for many of the alms given for the poor were channelled through churches. The oversight of bishops was done under the watchful eye of the heavenly administrator and economist. As such ideals came to influence politics, most notably upon the conversion of Emperor Constantine in the year 313 AD, the state, too, incorporated elements of the model of divine economist. Constantine, as a self-appointed political "bishop", served as a benefactor to churches. State resources and a newfound tax-exempt status empowered the church to fulfil its call to serve the needy. The emperor as ecclesial benefactor and newfound defender of the poor thus imitated the heavenly economist and provider, at least in the eyes of observing champions like Eusebius (Singh 2018; Singh 2015). This sense of "pastoral power" would become pivotal for notions of governance in Western traditions of political and ecclesial rule (Foucault 2007: 129–30).

Divine *oikonomia*

The stewardship and administration undertaken by God, which was in turn carried out by ministers, was captured in Christian reflection on divine economy (*oikonomia*). The term *oikonomia* has had a varied history of interpretation in Christian thought. The basis of our modern word "economy", the term was deployed differently in the ancient context. Some exegetes, finding it used in the Pauline epistles, for instance, have made it out to indicate God's "plan of salvation". Others have translated it synonymously with "incarnation". Amidst this debate, scholars have endeavoured to situate the term within its historical context and usage in the wider culture (Reumann 1957; Richter 2005; Mondzain 2005; Agamben 2011; Leshem 2013; Leshem 2016).

At its inception, *oikonomia* referred to the arts of managing the household (*oikos*). It was broadened to include the political sphere and pertained to the proper comportment of rulers and even their tactics of fiscal management. Paul used it to indicate God's management of salvation as well as his own stewardship and management of the gospel's proclamation. Eventually, the term was applied by early theologians such as Tertullian to depict God's own mysterious inner-Trinitarian nature, as an internally managed set of relations. Its use as God's management of salvation became extended to encompass the ways God accommodated to human nature and finitude in the incarnation. Gregory of Nyssa, for instance, was among many fathers who used *oikonomia* to describe language about God's revealed nature in incarnation, as distinct from *theologia*, which described God's nature in Godself. *Oikonomia* as such included notions of strategy, planning, and a means/ends calculus aimed at gain, profit, or a return on investment.

Agamben (2011) emphasizes that *oikonomia* speaks to God's providential management of creation. This is accurate but incomplete, for it misses the incarnational paradigm that supplements all reflection on providence and the transcendent administrator (Leshem 2016). *Oikonomia* most centrally mediates the tension between transcendence and immanence magnified in the divine Son taking on human life. This *oikonomia* involved divine accommodation and exception, taking on human form and condescending to the immanent sphere of creation for the sake of redemption. As I have emphasized (Singh 2018), *oikonomia*'s ancient origins in the management of household resources and money linger in theological discussion of redemptive payments made to set humanity free. At the heart of *oikonomia* is a tale of ransom exchange. Thus, the properly economic aspects of *oikonomia* retain sway and bear examination to shed light on the economic themes that persist in core theological doctrine.

The point here is that *oikonomia* contributes to a constellation of implicit economic theological claims and metaphors whose systems require mapping and whose implications invite consideration. *Oikonomia* does not simply mark divine strategy and management, a tactical arrangement of signs and acts that bring humankind to salvation. It includes this, to be sure, but also signals that at the heart of early redemption narratives occurs an economic exchange. The economic traces and undertones to *oikonomia*, drawn from the world of household management and the fiscal administration of cities and empires, play out in a multilayered set of tales about a divine cosmic dispensation that strategically arranges exchanges and payments for a particular return: the salvation of the world.

Ransom theory

One of the most significant manifestations of economic theology involves soteriology. Early Christian thinking about salvation incorporates decidedly economic elements and reflects attitudes towards exchange practices from the wider culture. Most centrally, the narrative of salvation known as ransom theory makes economic exchange pivotal, and deploys economic logic around matters such as debt slavery and redemptive payment. As noted, one of the apparent outworkings of the economic logic of *oikonomia* is found here.

Theories of redemption are diverse in Christian tradition, and no stable or singular doctrine of soteriology has emerged. Rather, we find various narratives and metaphors fashioned at different moments in the history of the church to articulate in culturally acceptable terms what

Christ's death was meant to accomplish. In late antiquity, among patristic thinkers, the dominant explanation and depiction of salvation was that of a ransom. Humankind was portrayed as in bondage, held in some type of slavery and in need of liberation. Christ's death functioned as the ransom to allow humanity to be set free and return as God's possession.

There were various nuances placed on the nature of this enslavement, its origins, and the ways Christ accomplished redemption. The most common portrayals cast humans as in a form of debt slavery to the devil (Marx 1995). These tales drew on long-standing metaphors in the Hebrew scriptures that depicted human iniquity as a form of debt. These became prominent during the Second Temple period of Judaism (Anderson 2009), and came to influence early and late antique Christian portrayals of sin as debt (Brown 2015). While the primary bondholder in Jewish tradition was God, many early Christian communities reasoned that if Christ was a redeemer, it made little sense to depict the payment was made to God. Therefore, the figure of the devil was mobilized to make sense of the logic of debt slavery, and a purchase price was needed to set humankind free (Forsyth 1987). This mobilization reflects a broader recuperation of diverse satanic themes into the figure of the devil, a conception that works within the drama of redemption fashioned by such theorists (Kotsko 2016). Thinkers as diverse as Irenaeus, Origen, Gregory of Nyssa, and Augustine speak of the payment made by Christ that deceived the devil and enabled the release of captive humanity (TeSelle 1996; Ray 1998; Grau 2004).

A common prehistory in tales of redemption gestures vaguely to a primordial agreement made between Satan and the first humans. In an economic version of the Fall in the Garden of Eden, the price for the knowledge of good and evil was a kind of debt servitude to the devil. The devil provided the agreed-upon object – this liberating knowledge, opening the eyes of humanity – and, in turn, through the deceptive nature of loan agreements, bonded humanity to himself in perpetual obligation. The path to redemption would follow similar movements, but in reverse, as God undertakes economic deception of Satan to liberate humankind. The core logic of this exchange, set out most schematically by Gregory of Nyssa, is a swapping of loan agreements (Singh 2018). In perfect, reciprocal justice, aimed rather at redemption than enslavement, God mirrors the devil's initial debt enslaving of humanity by entrapping the devil with a debt. Christ serves as the payment to set humanity free, equal to the value of humanity plus interest, and yet also provides an unforeseen excess that, like the compounding interest of a loan that traps borrowers, snares the devil on a Christological-financial fishhook (Singh 2018: 174–6). Ransom narratives depict Christ as the just payment made to Satan, and yet end with Satan toppled and in obligation and servitude to God, as well as with Christ returning to God. The logic that makes sense of this odd twist is that of necessary return on the loan, and of the devil's newfound debt slavery to God as lender.

This narrative provides an ambiguous theological lesson with regard to monetary economy and debt. On the one hand, as Gregory of Nyssa and his contemporaries agreed, debt slavery was to be condemned. Clearly, it was satanic, and the trap of compound interest led many an unwitting borrower into perpetual servitude. Gregory was particularly outraged at the ways the poor were exploited by the wealthy by such conventions. He along with his older brother Basil the Great spoke about the unnatural nature of interest, as money bearing false offspring (Ihssen 2008). While many of the fathers spoke out against usury as exploitative, a full-blown theology denouncing usury, drawing on metaphysical claims about the time-value of money, for instance, would not emerge until the Middle Ages (see Benton in this volume). Thus, ransom theory appears to underscore the problematic nature of moneylending and interest, and coincides with the eventual condemnation of usury in the medieval era.

On the other hand, God appears to partake of many of the elements of such exchange practices, providing at least tacit commendation. God agrees to do dealings with the devil, entering into a deliberation of sorts, and presenting Christ as the payment for humanity. The fact that God turns the tables on the devil, not merely paying to liberate humanity but in turn trapping Satan with a kind of debt domination, seems to legitimate the use of debt as an offensive tactic. Indeed, the ensuing medieval thought that was so censorious towards usury also made a place for it as appropriate between enemies, as one of the arts of war (Le Goff 1998). Buried beneath the more prominent discourse condemning moneylending lay a minority report depicting God as the consummate and victorious economic dealer. Ransom theology thus bequeaths to Western traditions of thought and practice an ambivalent legacy of attitudes towards lending and debt relations. While accommodations for debt contracts remain repressed in the medieval period, burdened with casuistic regulations, new debt relations would emerge in full force when the Reformers nuance their critiques of usury to allow for forms of capital reinvestment and entrepreneurial speculation (Hénaff 2010; Weber 2011). Whether or not the concept of a God who lends for the sake of redemptive victory informed the eventual sanctification of new debt relations under early, Protestant capitalism remains to be studied.

Conclusions

The economic theology of late antiquity is rich and distinctive. During this period, the church not only developed its robust ethic of almsgiving and economic asceticism but also mobilized a vast set of theological concepts that address economic realities and make use of economic themes and metaphors. Almsgiving emerged as salvific, imitating the generosity of a heavenly benefactor. Such a divine giver was also a prudent steward and wise economic administrator, governing creation. This governance exhibited a divine economy, an *oikonomia* that made use of tactics and strategies for achieving a profitable end: salvation. Such salvation was portrayed at its core as an economic exchange, one that mobilized the power dynamics of debt bondage to accomplish divine purposes. Given the transition to the Christian empire in this period, divine and pastoral economy, as both concepts and strategies, irrupt into the political realm, and shape ideas of sovereign administration and attendant bureaucracy. This amalgam of issues, ideas, and practical responses formed a bedrock that would inform medieval society. As such, many ideas percolated for centuries and erupted in novel ways during the Reformation and transition to modernity. Plumbing the depths of Late Antique economic theology is thus not only of historical interest, but of worth for providing insights on our present moment.

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32

THE ECONOMIC THEOLOGY OF THE HIGH MIDDLE AGES

Raymond Benton Jr.

Introduction

We regularly refer to *the economy* without questioning its objective existence, yet it is by no means clear, as Margaret Schabas points out, that just a few centuries ago "people, even the learned communities of Western Europe, perceived such an entity as *the economy*" (Schabas 2005: 1; italics in original). If "the learned communities" of Western Europe did not perceive "the economy" as a separate entity, is it right to discuss their "economic thought", their thought about something that did not exist? Michel Foucault (1970: 127–8) pointed out this dilemma in terms of biology. Historians, he wrote, want to write histories of biology in the eighteenth century "without realizing that biology did not then exist". His point: "the pattern of knowledge that has been familiar to us for a hundred and fifty years is not valid for a previous period". If biology was unknown, he continued, "there was a very simple reason for it: that life itself did not exist. All that existed was living beings, which were viewed through a grid of knowledge constituted by natural history".

We can similarly suggest that economists, and others, want to write histories of economics before, say, Adam Smith, although economics – and, as Schabas points out, the economy itself – did not then exist (see, for example, Gordon 1975 and Hutchison 1988). What did exist was social life, and that was viewed through a grid of knowledge constituted by theology. As Diana Wood expressed it, the title of her book, *Medieval Economic Thought*, "is a misnomer". All thought, "whether political, philosophical, legal, scientific, or economic would have been regarded as an aspect of theology" (2002: 1). To separate one from the rest would necessarily involve separating that which "was never separated" in practice (Jarrett 1966: vii).

Medieval teachings on economic matters were intended as practical guides to the conduct of everyday affairs, affairs that, of necessity, involved "property and wealth, exchange and value, money, usury, and related subjects" (Langholm 1992: 1). The ultimate aim was "to guide men to God" (Langholm 1992: 1), to help people find "union with God in Heaven" (Wood 2002: 3). Scholastic thought on economic matters, as on all matters, was intended to provide "spiritual guides and to give moral council on economic practices" (Monsalve 2014a: 4). Hence it is proper to think of this as economic theology rather than economic thought.

The sum and substance of medieval economic teaching lies in the idea of justice. We are all brothers and should behave as such, respect each other's rights and position in life. No one, under any circumstances, should take advantage of his neighbour. People had the obligation to work for the common good of society as a whole. The common good would not emerge by itself, nor would it emerge if each person acted so as to advance one's particular interests. People were morally ruled beings, and this meant only that they have a conscience which compels them to make certain kinds of decisions and to avoid others, regardless of their particular interests. The common good emerged from people acting on the basis of that conscience, making certain decisions and avoiding others (O'Brien 1920; Jarrett 1966; Monsalve 2010).

The focus of medieval economic thought was on the moral justification of actions, not, as in contemporary economic thought, on how the system works. It was an ethical approach to economics, not, to borrow from Amartya Sen, an engineering approach (Sen 1987).

Under the proposition that people are rational and free, that they have free will, they become morally responsible for their acts. The medieval masters made clear that moral responsibility applied to the whole spectrum of human acts, and economic decisions and actions could not be an exception. As indicated above, the economic doctrines of the medieval theologians were, and were always intended to be, religious commandments and codes of economic conduct. The Scholastics saw and understood themselves as spiritual guides giving moral counsel.

The structure of medieval economy

Medieval society consisted largely of economically self-sufficient units that brought only small surpluses to the market. The bulk of the commodities exchanged in the market were non-produced goods – land – or durable goods that had been produced a long time before – animals, tools, houses. Those durable goods were the products of craft production where the commodities produced could not be easily reproduced. Add to this a transport system that made local monopolies powerful.

Medieval markets were sites of interpersonal, face-to-face transactions where buyers and sellers had a moral obligation to act for the common good as they agreed to the terms of exchange. O'Brien (1920: 10) characterized the medieval social order as one in which "the relations of persons were all important", and contrasted that with the modern social order, where "the exchange of things is the dominant factor". In addition, not all market transactions were conducted willingly. To us the wonder of market exchange is that it is free and always voluntary. Because medieval markets were unsystematic, a person in dire need could be compelled to carry out a transaction with a powerful merchant or banker. Such involuntary exchange may result because peasant farmers had suffered a poor harvest, or a craftsman had lost a building to fire. "This second aspect of the medieval market", Monsalve points out (2010: 515), "became a major concern for the Scholastics, who firmly stated that such economic compulsion rendered the contract invalid".

The core of Scholastic considerations regarding economic matters remained fairly constant throughout the High Middle Ages (1050–1350), but they were not, by any means, static and unchanging. As day-to-day activities changed, as cities and towns grew, as social relations were monetized and as trade, including long-distance trade, increased, the Scholastics strove to harmonize their principles with the changing social and economic context. Most of the secondary literature focuses on the constancy of the medieval doctrines. George O'Brien's *An Essay on Medieval Economic Teaching* was one of the first book-length attempts to examine, as he put it, "the principles and rules which guided and regulated men in their economic and social relations during the period known as the Middle Ages" (1920: 1). Bede Jarrett's *Social Theories of the Middle Ages: 1200–1500* (1966) was another. Jarrett begins with law and ends with art, but devotes chapters to property, money-making, and slavery. Odd Langholm (1992) and Diana

Wood (2002) have focused specifically on how the Scholastics attempted to harmonize their principles to the changing social and economic environment. Langholm, in particular, focused on how the process of harmonizing those principles with the emerging reality planted seeds for what later became modern economic analysis.

Just price

The predominant view of just price, to take an example, was largely attributed to Henry of Langenstein (1325–1397). He had written that a producer could charge enough to cover the cost of production and enough over that to keep up his station in life. In other words, it was a cost of production plus maintenance of an expected standard of living theory of pricing. In his exhaustive study of just price Baldwin (1959: 73) concludes that although St. Thomas Aquinas did not clearly connect market price and cost of production, he was close to a reconciliation of the two views whereby "value emphatically depends on utility" on the one hand, and "goods will not be produced below cost" on the other. And in the case of Aristotle, Baldwin argued, "justice of exchange was probably nothing more mysterious than the normal competitive price" (1959: 12). Writing in 1998, Langholm (1998: 85) noted:

> Until a few decades ago, it was not uncommon in critical studies to encounter the suggestion that the medieval scholastics simply permitted the forces of the market to run their course and accepted the resultant "common estimate of the market" as the just price. More recently, this liberalistic interpretation has been challenged by a younger generation of scholars, with whose arguments, as far as they go, I fully agree.

Hollander (1965) argued that there is "strong evidence … that the just price was in fact related to costs within the medieval context of social status", while, at the same time, "it is also clear that Aquinas did at times define the just price as the market price" (1965: 616). Both versions, he wrote, can be found in Aquinas; it depended on the problem being discussed. Further, statements made in one context need not be applicable to another. Hollander asserts that those who deny that just price was directly related to costs and argue it was the going market price, emphasizing utility and demand as the basis of value (he specifically referenced de Roover (1958) and Noonan (1957) but his comment may apply to Baldwin (1959) as well) attribute to Aquinas a "full-fledged Marshallian theory of price determination" and are "trying to find, in medieval thought, a classical or neo-classical adjustment mechanism". That, he asserts, is trying to read history backwards, giving new voice to William Ashley's admonition, in his *Economic History* (1893), against interpreting "the writers of the fifteenth century by the writers of the seventeenth" (quoted in O'Brien 1920: 6)

According to Wilson, Aquinas was "attempting to come to grips with the problem of achieving stability in a disintegrating environment" and the related problem "of nonmarket regulation of varying degrees of monopoly power" (1975: 56). Aquinas was "concerned with instability, the demise of the … manorial [system] as [a] viable economic and political [form]" (1975: 62). "The just 'price', in those areas of the society where goods are bought and sold, when combined with quantifies bought and sold, is one that ensures an income adequate to each class's functions" (1975: 64). A few pages on, Wilson writes, "Aquinas' theory of justice in exchange involves prices which cover the 'costs' of production where these are weighted by the social estimate of the 'worth' of the labourer in a particular class" (1975: 69).

The concept of socially weighted production costs causes problems for many today. For Aquinas, if people belonged to the same category, and worked for the same amount of time, they ought to be paid the same. If people belonged to a higher category than others, they ought to be paid a proportionally higher rate. By doing so, the economic and social status quo would be maintained. We are accustomed to thinking of "market prices" as competitively determined, and hence as competitive market prices. This ignores a large literature on administered prices. For Scholastics, it is better to think of "market prices" as collaboratively determined, *beforehand*, and hence to talk about collaborative, not competitive, market prices (Stark 1956; Monsalve 2014a).

Monsalve's position is that a proper understanding of the Scholastics begins with their emphasis on moral responsibility (2010, 2014a, 2014b), a responsibility that applies to all human acts, including economic acts. Justice is a logical requirement of living in society, and in the medieval economy, "just-price theory protected people against economic compulsion, just as competition is said to protect consumers in the modern economy" (Monsalve 2010: 516). Scholastics, by their just-price theory, wished to protect the weak but also to emphasize the moral responsibilities of all people (2010: 516). Langholm agrees (1998: 88): "In the medieval context, it makes more sense to interpret the market estimate of just price … as a means to combat the exploitation of individual economic needs."

Money and usury

Money and usury are closely related in the modern mind, usury being associated with the taking of interest, especially exorbitant interest, on monetary loans. Usury, however, could involve anything that could be counted, weighed, or measured and was simply expecting to take back more than was given. That could apply to barter as well as to monetary loans. The door to understanding the medieval condemnation of usury, especially as it applied to money, opens with an understanding of the medieval concept of money.

Following Aristotle, Aquinas saw the proper use of money, its telos, as the facilitation of exchange and nothing more. Money was a middle term, a mean or medium between things that could rightly be bought and sold because they served to satisfy natural needs. Unlike a cart, an ox, a house, or a field, but like a loaf of bread or a skin of wine, the use of money could not be sold separately from the coinage. One can own a house, a field, or an ox and sell its use to another. That is the tenant–landlord relationship. One cannot own and maintain ownership a loaf of bread yet sell its use to another. The same held with money. Once used (as a medium of exchange), it leaves your hands.

Further, money could not breed, it could not increase, an idea also brought into medieval thought from Aristotle. The point that Aristotle was making was not that money could not increase; in practice, as he was well aware, it did. His point was that it was not natural for it to do so. To make it do so was to abuse the purpose for which it was invented – the purpose of facilitating exchange.

The prohibition against usury, expecting more in return than was lent, whether for a natural commodity (bread, wine) or an artificial commodity (money) was rooted in biblical passages, both Old Testament ("Take thou no usury", Leviticus 25:36) and New Testament ("Lend, hoping for nothing again", Luke 6:35). Intention is critical; if one *expected* more in return, it was possibly a case of usury; if one just happened to get more in return, it might simply be a case of injustice. For at least a thousand years, this prohibition was little more than a vague bias applied only to clergy. Eventually, *all* loans were condemned, and several arguments were put forth against the taking of interest (O'Brien 1920; Stark 1956; Wood 2002).

The first was, of course, that the Lord forbade it. Beyond that the arguments were all related to the nature of money, as it was understood: money was fungible and sterile. Another argument put forth regarded the selling of time, a free gift to all from God. Yet another was that usury was an attempt to live without labour.

Money is fungible, consumed in the process of using it; it cannot be hired out, unlike a house, a field, or an ox. One who loans £100 and expects £105 in return exacts £5 for nothing. He gets, but he does not give. He is a usurer, has sinned, and should make restitution (Stark 1956: 16). Usury also made gold breed gold, although money has no natural fruit. Aristotle argued that to profit from money itself was to expect a kind of unnatural birth. In modern Greek the word *tókos* (τόκος) commonly refers to "interest". It actually means "childbirth" (τοκετός) and is used metaphorically to mean interest from borrowed money (το κέρδος απο δανεισθέντα χρήματα.) This gave rise to the biological metaphor of barren or sterile money. Conrad of Megenberg (1309–1374) elegantly expressed this point (quoted in Wood 2002: 85):

> Those who practice usury do something detestable and against nature, for it is against nature for an artificial thing to multiply itself. This is proper to natural things so that they join together and multiply according to species. A sheep brings forth a sheep; an ox begets an ox. But how can a saw generate a saw, or a house bring forth a house? If a craftsman with a hammer makes another hammer, it is not the work of the hammer but rather of the craftsman's skill.

A third argument was that taking interest was a theft of time. No man owned time. It had been given to all men, for the common benefit of all, by God. Consider, however, what a lender does (Stark 1956: 14):

> He waits for his money to return to him and it is for this waiting that the usurer demands to be paid. In other words, it is for the lapse of time that he exacts payment. Or, in yet other words, he tries to sell time. But time is not something he has bought [and hence is not his to sell]. It is a free gift of God to all his children.

A final argument emerged, in the late period, as strong resentment arose against those who did not work, whether able-bodied beggars, mendicant friars, or freebooting soldiers between campaigns. And with this resentment came a disapproval of those who made vast profits without lifting a finger. "The informal definition of usury", Wood writes, "came to be making a profit without working for it" (2002: 177). This distinction continues today in our reference to earned and unearned income.

It was a question of idleness, yes, but it was a question also of theft, theft of another kind. If the usurer did nothing but wait for his money to return to him, with interest, the usurer also took, therefore, the labour of the borrower, which did not belong to him. As such, usury was an offence against the Seventh Commandment: "Thou shalt not steal". Worst, it was generally theft from the poor. The superfluities of the rich (from which loans were made) belonged *by right* to the poor. A usurer is one who sells to the poor what he owes them freely by the law of nature – help in his need. The rich are selling to the poor that which is already theirs.

Property

It is necessary to understand the medieval concept of property to understand the preceding comment. Discussions regarding property, which are fundamental, begin by treating, first, the right to private property, and then the exercise of that right. St. Thomas and the Scholastics unambiguously defended the institution of private property. Early in his discussion of property

Jarrett writes, "The first thing that the reader will notice in the thirteenth and fourteenth century compilations is that they begin by treating, first the right to private property, and then the exercise of that right" (1966: 123).

Prohibition of property ownership, of private property, was not part of Scholastic teaching. The *exercise* of the right to property, however, differs so much from the modern conception that discussion is warranted. While the owner of property has an absolute right to the goods possessed, that right is established primarily on the power to benefit one's neighbour by its proper use, which did not only mean giving alms but could mean, as well, employing it in ways that benefited others.

But if any man has more than is necessary for his own requirements, and does not give to the poor, to his relations and neighbours, he is acting against "right reason". "More than necessary" did not imply more than necessary to maintain physical existence, but what might be necessary to maintain one's condition of life, too. Aquinas expressed it this way:

> The temporal goods which are given us by God are ours as to ownership, but as to the use of them they belong not to us alone, but also to such others as we are able to succour out of what we have over and above our needs.
>
> *(quoted in O'Brien 1920: 82)*

O'Brien similarly quotes the German Dominican friar and bishop Albertus Magnus: "For a man to give out of his superfluities is a mere act of justice, [it is not an act of charity] because he is rather the steward of them for the poor than the owner" (O'Brien 1920: 82–3). That it is an act of justice, not one of charity, is important.

Most loans were distress loans taken in an emergency due to crop failure or fire burning a shop. As such they were *not* undertaken *voluntarily*. The poor suffered the most because they had the least security. They were therefore vulnerable to exorbitant rates of interest, which could only serve to worsen their economic position. Early on, usury was therefore counted a sin against charity. Eventually it became a sin against justice. As De-Juan and Monsalve point out, "No social order could subsist if some individuals were exploiting others" (2006: 103). Usury was thus tantamount to heresy.

The grand ideal which medieval man pursued was a cosmos of thought and action in which everything had its rightful place and nothing more than its rightful place. The craving for wealth in and of itself is part and parcel of man's fallen nature. Much, in society, depends on success in curbing that craving, that fallen nature. Medieval thinkers conceived of society as a social body and as an organism. Interest is to this social body what an irritant is to the physical body: it overexcites one particular part of the organism and thereby throws the whole into confusion and disease. Many medieval writers likened heresy to foul disease, which if left unchecked would destroy the whole body. "Usury", Bernardino of Siena wrote, "concentrates the money of the community in the hands of a few, just as if all the blood in a man's body ran to his heart and left his other organs depleted" (quoted in Noonan 1957: 74 and in Wood 2002: 163). Rightly understood, medieval thought about economic matters was part and parcel of an integral world view built around the idea and ideal of universal harmony, a universal harmony that the craving for and pursuit of wealth *for its own sake* was dangerous and deleterious.

Conclusions

In *The Legacy of Scholasticism*, Langholm wrote (1998: 85):

> The modern mechanistic conception of the market as a suprapersonal force setting the terms to which an individual exchanger must submit was foreign to the medieval masters. Their frame of reference was a moral universe that obliged any buyer or seller to act for the common good and agree to terms of exchange accordingly, regardless of the advantage granted him by the forces of the market. This means that the common estimate of the just price could not refer indiscriminately to whatever price might be obtainable under existent market conditions. It was only with the dissolution of the medieval paradigm, initiated by some of the late scholastics, that a freer play of market forces was permitted to influence the just price.

For medieval man, the price was given before the first bid was made. As Cunningham wrote so long ago, "medieval economists believed that it was possible to bring common estimation into operation beforehand" (1905: 253). Had the medieval town market been similar to the modern world market, the Scholastics might have developed a different economics, as was eventually developed from the seeds they did plant as they strove to integrate Christian and Aristotelian thought with the exigencies of social change. Had they conceived of the social and economic system through a mechanical metaphor rather than an organic one, they might have striven to understand how it worked rather than give counsel on how to act. Yet, just as we look back to the Middle Ages for seeds of modern economic thought, it is right that we also look back to the patristic and medieval concepts that might provide a foundation for a new ethics, and a new economics (Schaefer 2009) – an ethics and an economics appropriate for the era that lies before us.

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33
MARTIN LUTHER AS ECONOMIST

Philipp Robinson Rössner

> Economists have a unique way of viewing the world, much of which can be taught in one or two semesters.
>
> Gregory Mankiw (2000: ii)

Introduction

Martin Luther – the economist? This seems an alien proposition. Few would believe that Martin Luther did make a crucial contribution to the workings and economic reasoning about modern capitalism. And yet he did. He did have a specific and very clear-cut theory of the economy. He was an ardent liberal, favouring free markets and laissez-faire. But he also stressed that commerce and economy must be fair. A free market was a market in which no one would enrich themselves at other people's cost. The free market needed rules. Luther also advocated comprehensive poor relief as the duty of the emerging state or temporal authority. By "nationalizing" the Christian commandment of charity – reallocating church funds and substituting individual–private efforts of almsgiving for the idea of the "Common Chest" (a publicly administered charitable fund) – he laid the intellectual foundations of the modern welfare state. He was an ardent advocate of lavishness and spending, rather than hoarding money. Many of the critical ideas he put forth in his economic magnum opus would not have sounded strange to the ears of J. M. Keynes and modern economists, past and present. Only from a post-1970 world view of neoliberalism that chose to make an anachronistic epistemic separation between "economics" and all other forms of human life and social science analysis (anthropology, history, sociology etc.) would Luther's principles appear strange. This separation gave rise to the misconceived idea that Luther's economic views were outdated, reflecting a primitive theory of economy which even the more advanced Scholastic theologians of his age would have long overcome and that, accordingly, he made little contribution to modern economic analysis. The following will provide a brief context of the evolution of economics as a science over the past 500 years, followed by a brief discussion of Luther's principles of economics, a discussion about continuity and discontinuity with medieval Scholasticism and mysticism in Luther's economic thought and theology, as well as a brief explanation of the context within which Luther's ideas evolved.

Luther's teachings on the economy

Luther's comments on economic matters unfolded around the taking of interest (*usury*) and greed (*avarice*) as a general economic predisposition. The two were intertwined, representing a fundamental violation of the Seventh Commandment (Thou shalt not steal) and thus one of the ties that bound Christian society together. *Avaritia* had several possible configurations, including *greed* as the desire to have more, or to have "more than due". This notion followed the Aristotelian concept of distributional justice and the evils of the profit-for-profit's-sake motive (*Chrematistics*) (Wurm 1997; LeGoff 1990; Geisst 2013). There was a second component to avarice. This was the hoarding of money by unproductive accumulation; something one may call *parsimony*. Keynes picked up on this by distinguishing demand for money to hold for speculative and precautionary motives, from the actual saving of money (that could be saved for interest and would be ready for investment in the hands of the entrepreneur). Hoarding and foolish spending extended, in Luther's vision, to *indulgences*, that is, the idea to *purchase* salvation. The late medieval boom in popular piety towards the final quarter of the fifteenth and the first decades of the sixteenth century was based on the idea that payment for indulgences would not only reduce the years spent in Purgatory, but also practically absolve the human individual from all their sins, including the mortal sinner's past, present and future (Moeller 1989; Rössner 2015a; 2015b). This was a misconception and distortion of the medieval church's original teachings on Purgatory – indulgences could and should be bought but could never absolve the sinner; it was the sinner's good deeds, thoughts and prayers that did the trick, for instance, during a pilgrimage. Repentance was only to be accompanied by the notional fee to be paid for an indulgence letter after the completion of the good works, but could never represent the main or sole or primary source of absolution. But this deliberate misportrayal earned the Papal See massive sums of money in fifteenth- and sixteenth-century Europe, particularly in the wake of the Jubilee indulgences since the 1470s, with which one could even buy their deceased relatives out of Purgatory, even if they had never purchased indulgences themselves. As is well known, this cow was milked excessively, and the indulgence question, in combination with other factors beneficial to Luther's success (such as the printing press) was the spark that lit the fire of the German Reformation in 1517 (Pettegree 2016; Roper 2016; Schilling 2012).

Luther also drew a very clear connection between hoarding and underconsumption, thus introducing a profoundly economic component into a model that prima facie looked like a fundamental *theological* reinterpretation. This economic model was linked to old discourses on hoarding and dis-saving that had been known in European theology since the early Middle Ages. For Luther, spending money on purposes such as requiems (masses for departed souls) and indulgences was not only foolish but also ungodly: it was now identified as *unproductive*, both economically as well as in soteriological terms. It meant taking away money that could have been given to someone else instead, or invested with a better return elsewhere. God had not put silver and gold into the mountains for them to be left idle, without transforming them into capital for consumption and investment (Lomler, Lucius, Rust and Sackreuter 1829, II, 248f., 259). Here, Luther reiterated the Scholastic author Oresmius, who c. 1358 in his *Treatise on Money* had evoked the Ostrogoth king Theodoric (c. 451/6–526 AD) as the spiritual father of the dictum that "graves should be stripped of buried silver and gold treasure as wealth that had been put away this way would prove of no use to economy and society" (Oresme 1355/58, cap. II). In this way, Luther was hardly original. Nor had been Oresmius. The trope goes back to the New Testament. But the way the argument became tweaked and used by others as a political argument in the 1520s certainly was original (Scott 2008). The political economy of the German Reformation and the German "imperial gravamina" and unification discourses of the late 1400s and early 1500s were based on the idea that Germany was suffering from a persistently negative balance of payment, and that Rome and the Curia were the main perpetrators, mainly by the financial streams due to indulgences, pilgrimages to Rome as well as the papal dues, fees and *servitia* that flew south towards Rome year after year (Scott 2008; Brady 2009). Luther picked up on this theme in his Table Talk on "Italian cloth is better than German", albeit from a manufacturing perspective. These discourses became connected with the indulgence question in 1517 as well as a more general problem in political economy and economics.

Luther was by no means principally opposed to a market economy. Moderate levels of interest of 4 to 6 per cent per annum he found legitimate for certain types of credit. Only in his more theoretical texts, such as the *Sermon on Commerce and Usury* (1524), he would argue for no compromise model. He also acknowledged the role of the "state" in providing public goods, such as safe roads and safe conducts, law enforcement and order. He repeatedly mocked the German propensity to import Italian cloth and thus the lack of competitiveness of German cloth producers, and highlighted the export-strong English manufacturing economy. On markets he was fairly laissez-faire, suggesting that there existed, in principle, something like a true "just" price, dictated by Christian judgement and God's chosen order. What happened in reality, however, was a different piece of cake, as Luther worked out in *On Commerce and Usury* (1524):

> the best and safest way would be for the temporal authorities to appoint over this matter wise and honest men who appraise the cost of all sorts of wares and fix accordingly the target price at which the merchant would get his due share and have an honest living, just as at certain places they fix the price of wine, fish, bread and the like. But we Germans are so busy drinking and dancing that we cannot bear any such regulation. Since, then, we cannot hope for such an institution or edict, the next best thing will be to hold our wares at the price which they fetch in the common market, or which is customary in the neighbourhood. In this matter we can accept the proverb: "Do like others and you are no fool." Any profit made in this way, I consider honest and well earned, since there is risk of loss in wares and outlay, and the profits cannot be all too great.

We should not succumb to an anachronistic reading of history by *equating* Luther's visions of the market process with later visions of economic liberalism manifested for instance in the Austrian or Chicago School of Economics. Given the times and age, however, Luther was as liberal as liberal could be, and scholars have emphasized the intellectual connections between Luther and some forms of twentieth-century liberalism (e.g. Manow 2001). To the present day, common-sense laissez-faire theory retains the notion that free markets should be based on basic rules that prevent usury, arbitrage and other forms of market distortions.

Continuities and discontinuities in Luther's thinking with medieval–Catholic thought

Recent biographies and research on Luther's theology (see Schilling 2012) have stressed Luther's deep roots in medieval mysticism and the role played by Johann Staupitz (c.1460–1524), Luther's teacher, confessor and fatherly friend, from his early beginnings as a "professional" or academic theologian until later in life, when Luther had already emerged as the powerful public figure that he was. The fourteenth-century *Theologia Deutsch* from an unknown member of the Deutsche Orden at Frankfurt-on-Main had highlighted, in Chapter 9, the virtues of salvation that came only from an inward-looking faith and direct relation between the individual and God, something which Luther developed more fully into the idea that good works, worldly deeds and material objects could never provide a road to salvation in the way practiced by the Church around 1500, particularly by way of marketing indulgences. The *Theologia Deutsch* also speaks, in Chapter 7, about Christ's "two eyes", the left eye looking at the temporal and corrupted world of human misery, lament and toil ("Trübsal, Jammer und Arbeit"), the right one into eternity, pure perception, perfect bliss and eternal peace in God. In Chapter 27, it calls for the true Christian to let go of everything worldly, "word, deed, habit, art and craft", meaning that only the mortal human being would need such things to live and survive; but that none of it would bring salvation or matter in the eternal order of things (*Theologia Deutsch*, Chapter 7). This is a familiar trope in modern Protestant doctrine and church practice still. We may see this as a foundation of later interpretations, especially Luther's theory of indulgences and the idea that *payment* for indulgences, as an accompanying of good works in the process of the sinner's way from repentance to salvation, should be given up. Once again it is important here to not read Luther backwards from the events that unfolded in consequence of the publication of his *95 Theses* in 1517: Luther only finally gave up indulgences around 1531. This was long after he had his reformatory breakthrough around 1511 or 1513. The Theses of 1517 only condemned the practice of *paying* for indulgences. Luther wrote in a preface to a sixteenth-century new edition of the *Theologia Deutsch* how much he had benefited from reading this pamphlet, implying how commonly shared some of his "new" teachings were in parts of the theologians' community of his time and age (Roper 2016). Of course, in the eyes of the Catholic Church, Luther was a heretic, in particular as he was tricked by Johann Eck, in 1521, to publicly acknowledge that Jan Hus, the Bohemian reformer-heretic, had been right (Roper 2016). And with his "two swords" doctrine, Luther obviously picked something up here that had a prehistory in some aspects of medieval mysticism. The "two swords" doctrine maintained a strict line of separation between the here and now and the afterlife, between the perfect Christian community in the model and the harsh reality in profanity where lives were, to use a later phrase by seventeenth-century political philosopher Thomas Hobbes, "nasty, brutish, and short". Two other epistemic cornerstones of his thinking were the *simul iustus et peccator*, or Righteousness of God doctrine, where righteousness was conveyed to the sinner as a gift from God; and the *Sola Fide/Sola Scriptura* doctrine, which saw no intermediaries between the individual, her salvation and God. Like almost everything else, Luther's economic fundamentals may be derived from his famous reformatory revelation:

> There I began to understand that the righteousness of God (*iustitia Dei*) is that by which the righteous lives by the gift of God, namely, by faith. And this is the meaning: the righteousness of God is revealed by the Gospel, namely, the passive righteousness with which a merciful God justifies us by faith, as it is written, "He who through faith is righteous shall live."

It is quite meaningless to separate Luther's "theology" from his "economics", first, because such definitions represent creatures artificial, arbitrary and anachronistic. Secondly, neither Luther nor the medieval Scholastics would have conceived of a world where the economic was, indeed could be, separated, or disembedded, from its wider ethical, social and cultural context. Third, similar to the Scholastics, Luther was convinced that economic actions and transactions were what they were: *trans-actions*, that is, actions between humans, potentially evoking multiple possibilities of overreaching the other, doing harm to one's Christian neighbour, by charging an unduly high price, striking an unfair bargain, charging interest on loans that should be interest-free, enriching oneself at the expense of the other, putting somebody else at a disadvantage by one's very own economic actions and so on. Any economic trans-action thus framed would have been apt, if carried out in a usurious way, to jeopardize the individual's chances of salvation. Here, Luther had something in common with late medieval Scholasticism, albeit he often was the first one to dismiss such links, on the grounds of his deep dislike of Scholastic "sophistry" (Oberman 2006). He found their teachings overly formalistic (*nominalist* reasoning). He called them sophists, in the same way as the New Testament Pharisees whom Jesus quibbled with had been sophists, clinging on to empty rules and phrases without real-life meaning. God was never subject to any rules, nor could he be understood by rules and algorithms. God could never be subjected to rational analysis. To assume that he could, would have been, in Luther's (and the medieval mystics') eyes, blasphemy. This explains why Luther's economic thinking was, indeed, less formalistic than late medieval Scholastic economics texts on trade and usury had been, ranging from Thomas Aquinas, to Duns Scotus and Bernadinus di Siena, and why modern historians have sometimes seen Luther's views as primitive. This, however, misses the point – Luther never meant to subject economic analysis to formalistic reasoning in the way the late medieval Schoolmen or modern (post-1800) economic analysis (Reinert 2007) would. His economic analysis was much more impulsive. It came from the bottom of the Christian soul, reflecting what a true Christian according to the Reformed faith would feel to be right, deducted only from his direct and personal relationship with God.

But this also explains why some of Luther's teachings on economy can be considered, in fact, quite laissez-faire, if not modern – if such an anachronism is allowed here for once. Here he had something in common with the medieval Schoolmen whom some modern economists have also labelled "modern" (Roover 1955). Wittingly or unwittingly, Luther did share common ground with the Scholastics, and built on the Scholastic tradition of economic reasoning, not least because we may safely assume that any rigorous doctoral and university training in theology and divinity of the day would have entailed an exegesis of the "economic" sections embedded in the major "theology" treatises of the principle Schoolmen such as Aquinas, Bernardino di Siena and Gabriel Biel. Scholastic economic analysis was embedded in the scientific analysis of the "good life" leading to salvation, quite different from economic analysis nowadays which is focused on utility maximization and cost minimization. Even in his major economic treatise *On Commerce and Usury* (1524) Luther allowed for a maximum interest rate on some loans of up to 6 per cent per annum. Only those charging more than that, *7, 8, 9, 10 per cent*, should be prosecuted. The Church in particular practised such financial market operations, as he said in paragraph [92].

This also suggests that financial markets in Saxony and central Germany during those days (on which a major study is still wanting) were fairly differentiated, with types or segments of such transaction ranging from state finance and loans to the Saxon duke and elector, down to urban rents and annuities (which could, at the time being, bear legal interest rates of as much as 10 per cent per annum), down to smaller loans. Late medieval theory found interest-bearing loans to be acceptable, as long as they were used for productive investment, that is, *capital* in the modern sense, for instance to run a business or trade deal (Boldizzoni 2008). And we should not forget that the medieval usury laws represented *exhortative*, not *normative* operators – commands of an "ought to", not a must. More often than not they ran contrary to what took place in reality. The degree of reiteration of the usury laws can be taken as a good indication of the rate at which modern capital market techniques spread, in particular interest-bearing loans. They represented admonitions and were considered, by the late Middle Ages, to apply mostly to the microcredit spectrum and consumptive loans, that is, situations in which borrowers were forced to take credit simply to physically survive (Gilomen 1990; Gilomen 2015; Schmoeckel 2017; Geisst 2013).

This is useful in order to understand Luther's subsequent statements in his *On Commerce and Usury*, as well as his superficial theoretical astringency, because he said, in different writings and at different points in time, different things on the same topic. Once again this has proven tempting to historians to interpret this as a sign of economic illiteracy and theoretical indeterminacy (see Schilling 2012 for a good summary). In *On Commerce and Usury*, he maintained: "as I said above, if all the world were to take ten per cent per annum, the church endowments should keep strictly to the law, and take four or five, with fear" (93), which confirms that Luther considered the taking of interest to be permissible, but under certain conditions, and with pains (Geisst 2013: 75f). Later on in his *Table Talk*, he reiterated that up to 6 per cent per annum may be acceptable on "honourable" loan types. He also said the same in his *Letter to the Councilmen of Danzig* in 1525. A modernist and essentially teleological interpretation of history would look for patterns or perhaps even movement in the credit and financial markets here which would have caused interest as the price of capital to fluctuate over time and with type of investment – Luther simply may have moved with the times. This is, however, less likely a proposition than something else: Luther simply produced different types of literary genre. In fact, it is quite vain to look for either broken or continuous patterns, or evidence of consistency or inconsistency in Luther's thinking here: the *Letter to the Danzig City Council* of 1525 simply was something different than *On Commerce and Usury*. It was a pragmatic expert opinion demanded for an ad hoc solution in practical matters. But *Von Kauffshandlung vnd Wucher* (*On Commerce and Usury*) was his economic *model*, a programmatic text, an axiomatic pamphlet of how a perfect Christian common weal – economy and society – would look, if configured truly according to God's will. That in real time and on the ground, situation and commandments in the 1520s looked very different, must seem self-obvious.

Moreover, as mentioned above, we should also be careful distinguishing between what Luther considered *legal* and what he considered *legitimate*. Whilst interest could be perfectly *legal* even in canon law under certain conditions – in fact in many scenarios within the outer world – it was not necessarily *legitimate* in terms of being in accordance with God's chosen order. But no one would have maintained that God's chosen order was even near during the 1520s. So, Luther in practice admitted that interest may be taken. But he never accepted it as a principle that should govern human interaction (he obviously did not like interest at all).

Context and conclusion

A time-honoured interpretation in the history of ideas, developed in several articles by Quentin Skinner on the history of political theory, has it that no idea ever stays the same over time, and hardly ever is the same across space. Another one maintains that everything, including people and their ideas, needs to be seen in their immediate context, that is, the parameters of time and space prevailing at the time being. A recent biography of Luther has spilled a lot of ink explaining how his peculiar views resulted from his upbringing and life-time work within a rather backward mountain/mining region (Roper 2016). Another work taking a similar view, but published a year earlier, has suggested an alternative reading. The region where Luther grew up and spent most of his life was neither backward nor primitive. This Central European mining region, including the Saxon Erz Mountains extending into the Mansfeld copper-smelting industrial and manufacturing district, reaching as far south as Nuremberg, was at the forefront of the technological and economic frontier, representing one of the economically most advanced and most dynamic regions of the age, where the share of non-agrarian incomes and employment, and thus what Adam Smith had modelled as the division of labour, was more advanced than anything else (Rössner 2015: 39–70). As silver flowed out of the Central European and German silver mines, prices for consumables and incomes would have been higher in this region than elsewhere. The same goes for demand for consumables and transport services, as a new quantitative study of road transport on Saxon roads in the 1520s and 1530s shows (Straube 2015). Nor were Martin Luther's views on economy and society primitive and backward looking, or reflecting backward conditions.

Luther was born in 1483 at Eisleben in the County of Mansfeld, one of the numerous smaller principalities in the Holy Roman Empire with significant copper mining and smelting industries. His father, Hans Luder, had been a mining entrepreneur; he left a fortune of more than 2,500 Rhenish florins at his death (Brecht 1994: Chapter 1). The mountainous regions of Central Europe, including the rich silver-bearing copper deposits located within the County of Mansfeld, provided Europe's main source of copper and silver at that time (Munro 2003; Westermann 1986; Blanchard 2009, Chapter 1). Silver was mined chiefly in the Tyrolean Alps, mainly at Schwaz in Tyrol near Innsbruck and in the Saxon and Bohemian parts of the Erz Mountains as well as in Hungary/Slovakia near Kremnitz. Output in the Saxon Erzgebirge had witnessed a boom between 1470 and 1477. The boom in Tyrol lasted from about 1470 to 1485. In Tyrol, Thuringia and the Saxon Erzgebirge, minor towns and hamlets such as Schwaz, Schneeberg and St Annaberg demographically exploded from a handful of people into the tens of thousands towards the 1490s, when this boom ended. A rapidly growing share of non-agrarian producers needed to be fed. This required significant imports of foodstuffs and commerce on such a grand scale that it brought these areas into larger contexts of interregional division of labour, integration and structural change (e.g. Straube 1977; 1979a; 1979b; 2003a; 2003b). To the west of the Erz Mountains, in the Thuringian Forest, another source of silver had been opened since the later fifteenth century. This was by means of the *Saigerprozess*, or liquation process, which operated under a different production function compared to the mining enterprise that was characterized rather by small-scale units (Blanchard 2009: Chapter 1). The *Saiger* huts (liquation plants) were large proto-factories employing hundreds of workers sometimes, using prodigious amounts of capital inputs such as wood, charcoal and lead for the separation of argentiferous raw copper mined in the Northern-Thuringian Mansfeld mountains into its components of pure copper (*Garkupfer* in German) and silver (Blanchard 1995, introduction). It was in this geographical setting that Luther grew up and spent the majority of his later life. It profoundly shaped his outlook.

The Thuringian *Saiger* huts were financed by large Southern German merchant consortia of Nuremberg and Augsburg, headed by high financiers such as Jakob Welser, the Fuggers or the Höchstetters (Westermann 1971: 94–137). The copper was distributed along the African coastline. The silver went as far east as the Indian Ocean and into the Chinese Sea. Martin Luther, with his father a stakeholder in the mining industry, had a considerable share of first-hand evidence of these dynamics. He was even a shareowner of a silver mine (Treu 2000). His sermons and writings are full of metaphors and analogies drawn from mining technology and practice (Wenner 2000). He was initially set to train as a lawyer and for a career in business administration upon completing his liberal arts degree at the University of Erfurt in 1505 before – almost by chance, by the event of a thunderstorm 1505 – turning into the ardent religious believer and later on religious reformer for which he is most commonly known. As late as the 1530s and 1540s, long after his spectacular career in theology had unfolded to full extent, he became repeatedly involved as an expert in the business of restructuring the Thuringian–Mansfeld *Saiger* industry (Westermann 2000). And by means of his exhaustive study of Scholastic theology at Erfurt and Wittenberg, 1505–1512, he would have read all the important economists of his age, from Aquinas and Oresme to Gabriel Biel, including lesser known contributions by the medieval Schoolmen to the evolving body of medieval economic knowledge (Langholm 1992; 1995; 1998; 2009; Wood 2000).

The boom in Central German–Tyrolean silver production between the 1470s and 1490s was reflected in a fall in the silver price level. As silver was the main monetary material, goods prices expressed in silver units, such as pennies, groats and silver florins or thalers, rose; bidding away productive factors from the agricultural sector into secondary and tertiary sector employment. This inflationary trend may well, by way of monetary expansion, have translated into a general economic boom within the region during the 1480s and 1490s. From the late 1490s onwards, however, silver output collapsed. The decline in the Central European silver mining industry triggered a silver shortage that lasted until the inflationary period of the later 1530s, when new silver deposits were tapped in the Erzgebirge mines near Marienberg (Munro 2003; Rössner 2012: 434). This collapse around 1500 came about right at the time when Luther reached adolescence and took his baccalaureate exams as well as monastic vows in 1505. It may have contributed, in the same way as the lightning strike in the summer that year, to the formation of his peculiar view on society, faith and religion. It came when a once-flourishing economic region – the Tyrolean and Saxon–Thuringian silver mining and copper smelting region – experienced the turn from boom to bust.

Could this not have had, if indirectly, an influence upon his interpretation of Scripture? It definitely had on his theory of economy.

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34
THE SOUTHERN SPIRIT OF CAPITALISM

Luigino Bruni

Introduction: the many spirits of the market

For centuries, theology has been at the centre of the work of thinkers on economic and social matters. From the very beginning of Christianity up to the rise of modern political economy, a cross-fertilization between theology and *oikonomia* has occurred. Adam Smith, Karl Marx, Giambattista Vico and Antonio Genovesi used theological language and their theoretical systems were influenced by theological debates. According to Walter Benjamin (1985[1921]), capitalism is a new form of religion that calls for an exclusive form of worship and aims at replacing Christianity (not any religion) because it derived itself from Jewish–Christian humanism. According to this view, which is consistent with Marx's vision of capitalism but less so with Max Weber's, modernity is not characterized by a disenchantment of the world, but instead by the affirmation of a new religion, that is, by the transformation of the Christian spirit into the "spirit" of capitalism (Bruni and Milbank 2019).

A key passage in the interconnections between theology and economy is the Protestant Reformation and the Catholic Counter-Reformation (*Controriforma*) in the sixteenth and seventeenth centuries. Before this crucial crossroads of Western civilization, the market economy had emerged as a unique European concept from Sicily to London, from Lisbon to Prague. Christian faith represented the new *philia* (*fides*) which, as in the polis of Aristotle and Pericles, made possible trust and trading among different people belonging to different clans and villages. Scholastic philosophers and theologians – Thomas Aquinas above all – built up a first ethics of the proto-market economy based on the pivotal idea of the common good. In medieval thought, the good of the individual had to be seen in deep and necessary connection with the good of the community. From that vision came an ontological conception of economy – money, usury, just price – which was communitarian and hierarchical, because mediators (e.g. priest, king, father) functioned as basic mechanisms to implement the harmonization of public and private good. In the late Middle Ages, the cross-contamination between market and religion reached even wider dimensions: through so-called indulgences, poor people were paid by the rich in order to devote prayers and express penitence on their behalf, and bankers donated large sums to the Church in order to buy a reduction of the years spent in Purgatory.

Martin Luther reacted strongly against at least two elements of southern Christianity: (a) the excessive mixture of money and grace, and (b) the magnificence of Rome and Italy that was also the fruit of the wealth created by a new and positive attitude towards luxury and money during the fourteenth and fifteenth centuries. When visiting Rome in 1510, Luther was deeply impressed and shocked by the marketized, despiritualized society he found, which he considered far from the original message of austerity and poverty of the gospel. The strong reaction of the Lutheran and later the Calvinist Reformation was not only against the theology of the Roman Church, but also against the lifestyles of the Italian Renaissance, its palaces, frills, artists and tastes. Therefore, the Protestant cultural programme also aimed at the re-establishment of a more authentic and less money-oriented society. But, paradoxically, due to the elimination of the hierarchical mediation of the Church, Protestant culture created an environment much more adapted to the developing capitalist economy (Barbieri 2013). In fact, whilst in southern Europe the Counter-Reformation limited the further expansion of economic freedom that started with civic humanism, in the northern Protestant countries individual freedom (produced by the elimination of church hierarchies) became the engine of a capitalist revolution. Due to this, it was in Protestant northern Europe where civic humanism and the Renaissance continued, while societies in Catholic southern countries experienced a re-feudalization which brought them back to a situation similar to the Middle Ages before the onset of humanism.

The mediation of social relationships through the offices of the Catholic Church is a key point here. Unlike in the Protestant world, in the Roman context the Church and its institutions played a central role in forming and enforcing legislation regarding commerce and money. This context was influenced by the theological vision of the Scholastics, and especially of Aquinas, which was written in a different historical period (thirteenth to early fourteenth century) and was more static. Based upon fixed Aristotelian categories (e.g. the sterility of money), this vision was not any longer able to encompass new economic realities after the commercial revolution experienced in Renaissance Italian and European cities. The mediation and control of the institutions of the Catholic Church over individual economic activity and the implementation of this control (i.e. *Inquisitione*) put countries like Italy, Spain, Portugal, and parts of France at a disadvantage (Barbieri 2013). In northern Europe, the Protestant ethic tended to consider work and business as a moral way of engaging in ordinary life. In the south, by contrast, the *Controriforma* re-feudalized culture and produced scepticism of urban life and its commerce. Moreover, post-Reformation Italy experienced a new cultural rejection of money lending and usury, very much in contrast to the cultural shift experienced in Europe's north and in North America, where Jeremy Bentham even published a *Defence of Usury* in 1787. Although most political and theological authors of the post-*Controriforma* era praised work, their praise referred to agricultural labour and intellectual work, not manual or artisanal activities in the cities. Most of the present-day differences within Europe in terms of work culture, public debt, private and public ethics, welfare, individual rights and the idea of the market originated in the two different paths that southern and northern Europe took after the Counter-Reformation. For Italy and much of the south, the sixteenth and seventeenth centuries therefore constituted a return to the Middle Ages and Aquinas as far as economic ethics is concerned.

Theology is very relevant for understanding the differences between two spirits of capitalism in Europe today: the Anglo-Saxon (Protestant) version and the Latin (Catholic) version. In particular, the ideas of the economic historian Amintore Fanfani (1908–1999) and his school at the Catholic University in Milan are helpful in tracing the divergent paths outlined above. His work enlightens both the origins of the serious social pathologies, the "amoral familism" and the corruption of southern European "mediated societies", as well as the crisis of the humanist individualism produced by Protestantism in Europe's northern hemisphere.

Capitalism and Catholicism

Early in his appointment as historian at the newly established Catholic University of the Sacred Heart in 1936, Amintore Fanfani focused his efforts on the study of the Catholic spirit of capitalism. His analysis centred on the comparison between the Middles Ages and Renaissance humanism (Fanfani 1934). Fanfani was able to show that in medieval times the accumulation of wealth encountered such strong opposition that being wealth oriented was labelled a capital vice – greed. People were taught to cultivate an ethics of self-contentment and not to envy those above them. The Gospels and the message of Christ were unambiguous about money and wealth; and the economic ethic of the first millennium AD, as shaped first and foremost by the early Church Fathers, contained a strong critique of money and of the pursuit of wealth in which the attainment of true wealth was deferred to the heavens. Even the notion of private property, while sanctioned as a legitimate individual right, was "much tempered and closely bound up with the rules as to the social use of property" (Fanfani 1935: 126).

The development of early trade practices and the foundation of the Franciscan and Dominican orders favoured a shift to a more open view on money-lending and other economic activities (think for instance of Peter John Olivi and the Franciscan economists). Nonetheless, Christian ethics did not evolve into a capitalistic ethic, nor did it encourage the accumulation of wealth in the "valley of tears": "Wealth is thus a gift of God, and therefore not to be condemned. But men must not seek it so eagerly as to forget to lay up treasure in heaven, and they must walk carefully" (Fanfani 1935: 127). From the first centuries of the Christian era, wealth became sublimated into a means and a sign:

> The most striking aspect for someone trying to comprehend the social views inherent in early Christianity is the radical transformation and broadening of the idea of wealth from a means to satisfy earthly needs and pleasures into a nobler path to the heavens.
>
> *(Barbieri 1960: 116)*

The framework established by the Church Fathers, which went on to be a major influence in medieval culture and which was itself informed by Greek and Roman philosophy, hinges on the notion of need: wealth that is not meant for, or exceeds, the satisfaction of needs is illicit: "His [of the miser] horse, his land, his servant, his gold is worth 15 talents; he is worth 3 soldi" (quoted in Barbieri 1960: 118).

From the Book of Proverbs to Aquinas, the figure of the ant is famously praised for working hard and gathering resources instead of spending them. In addition, the general mistrust of the market and commerce was fed by the antipathy towards merchants, who were seen in Christianity as parasites who created no value and earned their living from speculation. It is not incorrect to say that

> Christian and capitalistic virtues correspond in name but not in signification … . Certainly no one can deny that such men as the Bardi, Pitti, Datini, acted in a capitalistic manner, and, though baptized Christians, introduced a capitalistic mode of life among their Catholic contemporaries. But we deny that in so doing they were acting in conformity with Catholic social ethics. … Only unawares can Catholics truly conforming to their faith have favoured the development of capitalism – as understood in the sense we have already many times defined. Or else, only by consequences that humanly and practically could not be foreseen, could certain actions on the part of real and true Catholics have favoured capitalism.
>
> *(Fanfani 1935: 151–4)*

Yet it was exactly this brand of anti-wealth and anti-capitalist Christian spirit which during the second millennium allowed Florence, Venice, Paris, Lisbon and London to thrive with wealth and usurers, as well as Rome with its boundless luxury. Fanfani then raises another interesting point: "This fact makes us ask ourselves if it be indeed true that Catholicism always opposed the capitalistic spirit as it revealed itself in a Catholic age" (1935: 170). He goes further:

> If Catholicism and Catholics did not pave the way for the advent of capitalism, when and where did this come about? In Protestant countries after Luther's revolt? Many declare that it flourished in such countries, but as for its birth, no one now denies that it took place before the Reformation, and hence in Catholic countries, among Catholics.
>
> *(1935: 160)*

Fanfani's answer is that the capitalist spirit emerged prior to the Reformation out of certain "deviations" from the Catholic ethic as a reaction to a new set of circumstances affecting Europe between the fifteenth and the sixteenth century. The merchant began to benefit from a set of exemptions unavailable to other social actors: "In medieval economic society the only individual who could easily and often find himself in a position to act otherwise than in conformity with pre-capitalist economic ideals was the merchant" (1935: 177). Among such "deviations" or "transgressions" the most striking occurred in the sphere of long-distance international commerce and in response to a substantial increase in the risks, which legitimated otherwise inadmissible profits. In such situations, merchants were able to act outside the moral control of their cities. Aquinas made the same argument, extending beyond the case of international trade:

> If the citizens themselves engage in commerce, they open the way to many vices. For since the aim of merchants is wholly one of gain, greed takes root in the heart of the citizens, by which everything, in the city, becomes venal, and, with the disappearance of good faith, the way is open to fraud; the general good is despised, and each man will seek his own particular advantage; the taste for virtue will be lost when the honour which is normally the reward of virtue is accorded to all. Hence, in such a city civil life cannot fail to grow corrupt.
>
> *(De Regimine Principum, Book II, Chapter 3, quoted in Fanfani 1935: 176)*

This part of *De Regime Principum*, from which the above passage was taken, was actually written by a student of Aquinas, Bartholomew of Lucca. It provides a clear insight into the prevailing opinion of the morality of commerce and of the markets in the Middle Ages. Suspicion and caution towards merchants and their activity remained ingrained within the southern European humanism. After the Reformation and through the Calvinist interpretation of wealth as blessing, by contrast, the pursuit of profit was turned from a vice into the highest virtue of the capitalistic ethic – a transformation that has come to affect all forms of life on our planet.

Another important role in this process was played by the displacement of the Jews in the sixteenth century from the south to the north of Europe, the reconfiguration of trade routes from the Mediterranean Sea to the Atlantic, and the effect of the Protestant spirit, which Fanfani (unlike Weber) considers to be only one in a wider set of elements that led to the rise of capitalism in modern Europe. However, the main point in Fanfani's argument is that the real conflict behind the Reformation was not theological but civil: a clash between the Germanic world, organized around an archaic and feudal order, and the Italian and Latin humanism:

> As it came into contact with the Latin world imbued with a new humanistic vocation and exhibiting the soft traits of the Renaissance, the Germanic world retreated in horror. Luther thought ill of the nature of this renewed spirit and responded.
>
> *(Fanfani 1968: 508)*

Hence:

> The Reformation, which in him found its beginning and its energy, was first and foremost a protest, and only afterwards a restoration. … That world that revolved around man, in which others – objects, time, mind, prayer – were aimed at enhancing the individual enjoyment of life was seen as heresy in the eyes of his/its first followers.
>
> *(ibid.)*

This argument is not dissimilar to Weber's: "And what the reformers complained of in those areas of high economic development was not too much supervision of life on the part of the Church, but too little" (Weber 2005 [1905]: 5). Even though this statement might sound odd today, it has the potential to enhance our understanding of the historical origins of capitalism if, that is, we can set aside its apology of Catholicism, its relatively unconcealed anti-Protestant stance – a common attitude at that time, – its disguised anti-Semitism, and its professed corporatism – quite an undertaking!

Luther's protest, even more than John Calvin's, mostly targeted the Roman and Italian humanism and Renaissance and not exclusively their theological deviations (like the indulgences) or the corruption of the clergy. It was, all in all, an anti-humanistic and anti-Renaissance critique that extended to the Counter-Reformation:

> The Latin world reacted to the Protestant critique, but its reaction was primarily ecclesiastical. Thus came the Counter-Reformation that, sharing into the original criticism of Protestantism of the ideals of Humanism and of the Renaissance, detached the latter from its own and made it so that men, without forgetting the arts, the letters, and the discoveries that had been perfected with Humanism and the Renaissance, could use them to live a life lightened by Christian values.
>
> *(Fanfani 1968: 509)*

Therefore, according to Fanfani: "Humanism-Renaissance and Protestantism walked the same path, they were two moments of a single revelation that man gave to himself: the 'naturalistic' revelation" (ibid.). We shall look at this point more closely now.

Economics of the Counter-Reformation

When the Counter-Reformation set out to restore the Middle Ages, the Protestant Reformation took on the attitude of increasing amenability to commerce and to modern attitudes that had originated in humanism and the Renaissance. In the northern European countries, the view of individualism endorsed by the Reformation laid the groundwork for the production and creation of wealth. In the Catholic countries, still permeated by the decadent culture of the late Roman Empire, the Counter-Reformation abruptly halted that revolution of the subject and brought back the ethical values of the Middle Ages. In so doing, it encouraged an ostentatious type of consumption based on positional goods, as well as the pursuit of revenues, land ownership and property holdings; at the same time, it discouraged economic activity, crafts, commerce and private initiative (see Fanfani 1968: 512 ff.).

The reaction of the Catholic Church against the values of the Reformation thus also led to a re-evaluation of the values of humanism and the Renaissance and, ultimately, to the end of the fledgling market economy that European humanism had been building upon the notion of liberty. The northern cities then gave rise to a capitalism of their own, just as the southern cities saw the reinstatement of an earlier set of values, static, conservative and anti-modern, enforced by newly established institutions, like the High Office and the Inquisition. The same amount of effort poured by these institutions into the fight against heresy was devoted in the North to the creation of companies and banks. In other words, the Counter-Reformation brought to a halt the proto-capitalism that emerged in the Middle Ages and evolved into civil humanism, which was simultaneously personalistic and communal, capable of reconciling individual freedom and common good with the fundamental role of the great charismata and medieval theology, and of civic institutions free within the walls. Protestantism criticized the customs of Renaissance and humanism, displaying a view of luxury and wealth that was even more conservative than that the Catholic Church at that time. However, by eliminating Church mediation and control from citizens' daily lives, Protestantism established a climate of personal freedom that favoured the development of modern capitalism as a continuation – and this is the main hermeneutical point – of the European market economy of the thirteenth and the fourteenth century: a continuation predicated on new terms and stripped of its original social dimension (with the exception of philanthropy and of the ethical principle of restitution).

We cannot begin to comprehend the eighteenth century, a moment when "providence" became central to European understandings of the market and commerce, and the major anti-feudal shift that took place in southern Europe if we do not consider the special context of Catholic Europe. After the sixteenth century and for the following two or three hundred years, the path to the "civil" market seemed lost. The civil and commercial virtues of Siena, Florence, Venice, Barcelona and Lisbon were replaced by the desire for land and revenues. Civil economy is what was needed.

The capitalism that emerged in Catholic Europe was predicated upon a vision of the economy and society that lay at the heart of the monastic movements, first and foremost the Franciscans and the Dominicans, and Dominican Thomas Aquinas in particular. Only a short time after Luther's and Calvin's revolution, the Counter-Reformation presented a new breaking point in the economic and civil process begun in the Middle Ages. If this did not happen right away, it is because the economic impact of the Counter-Reformation was not immediately perceived. It was not until the second half of the sixteenth and into the seventeenth century that its characteristic traits became manifest, like the "re-feudalization" of southern Europe and the return to the land. Therefore, in the very same years Luther was carrying out his Reformation, Cardinal Cajetano in his commentary of Aquinas' *Summa* affirmed the ethical legitimacy of seeking wealth beyond the conservation of the individual social and economic status within the hierarchy (Barbieri 2013). This attitude was in effect a rupture with Aquinas' Scholasticism, which advocated the conservation of one's social status. It came closer, instead, to the positions of Franciscan Bernardino of Siena (first half of the fifteenth century), Dominican Bishop Antoninus of Florence (latter part of the century), or lay humanists Leon Battista Alberti, Coluccio Salutati and Poggio Bracciolini, who were among the main interpreters of civil humanism.

During the Reformation, moral philosophers like Cajetan and Garimberto concentrated their hermeneutical efforts on finding arguments to legitimate interest- bearing loans, at a time when the ban on usury was still the prevailing view within the Church given its derivation from the Bible. Among such arguments were the distinctions between *lucrum cessans* (ceasing profit) and *damnum emergens* (loss suffered), and between *usura* (excessive interest rate resulting from monetary speculation) and fair interest (*equo*) on loans towards complex and risky trade ventures. In civil humanism and during the Renaissance such analytic distinctions had made it easier for trade and economic activity to gain acceptance by the Church compared to earlier (and later) centuries. The real shift, however, came a few decades after the beginning of the Counter-Reformation with its actual implementation in civil and economic life. The writings of the Jesuit preachers (among others) that appeared between the sixteenth and the seventeenth century show that the Counter-Reformation effectively set the moral evaluation of economic activities back by a few centuries to Scholasticism and to Aquinas. The leaders of the Counter-Reformation – Castiglione, Bartolomeo of Salutio, Gattioli, Segneri and so on – deemed guilty of a "mortal sin" (*peccatum mortale*) those "not content with their condition and status" (Castiglione, quoted in Barbieri 2013 [1940]: 12).

Voluntarism and naturalism: one more difference between north and south

Fanfani's writings help cast light on another meaningful difference in the socio-economic perspectives of north and south. According to the Catholic University historian, humanism-Renaissance and Protestant Reformation constituted *two reforms* of the medieval spirit, two different transitions from "voluntarism" (i.e. human nature is wicked and *it falls on the institutions, and hence on the hierarchy*, to steer people towards good) to "naturalism" (i.e. natural interests and passions are good). The distinction between voluntarism and naturalism also provides relevant insights into Fanfani's work, in turn. According to Fanfani, the medieval (and Greco-Roman) world was based on voluntarism, which gave primacy to politics. In the modern world, by contrast, naturalism prevailed and primacy shifted to the economy, thereby eliminating the need for mediation:

> Finally the politician has been deposed. He is no longer the regulator of human existence … . Having discovered the immanence of the rational order, his exertion has been rendered superfluous and even harmful. His mission is to live at the margins of the economy and of the crumbs the latter reluctantly accords him. The relations set up by modern voluntarists between economics and politics have been turned upside-down. And even politics has been exonerated from the task of maintaining economics on the plane of morality. Freely competing egoisms deliver this prodigious result, too, of giving rise to an order that not only fares better economically, but is even more just and better.
>
> *(Fanfani 1942: I, 176)*

Classic voluntarism, especially in its medieval and proto-modern articulations, begins with the idea that the human being is ill with selfishness, but *remains a social animal capable of relationality*. This notion was rooted in the Bible and was later grafted onto the Greek world, where it can be found in Aristotle and, differently stated, in Plato and in Stoicism. In the remarkable synthesis that is Thomist Scholasticism, we find an acknowledgement, and reassertion, of this biblical root as well as of the need for institutions and social rules to prevent such fragile nature to fall "ill" (on this point, also see Aristotle's view of chrematistics, which remained virtually unchanged in St. Thomas and throughout the Middle Ages). In this anthropological perspective, particularly in Christian anthropology, man is seen as an ambivalent being capable of virtue and vice at the same time: "A positive and optimistic view of human nature became prevalent after Thomas Aquinas: in spite of the original sin, humankind has preserved the ability to discern good from evil and the impulse to choose good and regret evil" (Prosperi 2017: 74). Erasmus of Rotterdam, one of modern Europe's most fundamental figures (whom Luther in fact accused of neo-Pelagianism in his private letters), held the same positive view.

Institutions thus had the crucial and twofold task of enabling man's virtuous-social soul to find expression, while restraining his "vicious" side. In human beings, virtue is a natural and co-essential trait. The main message of virtue ethics, as we will see shortly, is imbued with anthropological realism: man is at the same time under the spell of virtue and vice, *agape* and egoism. In order to strengthen virtue, we need to foster education, schooling, rewards and institutions. It is at this point that voluntarism comes in: common good must be institutionally constructed, not just accepted as the product of vices. A critical element in such humanism is the mediating role of the institutions, which are here "communal" and relational rather than automatic and anonymous. Catholic wariness of contractualist theories is partially the result of the assumption – central to Thomism and mainstream Catholic thought – that human beings are sociable by nature: we do not *become* sociable through the social contract, we already are. Social contract theory famously embodies a pessimistic anthropology, apparent in Thomas Hobbes as well as in Jean-Jacques Rousseau, even though the latter believed humankind was once sociable and later spoiled by civilization. According to Aquinas, by contrast, human beings are amiable towards each other (*homo homini naturaliter amicus*).

In this respect too, the Reformation was an epoch-making shift. The anthropological approach at work in Protestantism, steeped as it was in Augustinian pessimism and even overemphasized by Luther, no longer depicted human beings as truly capable of positive reciprocity (at least outside of the public or economic sphere). In this perspective, the direct cooperation of men and women ought to be discouraged and the common good – a major theme – ought to be understood as a game of interests, for the *incivil animal* is incapable of nothing beyond this. In the voluntaristic view widely held within Catholic humanism, the economic order is not a *spontaneous order*. Thus Fanfani:

> As to whether or not the economic order may arise spontaneously, three are the possible conceptions: either one considers the rational and most beneficial economic order to be immanent; or one might believe that, since it cannot come about spontaneously, man may actually be capable of realizing the beneficial and rational economic order, obsequiously abiding by human reason and not giving himself up to invincible resistances; or finally, one might believe that such order, which cannot arise spontaneously, may be realized by man, abiding by human reason, but giving himself up to a rotten resistance, at times vincible, at times invincible.
>
> *(1942: I, 34)*

Then he adds:

> The economic doctrines based on the second conception of the economic order, which postulate the nonexistence of an immanent order that may be rational and beneficial … [and] assuming, instead, the need to rationalize economic life in accordance to the principles of righteous reason and to the ideals the latter ingenerates, will enumerate numerous *norms*, capable of guiding man towards the realization of the rational economic order that will be the reflection and the fruit of will guided by reason. In consideration of the confidence that these doctrines ascribe to human will as the force

> capable of realizing the ideals suggested by said reason, it is hereby proposed that they be called *voluntaristic* and *economic voluntarism*.
>
> *(1942: I, 34; italics in original)*

In line with its Catholic cultural origin, civil economy – and generally the Latin and Italian economic and political tradition – has maintained its voluntaristic approach, which ascribes a fundamental role to the mediation of institutions and of the state (e.g. consider the idea of a "mixed economy" and the weight of the state within the economy). In fact, this was the case up until recently, when a naturalist-based *pensée unique* has become prevalent across the world.

On the topic of medieval economics, Fanfani further argues:

> Economic instincts and economic forces left to act freely generate an order that, insofar as it is natural, being the result of physical forces and human instincts, is not the ideal rational order, the reflection of reason, the order outside of which every human creature cannot maintain the position she deserves in the nature of things and according to the supernatural order.
>
> *(1942: I, 89–90)*

Medieval "voluntaristic" theories then should not be seen as overlooking the "true" nature of the market, understood as the intertwining of mutually advantageous relationships or as a "positive-sum" game, an insight held by several of these authors. Nor do these theories fail to acknowledge the incentivizing nature of interests and profits. Rather, voluntarism is the expression of a view of man and society in which the good of all and of each does not arise from the sum of interests, but from the encounter of virtues:

> They remark [quoting seventeenth-century economists Antoine de Montcrétien and Giovanni Botero] … that man operates in view of utility … . They value the importance of such a force in that it animates economic life … . Notwithstanding, they refuse to believe that the free action of individuals moved by this very instinct may actually lead to social well-being.
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> *(1942: I, 167)*

It is no surprise, then, that Fanfani should quote the eighteenth-century Italian deacon and political economist Antonio Genovesi and acknowledge the importance of his *Lessons in Civil Economy*. After mentioning the Neapolitan abbot's book, he remarks:

> Liberty without rules always has pernicious effects on people and on civil societies. On people because it ushers them to the excesses of passions; and on societies because, by leading men solely to their personal or domestic interest, it corrupts the public good in countless ways … because the profit of the merchant should not be confused with the profit of the State. It may well leave the merchant rich and the State ruined.
>
> *(Fanfani 1942: I, 167)*

At the height of the Middle Ages, southern Europe with its long history and wide biodiversity gave rise to a market economy informed by the Catholic paradigm and which was, therefore, the expression of a community-based and institutionally "mediated" idea of society. In the north, Protestantism produced the idea of a society of individuals free from intermediate institutions, as visible in the humanism of the "invisible hand" and in the Leviathan. Within the space of freedom of the state-Leviathan established by social contract, common good is not left to the mediation of institutions; it is instead the unintentional outcome of the action of separate and independent individuals. The Reformation and the Counter-Reformation were major turning points in the development of modern Europe, and the current socio-economic gaps between northern and southern Italy may be seen as the end of an interrupted journey. Social pathologies, "amoral familism" and corruption of the "mediated society" created by Italian and Mediterranean societies are serious and widely known matters. At the same time, Protestant humanism too, with its loneliness and unhappy individualism, has undergone a crisis of its own, which is different albeit no less significant and which invites the search for alternatives in the hope of finding something new.

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35
INVISIBLE HAND

Lisa Hill

Introduction

In the eighteenth century, Western culture witnessed a revolution in attitudes to causality and agency that, in turn, generated new understandings of social order. The idea that the organization of societies was attributable to either the wisdom of great legislators or the direct interventions of God began to be displaced by the idea that social systems might, to some extent, be self-organizing. This required a new understanding of the role of "the divine hand" in social harmony (Sheehan and Wahrman 2015: ix–x).

During this period, theories of evolution and open-ended adaptation were as yet unavailable to early social scientists, so the idea of a designed universe still underlay many of even the most innovative social and economic theories. If thinkers in this period were still trapped in the design paradigm yet, at the same time, were coming to accept the idea that the human universe might be self-organizing, what conception of Providence did this entail? What role did "God" play in the ability of societies to equilibrate?

This question is, at least partly, answered by unpacking Adam Smith's (1723–1790) theory of the "invisible hand". Smith was – and remains – the best-known progenitor of invisible hand explanations, but it was also central to the social and political thought of his friend and colleague Adam Ferguson (1723–1816) whose work the following discussion also draws upon. There will be a particular focus on the indispensable theological underpinnings of their "invisible hand" theories, a framework that can be traced back to the natural religion of classical Stoicism (300 BC to 500 AD).

General discussion

The term "invisible hand" is not peculiar to the eighteenth century and was in use long before either Smith or Ferguson wrote. The earliest reference appears to have occurred in the Greek liturgy in the second century, and there is even a reference to the "invisible hand" in William Shakespeare's *Macbeth* (3.3.46–50). But the use of the term did not come into more frequent usage until the seventeenth century when it began to appear in Christian texts as a shorthand for God's interventions in human affairs (see Harrison 2011 for a fuller discussion). However, in these contexts, the "hand" belonged to a directly interfering deity whose existence and power was revealed through special and irregular events. By contrast, this discussion is concerned with the use of the term to capture the social-scientific idea that social systems have the capacity to self-equilibrate.

As a shorthand for a theory, "invisible hand" is often mistakenly associated with the economic realm alone. In fact, the idea was applied by its inventors to all aspects of human life (see Hill 1998; Herzog 2013) while, for those who followed in their footsteps, the idea went by many different names. One of the most ubiquitous is "spontaneous order", a term coined in 1950 by Michael Polanyi (1951: 112) and popularized a decade later by F. A. Hayek who defined it as any "systematic social theory" that accounts "for the manner in which an order or regularity could form itself among those actions which none of the acting persons had intended" (Hayek 1967). Others have employed such terms as "*autopoiesis*", "self-organisation", "indirection" (Bognor 1986) and the "law of the heterogeneity of ends", the latter of which denotes the manner in which individuals, pursuing private short-term goals, inadvertently secure positive social effects and order (Forbes 1954). Finally, there is, of course, the "invisible-hand explanation" (Nozick 1974), a phrase inspired originally by Adam Smith's observation that the individual pursuing private, self-regarding goals is "led as if by an invisible hand to promote an end which was no part of his intention" (1979: IV.ii.9: 456), namely, economic prosperity.

Invisible hand explanations capture the idea that, regardless of how individuals perceive their own role and behaviour, there are certain systematic forces – primarily those of competition – that "are always at work in the economy as a whole, persistent and regular in their action in a wide variety of settings" (Eatwell et al. 1989: xi). They describe how highly ordered social arrangements emerge and persist from the unintended – yet predictable and regular – consequences of countless individual actions performed through time. They refer only to the type of explanation that accounts for the emergence of adaptive rather than maladaptive social patterns (Ullmann-Margalit 1978) and are restricted to explanations of *social* phenomena. Causally, they should hinge on human agency but not on human design; order is therefore shaped unconsciously by human hands and forged by motives completely unrelated to their eventual results. Pre-Enlightenment rationalism is rejected, and the "wisdom" of exceptional legislators, hitherto understood as the source of rules and the legal order, is displaced by the "hidden wisdom immanent in a dispersed…system" (Barry 1982: 9).

Adam Smith's theory

Although Smith's theory of indirection is usually referred to by the shorthand "invisible hand"; in fact, he uses this phrase only three times, and only twice in an economic context, when he adverts to the self-regulating dynamic between consumer preferences at the individual level and a flourishing economy at the social-systems level. In the *Wealth of Nations* Smith suggests that, in naturally preferring "domestick" over "foreign" goods, the British public have no thoughts of the public benefits to the national economy, only their "own gain". This coincidence of "private interest-equals-public benefit" occurs because the individual "is led by an invisible hand to promote an end which was no part of his intention" (1979: IV.ii. 9: 456). Similarly, in the *Theory of Moral Sentiments,* Smith notes that the "invisible hand" works to transform the individual, self-regarding consumer preferences of the rich into beneficial economic outcomes that serve the overall "interests of the society" (1976: IV.1.10: 184–5).

The fact that Smith only uses the term "invisible hand" three times by no means implies that it is "incidental to his scheme", as has been suggested (e.g. Persky 1989: 196; Minowitz 1993: 114). It is simply that he prefers the phrase "system of natural liberty" to denote the harmonious complex of Stoic natural principles and laws that secure order in the human realm once all artificial constraints have been removed. For example, in an ideal state of political economy where "things [are] left to follow their natural course" – that is, "where there [is] natural liberty" – everyone is "perfectly free to chuse [sic] what occupation he th[inks] proper" and "[e]very man's interest [will] prompt him to seek the advantageous and shun the disadvantageous employment" (1979: I. X.a.1: 116). The poor laws that interfere with a person's ability to move between parishes for the purposes of finding work are "an evident violation of natural liberty and justice" (1979: I.X.c.59: 157), while burdensome legal practices such as "exclusive privileges of corporations" and "the statute of apprenticeship" are "real enchroachments upon natural liberty" (1979: IV. ii. 42: 470).

People operate subrationally to secure social order, and their capacity to do so depends upon their enjoyment of a minimum level of negative liberty, or what. Hayek would later refer to as the "protected domain" (1976: 38). This belief in the self-equilibration of economies via basic drives caused both Smith and Ferguson to insist on a small, night-watchman state: our daily needs are neither the concern "of national councils" nor of "those who act for the community" but are best entrusted to the hands of private individuals. The supply of daily necessities, wrote Ferguson, requires only "care, industry, and skill, which are the virtues of a private station; not superior genius, fortitude, liberality and elevation of mind-the virtues of those who are to rule the world". Accordingly, the "commercial arts …are properly the distinctive pursuit or concern of individuals, and are best conducted on motives of separate interest and private advancement" (1792: I: 244). Similarly, Smith decreed that the "arrogance" and impertinence of politicians leads them to imagine society as a kind of "chess board" waiting to be played whereas, in reality, "every single piece" already "has a principle of motion of its own" (1976: VI.ii.2.17: 234).

Accordingly, there should be minimal interference in the system of natural liberty at the macro level and maximum "natural liberty" at the micro, individual-actor level. Under such conditions the "invisible hand" will ensure that "the uniform, constant and uninterrupted effort of every man to better his condition" (which is, after all, "the principle from which publick and national as well as private opulence is originally derived") will be "powerful enough to maintain the natural progress of things towards improvement". Just "[l]ike the unknown principle of animal life" that enables people to recover from illness endogenously and spontaneously, so our self-regarding busy-ness and industry are capable of "restor]ing] health and vigour to the constitution" in spite of both the "disease" itself and "the absurd prescriptions of the doctor" (i.e. meddling legislators) (Smith 1979: II.iii.31: 343).

A providentialist economics

Although nineteenth- and twentieth-century invisible hand theories were essentially secular, the early models developed by Smith and Ferguson were providentialist; further, the providentialist underpinnings of their models cannot be removed without impairing their functioning, at least from the point of view of these thinkers. Due to the secularization of the disciplines of economics and ethics, Smith's system, in particular, has been stripped by scholars (and subsequent imitators) of its integral providentialism (Viner 1972: 81–2). But far from adopting a purely secular, materialist or evolutionist approach, Smith works from the argument from design to construct a theory that is manifestly theological and teleological.

It is true that Smith was openly hostile to "superstition", "religious enthusiasm" and theological sophistry (see Waterman 2002: 919); however, at the same time, he was strongly attracted to the more "scientific" doctrines of Stoic natural religion (Stoicism enjoyed a popular revival in eighteenth-century Scotland) (Stewart 1990: 399). Smith adopted and reworked Stoicism's deism and in particular, its theodicy. The idea of resignation to the will of the "mind-fire spirit", which is central to Stoic thought, also became important to his invisible hand theory. Whereas later invisible hand models posit the possibility of wholly secular systems of spontaneous order, the emergence of which are accounted for in terms of a process of natural selection (for example, Hayek's), for Smith, as for Ferguson, the logic of the invisible hand rests on the "fact" of God as an original unmoved mover. As Ferguson says: "From the first Cause all is derived" (2006: 123). The universe is designed, but things happen because of impersonal, invariable and self-regulating laws of nature, not because of God's special interventions. What exactly is the Creator's role in their theories of social order? What kind of God works with an "invisible hand"?

The god of the invisible hand

During the eighteenth century many thinkers, while still wedded to the design principle, increasingly rejected the Christian conception of God in favour of the deistic view that, having created the world, God desisted from any further interference in human affairs via miracles, visions and other extraordinary forms of divine revelation. For deists, God is the First Cause, a "General" rather than "Special Providence" pre-existing the world, creating it perfect and equipping it with uniform, general laws of nature in order to keep it in motion. General Providence is the "Great Clockmaker" (Smith 1976: II.ii.3.5: 87) who invests the universe with laws of nature to keep it in perpetual motion, thus making any further action on "His" part unnecessary. Isaac Newton was the most influential promulgator of the idea of God as Great Clockmaker, and it was a fashionable trope for eighteenth-century deists. By contrast, Special Providence – the kind of God favoured by Christians and many other theists – remains a perpetual presence, witness and judge in the human world post-creation and tends to cancel or contravene the normal course of "natural operations" (Force 1984: 519).

Because the "Author of nature" (1976: II. Iii.3.2: 105) to which Smith refers is a General Providence only, this lends his invisible hand a secular appearance, but in fact, it is a highly theological form of social science in which Smith attempts to unite the opposing universes of religion and science. He agreed with Newton that God has ordained nature to operate by second causes and that to know the laws of nature is to know the decrees of God's will (McGuire 1968).

Natural versus revealed religion

For Smith, the correct (i.e. "scientific") apprehension of God is embodied in Stoic cosmogony and physics which posit the "idea of an universal mind, of a God of all, who originally formed the whole, and who governs the whole by general laws, directed", not to moral or spiritual ends like virtue, everlasting life or a state of grace, but to the more worldly goal of "the conservation and prosperity of the whole" (1980: 9: 113). Though God never makes special interventions in human life, "He" operates in and through nature, including the external environment, which was designed to operate to produce a harmonious, purposive result conceived in anthropocentric and worldly terms as the happiness and flourishing of humanity.

Human social life – and especially the economy – is supported by laws that inhere in the human constitution and are expressed through irresistible drives such as "[h]unger, thirst, the passion which unites the two sexes, the love of pleasure, and the dread of pain" (1976: II.i.5.10:78). These drives, though not especially commendable, were given by God in order to serve his benign intentions for his favourite creation. Self-interest and the desire for recognition inadvertently produce universal abundance (1976: IV.10.183–4; 1979: IV.ii.9: 456; Hill 2012); the instinct "to truck barter and exchange" gives rise to the division of labour which is responsible for so much of human progress and material abundance (1979: I.i.9–10: 21–2); the trickle-down effect is a result of the innate preference of the rich for status goods (1976: IV.i.10:184–5); the consumer's natural preference for domestic over foreign goods benefits her/his own country *(*1979: IV. ii.9: 456); "sympathy" and the natural desire to see wrongs avenged leads to formal systems of justice (1976: II.i.3: 71; ibid. III. 5.6: 165–6); while the natural deference we feel towards the prosperous and great maintains the system of rank distinctions, generates appropriate authority values and thereby provides social stability (1976: VI. ii. 1.20: 225–6; 1978: 12–13: 401–2; see also Kleer 1995).

Smith's formulation is distinctly anti-rationalist; he notes that we often attribute the order secured by our instincts to temporal rationality simply because their effects are so commodious, orderly and felicitous, whereas nothing could be further from the truth (1976: II.ii.3.5: 87). His is a two-tiered model with the first tier being represented by the individual goal level and the second by the social systems level. There is a clear line of demarcation between the individual and social systems realms. Neither private individuals nor the state should attempt to interfere in the latter sphere of activity, which is the realm of final causes and therefore reserved to God (1979: IV.ix.51: 687). Since human beings possess only a feeble rational faculty, their sole task is to respond to immediate drives and to desist from social engineering and large-scale planning. As Smith says: "To man is allotted a much humbler department, but one much more suited to the weakness of his powers and narrowness of his comprehension: the care of his own happiness" (1976: VII.ii.3.6: 237). The broader framework for this conceptual distinction between micro-psychological and macro-institutional realms is originally Stoic; Stoicism enjoins us to restrict our attention to immediate duties and concerns and resign our will, in larger matters, to the wisdom of God who has already arranged the universe beneficently (1976: VII.ii.I46: 292).

Stoic theology: from irregular to regular events

Like his friend and colleague Adam Ferguson, Smith regarded social science as entirely consistent with "true religion" which seeks to understand God's intentions through the "study of nature". It is "[b]y this means", avers Ferguson, "that we are led to substitute a wise providence operating by physical causes" for "phantoms that terrify, or amuse the ignorant" (1996: 89–90).

For Smith, scientific religion is marked by a shift in a preoccupation from "irregular", catastrophic events that reflected the interventions of malicious, punitive and interfering gods, to one that sought to understand "regular events governed by predictable laws" that evinced benign but invisible hands. Accordingly, "as ignorance begot superstition, science gave birth to the first theism" (Smith 1980: 114). Baruch de Spinoza had earlier made an almost identical contrast between primitive and scientific conceptions of God in noting that "the vulgar believe God's power and Providence do most plainly appear when they see anything strange and unusual happen in nature [whereas] …I take God's disposing or direction, to be the fixed order and immutable course of nature" (see Ahmad 1990: 142).

Smith also approved the "scientific religion" of Stoicism because of its interpretation of the universe as a designed and integrated system that pointed to the operations of impersonal, general laws rather than the moods and whims of divine beings. Marcus Aurelius wrote that the world is a single, closed, self-regulating unit, "one living organism, with a single substance and a single soul…moved by its single impulse" (1964: iv.40: 73).

Even though the world is manifestly designed, understanding God's intentions for the world is a matter of calm and dispassionate natural science, not theological speculation or fear-driven faith. Smith was therefore anti-fideist but not anti-design. If we want to understand God's mind, we should avoid such unreliable sources as the Bible and established religious doctrine and turn our attention instead to God's creation which is right before us and replete with divine meaning. In particular, if we want to understand how social and economic systems are meant to work, we should make a close study of God's favourite creation, human beings, and the mechanics of their constitutions (Hill, 2001).

Smith admired the way the Stoics were able to invest such a system with a teleological explanation for even the most adverse and seemingly vicious aspects of creation, and he imitated their theodicy by conceiving the universe in optimistic terms as perfectly and benignly arranged. Doing so reflects his broad agreement with Marcus Aurelius that "[w]hatever happens, happens rightly" (1964: IV. 10). As fellow neo-Stoic, Adam Ferguson, put it: "we have no reason …to believe that it was possible for God to make the universe better than he has done" (1792: I: 338, 180, 312–3). Since God created us with all our apparently base and self-regarding drives, "He" must have good reasons for making us this way. It was time to move past tired normative discourses about human vice and virtue in favour of social scientific analysis of the underlying reasons for our less attractive yet universally observable traits.

Smith was powerfully influenced by this dispassionate way of looking at the world – and especially human tendencies – that Stoic theodicy offered. Human behaviour could now be studied as it was, not as we might wish it to be. He therefore proceeded on the understanding that, since everything in creation was designed for the best purposes, all our inherent tendencies, even the apparently vicious ones, must have a positive latent function. The trick was to observe nature and figure out what the adaptive function of each drive was.

Theodicy

What exactly is "theodicy"? All religions that insist on a God that is at once omniscient, omnipotent and benign must confront the question "*If God is omniscient, omnipotent and good, why does evil exist?*" Attempts to answer this question are theodicies, and any pious answer must avoid impugning the perfect beneficence and omnipotence of God. An orthodox Christian could not, for example, explain the world's apparent evils by referring to God's lack of interest in human welfare, "His" poor workmanship or lapses in divine attention. Rather, the typical Christian response is to lay the blame at the feet of human free will and the multitude of selfish impulses and passions it unleashes.

The Stoics, by contrast, proposed a more elegant solution: to deny the existence of evil altogether. Instead, what we call evil is really misperception and misconception. Every feature of the created universe, even its seemingly harsh and malign aspects, performs some positive role in the benign master plan and is actually a sign of God's beneficence. The most famous Stoic, Marcus Aurelius, was a confirmed optimist who denied that any of our drives, passions and dispositions are ultimately unworthy (1964: 4. 44: 73). We must not view the apparent evils of life with "mistrust"; they are "but Nature's way; and in the ways of Nature there is no evil to be found" (1964: 2.17:51).

For the Stoics, the fact that God created us implies a desire to preserve us (Cicero 1914: 3.62: 283). Smith agrees, yet, as a General Providence only, God is unable to render daily and direct assistance to "His" favourite creation. He has therefore equipped humanity with the endogenous resources for self-preservation and flourishing; hence, our self-regarding drives which, far from being harmful, are the source of all prosperity and order in the human universe.

Teleology

That Smith's invisible hand model was based on the design principle is confirmed by the fact that it is thoroughly teleological. There is no question of an open-ended process of adaptation and evolution; rather, there is conscious *intention* in nature even if that intention is expressed in impersonal, secondary causes, in this case, via "original and immediate instincts" (1976: II.i.5.10:78). In acting on these urges, we unwittingly cooperate with the Deity and serve to advance "His" "ends" (1976: II.ii.3.5:87). God is at work "in every part of the universe" where we may "observe means adjusted with the nicest artifice to the ends which they are intended to produce"; the attentive will notice that "everything is contrived for advancing the two great *purposes* of nature, the support of the individual and the propagation of the species" (1976: II.3.5, II.3.5: 87; italics added). We should be careful to "distinguish the efficient from the final cause" in all the operations of nature. When "blood circulates" and "food digests" we must never imagine that they are ends in themselves, nor that they do so of their "own accord" or even that it happens because humans consciously will it (efficient causes); rather, these processes are orchestrated by an omnipotent "watch-maker", the "single principle" underlying all causes and effects (1976: II.ii.3.5: 87) (the First and, Final Cause). "He" alone is cognizant of the full meaning of the events in progress, hence the emphasis on the quality of blindness in the actions of individual human beings. As Smith says: "The administration of the great system of the universe…the care of the universal happiness of all rational and sensible beings, is the business of God, and not of man" (1976: VI.ii.3.6: 237).

All our drives are conceived not as evolutionary adaptations to external exigencies but as purposive and contrived. For example, Nature "formed man for society" and accordingly equipped "him" with the instincts that make social life possible (1976: II.i.5.10: 77; II.3.1: 85; III.2.6: 116); humans were *destined* for progress; therefore, they are endowed with progressive drives (1979: II.iii. 31: 343); our species is *destined* to command the physical world hence "the benevolent purpose of nature in bestowing upon us the sense of seeing" (1980: 60: 156).

Concluding remarks

For both Smith and Ferguson, the social and economic harmony delivered by the "invisible hand" is not a matter of purely endogenous self-regulation; order was imposed externally at the moment of creation via the laws of nature. By acting through immediate and base instincts like thirst, hunger, sexual desire, avoidance of pain and so on, humans do not offend but rather "co-operate with the Deity" and serve to "advance" his "plan" (1976: II.ii.3.5: 87).

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36

ADAM SMITH'S ECONOMICS OF THE CHURCH

Paul Oslington

Introduction

In this chapter I will examine Adam Smith's economics of the church in Book V of the *Wealth of Nations* within the structure of the book, his eighteenth-century Scottish context, as well as eighteenth-century debates over church establishment, toleration of other religious groups, financial support of clergy and related issues. I want to be particularly attentive to how the theological framework helps us appreciate what he was doing in these passages.

Smith on theology, religion and human nature

In previous work (Oslington 2011a, 2011b, 2012), I have argued that Smith operates within the theological framework of the moderate Calvinism of the Scottish Enlightenment. Newtonian natural theology is an important part of this framework, and such natural theology justified and nourished scientific enquiry, including Smith's enquiries into emerging commercial society in eighteenth-century Britain (Brooke 1991 is a fuller discussion of the role of natural theology in scientific enquiry in this period). Others such as Jacob Viner (1927), Anthony Waterman (2004) and Lisa Hill (2001) have made similar arguments about the importance of Smith's theological background.

Consistent with this theological framework, Smith avoids discussion of particular doctrines such as the Atonement, the Trinity and so on. The finer points of these doctrines were irrelevant to his purposes in the *Theory of Moral Sentiments* and *Wealth of Nations*, and a potentially dangerous distraction from those purposes. The examples of Thomas Aikenhead, executed in Edinburgh in 1697 for blasphemy, and the stalled university career of his friend David Hume, amply illustrate the dangers of engaging in doctrinal controversy in eighteenth-century Scotland. Smith himself experienced this to a lesser extent over the removal of a passage about the atonement from later editions of his *Theory of Moral Sentiments*. This lack of interest in doctrinal controversy is partly why many modern commentators miss the theological dimensions of Smith's work.

More relevant for Smith's purposes are a theologically based account of human nature, and the doctrines of the Fall and divine providence. These doctrines are part of the framework of natural theology, and investigation of the natural world in conjunction with Scripture fills out their content. Many modern commentators are again misled by Smith's attention to evidence from the natural world in constructing his view of human nature, believing this to be evidence that he is like them, committed to scientific naturalism that leaves no room for God, when in fact the whole point of his attention to evidence from the natural world is that God is creator and that studying the natural world (including human beings who are the pinnacle of creation) reveals God and his purposes more clearly.

Human nature for Smith is a complicated mixture of self-love, benevolence, vanity and many other things. We have a natural sociability which receives a great deal of attention in Smith's work. As a Calvinist, the fallen nature of human beings is an important part of this picture, impairing both human moral and intellectual capacities (Fuller discussions of Smith's view of human nature may be found in Ross 1995, Winch 1996, and Fleischacker 2004. The role of the doctrine of the Fall is discussed in Harrison 2007. Viner 1927 remains valuable on these topics). We are naturally religious according to Smith. He is of course familiar with his friend Hume's *Natural History of Religion*, which offers a naturalistic account of the evolution of religious beliefs and institutions. At various places Smith offers something similar. Our religious feelings arise from our hopes and fears – relying on our imaginative capacities. Just as for Smith scientific investigation arises from our curiosity, nourished by our imaginative capacities. Religion on the whole contributes positively to society, for instance through encouraging virtue and reinforcing our natural sense of duty. Smith is suspicious of "enthusiasm", code for Methodism, and some of the extremes of his own Presbyterianism, and critical of Roman Catholic "superstition". His ideal is "pure and rational religion" not perverted by fanaticism (Smith 1776 V i f 50: 793).

For Smith's purposes it is mostly appropriate to view religion instrumentally, that is, to enquire into causes of variation in religious behaviour and its consequences for society. The truth or otherwise of religious beliefs is mostly beside the point for his purposes. Despite Smith's interest in the social utility of religion, he does not offer utility as an explanation of religious beliefs and behaviour. Nor should we expect him to, for as many commentators have pointed out he is not a utilitarian in his philosophy – quite distinct from contemporaries such as William Paley and Jeremy Bentham (discussed more fully by Ross (1995) and Fleischacker (2004)).

Smith and the contemporary economics of religion

Much of the recent literature on Smith's discussion of religion in Book V of the *Wealth of Nations* sees it as a precursor to the contemporary economics of religion. Larry Iannaccone for instance begins his survey of the contemporary economics of religion with a quip about the gap between the first and the second publications on the economics of religion: "With two centuries separating its first and second publications, there is no denying that the economics of religion got off to a slow start" (1998: 1465). His seminal paper on the consequences of religious market structure for religious participation begins from Smith's discussion of the topic:

> In a largely ignored chapter of *The Wealth of Nations*, Adam Smith laid the foundation for an economic theory of religious institutions. Smith argued that self-interest motivates clergy just as it does secular producers; that market forces constrain churches just as they do secular firms; and that the benefits of competition, the burdens of monopoly, and the hazards of government regulation are as real in religion as in any other sector of the economy.
>
> *(Iannaccone 1998: 156)*

Other surveys, such as Iannaccone and Berman (2008) and Iannaccone (2012) take a similar approach. Larry Witham's (2010) study of the rise of the economics of religion makes constant reference to Adam Smith as the founder.

We must be careful however to distinguish Smith's approach from that of the contemporary economics of religion. There are several strands of the contemporary economics of religion literature, but the main strand has its roots in Gary Becker's account of economics where rational individuals with given tastes maximize on given preferences subject to income and time constraints. This strand of the economics of religion extends Becker's account beyond human capital, the family and crime to religious behaviour. Smith has a radically different view of human nature and human behaviour to the contemporary economists of religion. He does not begin from individual maximization, and has a much broader view of human motivation, including features that would seem irrational to Becker and his Chicago colleagues. They also sit uneasily with the Virginia/Alabama branch of the economics of religion that focuses on religious rent-seeking.

Economic discussion of the Church in early modern Britain

Contrary to the impression created in much of the recent literature, Smith was not alone in applying economic tools to religious behaviour. Instead he was part of a long-running British discussion from the seventeenth century which included Richard Hooker, William Warburton, William Paley, Josiah Tucker, Jeremy Bentham, Edmund Burke, Richard Whately and Thomas Chalmers, among many others. For all of these writers, the established Church of England dominated the religious landscape, and writers such as Hooker and Warburton constructed elaborate justifications of its position. Establishment meant legal privileges such as its own system of courts, state enforced monopoly control of university education, state support of its clergy, exemption from taxation and so forth. Religious tests for public office gave the established church enormous influence over the state. Toleration granted to Roman Catholics and Protestant dissenters varied over time. Note that the situation in Smith's Scotland was somewhat different with the Presbyterian Church dominant rather than the Church of England, and a greater degree of toleration granted to dissenters.

The principle of establishment was questioned by some writers (notably by Whately's anonymous *Letters on the Church by an Episcopalian*) but on the whole taken as beneficial and something that would continue in England for the foreseeable future. Debate centred on toleration of dissent, tests for various types of public office, the role of the established church in education, and mechanisms of state support such as the title system. As we will see in Hume's and Smith's discussion, the economic explanation and justification of church establishment absorbed the minds of participants.

Smith's economic analysis of religion

It is important to understand where the religion passages fit in the overall structure of Smith's *Wealth of Nations*. The first two books of Smith's work cover topics that a contemporary economist would recognize as economic theory; opening with his well-known discussion of the division of labour, and proceeding to discuss pricing, returns to labour and capital, and the accumulation of capital. The third book deals with the progress of opulence in different nations, what we might recognize as economic history. Smith discusses in the fourth book different systems of political economy, including his criticism of the mercantile system and advocacy of free trade.

The discussion of religion comes in the fifth book of the *Wealth of Nations* on the revenue of the sovereign or commonwealth, a discussion which a contemporary economist might classify as public finance. Smith proceeds through a discussion in the first part of the chapter of the financing of defence, then the system of justice, to the third part on public works and public institutions. An important section describes the deformation of the character of workers flowing from the division of labour (Smith 1776 V i f 50: 781–2):

> In the progress of the division of labour, the employment of the far greater part of those who live by labour, that is, of the great body of the people, comes to be confined to a few very simple operations; frequently to one or two. But the understandings of the greater part of men are necessarily formed by their ordinary employments. The man whose whole life is spent in performing a few simple operations, of which the effects too are, perhaps, always the same, or very nearly the same, has no occasion to exert his understanding, or to exercise his invention in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become. The torpor of his mind renders him, not only incapable of relishing or bearing a part in any rational conversation, but of conceiving any generous, noble, or tender sentiment, and consequently of forming any just judgment concerning many even of the ordinary duties of private life. Of the great and extensive interests of his country, he is altogether incapable of judging; and unless very particular pains have been taken to render him otherwise, he is equally incapable of defending his country in war … But in every improved and civilized society this is the state into which the labouring poor, that is, the great body of the people, must necessarily fall, unless government takes some pains to prevent it.
>
> *(Smith 1776 V i f 50: 781–2)*

This sets the scene for the discussion of education, for Smith sees education as a partial remedy for this deformation flowing from the division of labour. Note that the emphasis is on the working poor in the passage, an emphasis which flows through Smith's discussion of education including the discussion of religion. I will pass over Smith's fascinating and insightful discussion of university education (in his terms institutions for the instruction of youth), where the incentives for practitioners, and questions of financing, are central. The discussion of religion in the third part of Chapter 1 (entitled "Institutions for the instruction of people of all ages") is connected to the previous discussion of education by the observation that "the institutions for the instruction of people of all ages are chiefly those for religious instruction" (Smith 1776 V i g 1: 788). He quickly moves to the question of financing and its connection to the incentives participants face. Religious educators

> may either depend altogether for their subsistence upon the voluntary contributions of their hearers; or they may derive it from some other fund to which the law of their country may entitle them; such as a landed estate, a tythe or land tax, an established salary or stipend. Their exertion, their zeal and industry, are likely to be much greater in the former situation than in the latter.
>
> *(Smith 1776 V i g 1: 788)*

Smith then observes that their behaviour has a great bearing on their appeal to the people, especially the inferior ranks who make up the majority of the people.

This has prepared the ground for the introduction of Hume's view of church establishment, which Smith will criticize in developing his own position. He quotes large portions of Hume's *History of England*, without naming the philosopher, though the popularity of Hume's work plus Smith's attribution of the passages to "the most illustrious philosopher and historian of the present age" (Smith 1776 V i g 3: 790) leaves no doubt about Hume's identity. Hume begins by asking the reader to "reflect a moment on the reasons, why there must be an ecclesiastical order, and a public establishment of religion in every civilized community" (1759: 134). He observes that for some professions there is a divergence between the interest of individuals and the interest of society. The reader of a chapter on the ecclesiastical state might now be expecting an argument that the clergy provide something of great value to society which is inadequately recompensed, and hence must be subsidized to increase its supply. Hume, however, with delicate irony, suggests that the divergence goes the other way and that there is an oversupply of certain types of clerical exertion which promote "superstition, folly, and delusion". He elaborates:

> Each ghostly practitioner, in order to render himself more precious and sacred in the eyes of his retainers, will inspire them with the most violent abhorrence of all other sects, and continually endeavour, by some novelty, to excite the languid devotion of his audience. No regard will be paid to truth, morals, or decency in the doctrines inculcated. Every tenet will be adopted that best suits the disorderly affections of the human frame.
>
> *(Hume 1759: 136)*

Fortunately a remedy is at hand, which is "to bribe their indolence, by assigning stated salaries to their profession…And in this manner ecclesiastical establishments, though commonly they arose at first from religious views, prove in the end advantageous to the political interests of society" (Hume 1759: 136). It is important for Hume's argument that the salary from the state exhausts profitable opportunities for the clergy, and he illustrates with the example of Catholic priests in other lands who though receiving support, retain the power of enriching themselves from the faithful, and thus retain an incentive for exertion that has pernicious effects.

Smith points out against Hume's position that establishment typically comes from an alliance between a particular political group and religious group, with establishment being the spoils for the religious group when the political group it supports wins power. Establishment does not generate indolence, but corruption and violence – both corruption and violence when a church is originally established, and later when other religious groups eventually challenge the established church, which in its enfeebled state must enlist the state to help it put down the challenge. Smith's alternative to bribing the indolence of the clergy is religious competition. The state should treat all sects equally, intervening only "to hinder them from persecuting, abusing, or oppressing one another" (Smith 1776 V i g 16: 797). Such intervention will seldom be necessary because competition between "the great multitude of religious sects" for adherents will promote "good temper and moderation" and deliver "pure and rational religion, free from every mixture of absurdity, imposture, or fanaticism" that both Hume and Smith seek (Smith 1776 V i g 8: 792–3).

Smith differs from his friend in believing that competition has a moderating effect on clergy rather than the pernicious effects that Hume describes. The very large number of sects Smith envisages is essential for Smith's difference of opinion. To ensure good temper and moderation, though, Smith also recommends encouraging the "study of science and philosophy", for "science is the antidote to the poison of superstition and enthusiasm", and encouraging "frequency and gaiety of public diversions… painting, poetry, music, dancing" (Smith 1776 V i g 14: 796) as an antidote to fanaticism.

He reinforces his point about the dangers of religious monopoly, in language familiar from his criticism of other types of monopoly earlier in the *Wealth of Nations* (Smith 1776 V i g 17: 797):

> The clergy of every established church constitute a great incorporation. They can act in concert, and pursue their interest upon one plan and with one spirit, as much as if they were under the direction of one man; and they are frequently too under such direction. Their interest as an incorporated body is never the same with that of the sovereign, and is sometimes directly opposite to it.

And like his friend, he is not averse to a bit of Catholic bashing – especially after a passage like the one just quoted that might be taken by readers to be a criticism of the Presbyterian church. He writes:

> the church of Rome may be considered as the most formidable combination that ever was formed against the authority and security of civil government, as well as against the liberty, reason, and happiness of mankind, which can flourish only where civil government is able to protect them.
>
> *(Smith 1776 V i g 24: 802)*

One question which arises at this point is where Smith got his vision of sects competing in a free market. The most likely source is America. He was a close student of American affairs and while what he describes is not identical to the American situation, it is much closer than anything he observed in Europe.

In relation to the patronage system, which effectively denied most parishioners their choice of clergy, Smith's position is quite conservative. Fears about incentives for perverse behaviour by clergy exploiting the ignorance of their parishioners in relation to appointments, similar to his friend Hume's fears about perverse behaviour by clergy to extract money, turn him away from democracy within the parish. Perhaps the incentives for perverse behaviour are stronger where clergy honour is at stake than when money is at stake, a theme that runs through Smith's work. Perhaps democracy at the parish level is an impossible ideal when the people "act almost always under the influence of the clergy" (Smith 1776 V i g 36: 808). Smith continues with an account of how economic development can weaken the power of the clergy, and how the Protestant Reformation can be seen as a popular movement undercutting an incumbent clergy. The other interesting part of his discussion of religion is of clergy pay. He admires the equality of authority and pay among the Presbyterian clergy which creates incentives for the right kind of diligence.

> The proper performance of every service seems to require that its pay or recompence should be, as exactly as possible, proportioned to the nature of the service. If any service is very much under-paid, it is very apt to suffer by the meanness and incapacity of the greater part of those who are employed in it. If it is very much over-paid, it is apt to suffer, perhaps, still more by their negligence and idleness.
>
> *(Smith 1776 V i g 42: 813)*

And so "there is scarce perhaps to be found anywhere in Europe a more learned, decent, independent, and respectable set of men, than the greater part of the Presbyterian clergy of Holland, Geneva, Switzerland, and Scotland" (Smith 1776 V i g 37: 810).

In terms of the contemporary debates, Smith does not directly attack the principle of establishment, though he points out some of the dangers of religious monopoly, and sketches an alternative of free competition between religious groups which has benefits. He is clearly in favour of toleration of a multiplicity of religious groups, though this does not extend to the Catholic Church. In relation to previous discussions of church establishment, Smith is much clearer on the connections between the financing of religion (including incentives for clergy) and the patterns and character of religion that we observe. Smith is the first in my view to have a clear conception of a market for religion. It would have been interesting to know Hume's view of Smith's discussion of religion, but of course Hume died the year the *Wealth of Nations* was published, and there is nothing in the published correspondence other than Hume's letter of congratulations to his friend, with general comments that do not extend to the religion passages.

Literature on Smith's economics of the Church

The modern literature on Smith's economics of the Church begins with a paper by Rosenberg (1960), which uses it as an example of the impact of different kinds of institutional arrangements on human behaviour. This remains in my view one of the best discussions of the religion passages in Smith's *Wealth of Nations*, alongside work of Donald Winch (1996) and Ian Simpson Ross (1995). A long-running debate, carried on mostly in the pages of the journal *History of Political Economy*, was begun by Gary Anderson. This paper makes some large claims, including that Smith offered an "economics of religion" where religion had a demand side that was about individuals enhancing the human capital, and a supply side with clergy-populated religious firms. Although Anderson notes that Smith is uninterested in theology or belief, he claims that "free markets in preaching tended to generate socially efficient doctrine" (Anderson 1988: 1073). Much of Anderson's interest in Smith seems to come from his observation that in passages on religion, Smith comes closest "to arguing in favour of free market anarchism" and that a free market in religion will "provide optimal religious institutions" (Anderson 1988: 1074). These claims are hard to reconcile with Smith's texts, for Smith emphasizes the role of the state in regulating competition between the sects, and appreciates the benefits of the established Presbyterian church in his native Scotland. Nowhere in his work is Smith concerned with optimality, and certainly not in the religion passages.

Charles Leathers and Patrick Raines (1992, 1999) offer a very different account of Smith's religion passages, where Smith gives qualified support to contributions from recipients of religious instruction in the context of state support of religion. They emphasize Smith's positive statements about church establishment alongside his critique of religious monopoly. Ekelund, Hebert and Tollison (2005) attempt to find a deeper consistency in Smith's commentary on religion. They claim this consistency is to be found in appreciating that Smith's maximand in religious markets was consumer sovereignty, and that religion is not a homogeneous good. Leathers and Raines (2008) give their attempt pretty rough treatment, rightly in my view, and use it as an example of the dangers of reading Smith through the lens of contemporary economists' concerns and theoretical constructs, with little attention to his eighteenth-century Scottish context and concerns. Peterson (2009) adds little that is original to this discussion.

Conclusions

Smith's discussion of religion flows from his theologically framed account of human nature, and the novelty lies in his application of connected ideas of markets and competition developed earlier in the *Wealth of Nations* to religion. While this is not a full economic model of the Church or religious markets, it offers some raw materials for one. It would also be a much richer economics of religion than the contemporary rational choice economics of religion could generate. Avoiding reading anachronistically a particular view of rational choice and utilitarian ethics back into Smith would allow the richness of his analysis to emerge. Recognizing the natural theological framework of his analysis would also allow us to avoid misreading his naturalistic account of religion as an attack on the truth of Christianity.

What is surprisingly absent from Smith's discussion of religion is his view that we see in other parts of the *Wealth of Nations*, namely that markets generate a beneficent harmony, a view that has its roots in the doctrine of divine providence. There are hints of a providential harmony in the historical parts of Smith's discussion of religion, but I cannot see that clergy self-interest is worked into good outcomes for society in the way that the self-interest of participants in other markets is worked into good outcomes for society, just as Smith's discussion of education lacks the beneficent harmony theme. These omissions may or may not be significant. Perhaps he saw education and religion working differently. Or perhaps he saw no need to repeat the providential material when discussing these particular markets.

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THE ECONOMIC THEOLOGY OF QUAKERISM

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Introducing Quakerism[1]

Quakerism was one outgrowth of the Protestant Reformation's long wave begun by Martin Luther in 1517. Founded by George Fox (1624–1691), the Society of Friends – as Quakers call themselves – emerged as a nonconformist and dissenting religious movement in mid-seventeenth century England, during a period of intense political unrest, religious turmoil and civil upheaval – termed the "Century of Revolution" by historians. At the heart of Quaker thought and practice is the idea that their faith is based on a direct relationship with, and experience of, God or the Divine, unmediated by creeds, rituals or a religious hierarchy. Quakers have always emphasized the integration of inward reflection and outward action, and have ceased to wait "upon a miraculous event and turned to the present miracle that Christ was waiting to perform daily in their hearts" (Castle 1941: 34).

While Quakerism is rooted in seventeenth-century Christian thought, it also rejects the idea of following a creed, which means that many Quakers today, particularly "un-programmed Friends" in the United Kingdom and United States, no longer see themselves as Christians or waiting to be saved by the resurrection of Christ. Consequently, there is now a diversity of non-theist, ecumenical and inter- and multifaith Quakers. And while there are now different branches of Quakerism – conservative, liberal, pastoral, and evangelical – all Quakers share beliefs that go back to the foundation of the movement in the 1650s, particularly the importance of connecting beliefs and everyday worldly actions.

Quakers have always been small in number and outside of "mainstream" society: in 1680, when their strength was probably at its height, there were approximately 60,000 in England and Wales (1.15 per cent of the population) (Wrigley and Schofield 1989: 92–5). In 2012, the number of Quakers in England and Wales was 13,906, which is almost identical to the number in 1860, though it only constitutes 0.02 per cent of the population. Currently there are 1,500 Quakers in Ireland (also 0.02 per cent of the population), while Quakers worldwide today number about 360,000.

This chapter focuses on the practices of the liberal branch of Quakerism in England, Wales and Ireland from around 1650 to around 1930 (Navias 2012:4–11). We aim to understand both the connections and the disconnections between theological values, business practice and economic thinking that created the possibilities and growth for Quaker businesspeople and which led to the eventual decline of what might be called the "Holy Experiment" of Quaker business ("Holy Experiment" is the term associated with William Penn's attempt in the 1670s to create a new community for Quakers and other minorities in what would become the American state of Pennsylvania).

Undivided belief and actions in life and business

Quakers' success in business has to be understood in relation to the beliefs and practices that have been persistently reproduced since the Quakers emerged in the mid-seventeenth century. The most important is "that of God in everyone", often referred to as the "Inner Light". Believing that there is God in everyone means that each person is of particular and equal interest and value, and that this can be fostered in people and in social relations. This way of knowing the Light is also a way of discovering truth; in many ways it is a scientific method applied to religious experience – to catch sight of the Light and to make more of it through a discipline of discovery. According to Castle (1941: 35), it is

> not a capacity to believe in the improbable or an acceptance of beliefs others say are true, but a means of discovering truth … We shall gain assurance, one way of another, by intermittent but accumulating glimpses of truth which will appear in proportion as we have acted faithfully on the assumption that they were true.

The contention "that of God in everyone" meant that the first Quakers believed that everyone is equal before God. From this distinct belief, traditional distinctions (in language, conduct, dress, for example) were irrelevant, as was hierarchy, formal or paid leadership or ministers, which is why they saw, unlike other Protestants from whom they diverged, no need for an educated clergy to lead and interpret "holy" books. This egalitarian philosophy also meant that Quakers were hostile to established authority, and so they would not pay tithes to the church, nor remove their hats to acknowledge superiors, nor swear oaths. For such actions they were persecuted violently from the earliest years: by 1660 more than 4,000 Quaker men were incarcerated.

Quakers had no place for creedal formulas, set rituals, biblical stories about the past or narratives about salvation in the future. Instead they focused on their inner spirit, especially through a distinctive practice of silent waiting and listening. The early Quakers formalized this practice as an organizational structure of local worshiping communities and monthly, regional/quarterly and yearly meetings, which continues to this day. From the earliest days, the term "Meeting" has been at the centre of Quaker practice. The most important is the meeting for worship, which is the central shared experience of Quakers. It is akin to what other denominations might call a church service, though there is no role for a priest or minister, and meetings are pervaded by silent worship. Typically held for an hour on Sunday mornings, a meeting for worship is a gathering of a group of individuals waiting, mostly in silence, for the enlightening and empowering presence of the Divine. If moved to do so, anyone attending the meeting can speak – give vocal ministry – on any subject.

Corporate decision-making occurs through monthly "meetings for worship for business" which take place after the meeting for worship (for a discussion of the contemporary relevance of the Quaker business method, see Burton 2017). *Contra* conventional understanding, in which we are responsible for what we say, Quakers view decision-making as a process premised upon communal, attentive and listening silence. They distinguish between "the sense of a meeting" and consensus. Consensus forms of decision-making often involve the integration of differing positions within a group and a majority will – as in a democracy. In contrast, Quakers do not vote at meetings, but rather discern the sense of the meeting: agreement is "sensed" and not voted on (Sheeran 1983). For Morley (1993: 5), "Sense of the meeting works because we turn our decision making over to a higher power". This experiential approach, which dispenses with prepared statements, echoes psychoanalytic approaches to group dynamics and some Eastern religions.

Quaker philosophy is liberal and individualistic, though it is not centred on rational self-interest or egotism. Rather, they believe that if the goodness of each individual is given adequate expression, then the "inner Light" of each will unite the community in brotherhood and peace. The other person is not a competitor in a Darwinian struggle for survival, but rather another servant of the community, which they see as fundamental: "Mutual service should be the principle upon which life is organised. Service, not private gain, should be the motive of all work" (Society of Friends 1918, quoted in Child 1964: 295). Hence, the function of industry is to serve the community as a whole rather than to accumulate personal wealth, which they saw as almost an accidental by-product of their commitment to a puritan way of life that extolled the merits of hard work, careful husbandry of talents and stewardship of resources, and personal renunciation, all for the service of others (see Hopper and Hopper 2010 for an extended discussion of Puritans and management culture in the United States). While the Quakers were at odds with the Puritans over matters theological, they shared important features of the Protestant ethic as Max Weber (2002 [1905]) had discerned – a commitment to hard work and dislike of waste, which aligned them quite well with employers' concerns for efficiency and worker effort. Philanthropy was also in accord with the Quaker belief in the morality of simplicity and plainness, and the notion that one should not flaunt one's prosperity.

Quakers' undivided world view – a commitment to egalitarianism, individualism and a view of people as ends in themselves rather than means to others' purposes – created tensions for Quaker businesspeople, as they were against the exploitation and profit of one individual at the expense of another, which has traditionally made them uneasy with the morality of business profit. However, this uneasiness did not stop them from engaging in business, even if one Quaker businessman asserted that "the title of Quaker employer…[is] a flat contradiction in terms" (Society of Friends 1938: 23). Instead, it merely spurred those Quakers who went into business to devise and implement a range of democratic structures and progressive processes in the workplace, which have been a feature of Quaker businesses since the seventeenth century (Raistrick 1950 [1968]). These structures went as far as recognizing the principle of joint control, with workers taking part in the commercial and financial administration of the business. For example in 1916, Joseph Rowntree (1836–1925) – whose family owned the chocolate manufacturer Rowntree's that at the time had over 5,000 employees – urged workers to claim a share in industrial decision-making as a "matter of right" (Child 1964: 301).

Quaker businesses were also characterized by benevolent paternalistic control, coupled with an acute sense of the employer's moral duty to employees, a duty they instantiated in innovative and extensive welfare benefits. For instance, Joseph Rowntree and his son Seebohm – described by Urwick (1962) as "the father of British management" – introduced a wide range of employee benefits including a suggestion scheme (1902), a pension scheme (1906), a widows' pension (1916), annual holidays with full pay (1918), a central works council (1919) and profit sharing (1923) (Vernon and Rowntree 1958; Barclay 1995). The bigger Quaker companies also built model factories, with adjoining model villages, and provided medical services, schools, libraries and gymnasia for their workers, long before the "human relations" movement developed in the 1930s. While their practices might suggest otherwise, Quakers did not endorse socialism because of that tradition's focus on power, collective action, conflict and social class.

From the earliest days, Quakers were deeply concerned with social, political and ethical issues and took prominent roles in various campaigns, such as the fight against slavery with Quaker colonists denouncing slavery in Barbados from 1688, advocating penal reform, initiating new models of industrial welfare, promoting universal education and caring for the poor. They were also noted for their pacifism and their abhorrence of all outward wars, which can be traced back to their own original experiences of persecution.

Quaker impact on business and management

Though small in number, the Quakers' relative invisibility belies their historical and contemporary impact, as they have produced a remarkable and disproportionate number of businesspeople, scientists, engaged thinkers and campaigners for justice, peace and human rights (Furtado 2013). The British industrial system was based on family-owned businesses, an extraordinary number of which were Quaker owned, including many of the largest and most technologically advanced. Table 37.1 lists some of the more important Quaker companies, most of which were formed in England and Wales. Many of these have now been merged into or acquired by other companies. While other enterprises might not be described as Quaker, members of the Society of Friends played central roles in the formation of major companies like IBM (Belden and Belden 1962), Sony, Price Waterhouse, and J. Walter Thompson (Windsor 1980).

Quakers have traditionally campaigned for human rights and actively engaged in conflict resolution. For example, Quakers founded Oxfam in 1942; they were awarded the Nobel Peace Prize in 1947; and, from 2001, Elizabeth Fry, the nineteenth-century Quaker campaigner for the humane treatment of prisoners, was depicted on the Bank of England £5 note.

In the sphere of management, Frederick Taylor was the son of a notable Quaker family in Philadelphia, while Mary Parker Follett (often called "the mother of management") and Wroe Alderson (similarly, called "the father of marketing") were from Quaker backgrounds. It was also in this New World milieu that another Quaker, Joseph Wharton, founded America's first business school, the Wharton School in 1881 (Baltzell 1996). Wharton also co-founded and was the major shareholder in Bethlehem Steel Corporation, and employed Frederick Taylor in 1898 with the express purpose of applying more scientific approaches to managing the factory (Copley 1923).

The Quaker association with business was partly because they were relative outsiders to society – for example, they were only admitted to English universities after the 1870s – and were precluded from most professions and guilds. This meant that Quakers typically did not get involved in traditional businesses but were instead to be found in new, innovative sectors. Their scepticism towards authority and received wisdom – some see Quakerism as a "religion of uncertainty" (Pym 1999:137) – also made them ready and willing to formulate and associate themselves with new explanations for the social and natural world, an attribute that aligned them well with the emerging scientific ethos of their time. Hence it is perhaps no surprise that their influence was most important during the eighteenth and nineteenth centuries when many Quakers played a key role in the Industrial Revolution that led to Britain dominating world trade and commerce. Quakers were also innovative with respect to the managerial and social aspects of their businesses, and were the first – or among the first – to adopt a wide range of business initiatives, as catalogued in Table 37.2 (drawn from Windsor's (1980) study of Quakers in business).

Quakers' concern with authenticity and honesty underpinned their everyday practices and business dealings. Grounded in belief, business was an expression of Quakers' undivided approach to business. The first Quaker shopkeepers would not bargain over prices or charge

Table 37.1 Examples of Quaker companies, with date of establishment

	Company/Family
Accounting	Price Waterhouse (1865)
Banking	Barclays (1690), Lloyds (1765), Guerney (1775)
Biscuits	Huntley & Palmer (1822), Carr (1831), Jacobs (1851)
Brewing	Truman & Hanbury (1781), Young & Co. (1831), Burton (1842)
Chemicals	Allen & Hanbury (1715), Crosfields (1814), Reckitt (1840), Albright & Wilson (1856)
Chocolate	Fry's (1761), Huntley & Palmers (1822), Cadbury (1824), Rowntree (1862)
Clockmaking	Tompion (1670), Quare (1671), Graham (1738), Huntsman (1740)
Glass	Waterford Crystal (1783)
Engineering	Ransomes (1789), Baker Perkins (1878)
Life Insurance	Friends Provident (1832)
Match manufacturing	Bryant & May (1843)
Metals	Bristol Brass Company (1702), London Lead Mining (1705), Rawlinson (1720), Huntsman (1740), Ransome (1789)
Newspapers	News Chronicle (1855)
Paper & Packaging	John Dickinson Stationary (1804), E.S. & A. Robinson (1844)
Pottery & China	Cookworthy (1730), Champion (1773),
Retailing	Laws Stores (1885)
Shoemakers	C & J Clark (1825)
Shipbuilding	Swan Hunter (1880)
Steelmaking	Consett Iron Company (1864), Stewarts & Lloyds (1859)
Textiles	Gurney (1683), Were (1686), Barclays (1690), English Sewing Cotton (1897)

Note: Because of mergers, acquisitions and name changes, the dates indicated might be contested.

Table 37.2 Business innovations pioneered by Quakers

Marketing	Fixed prices; press advertising
Operations	Vertical integration of extraction, production and distribution
Finance	Commercial paper (unsecured, short-term debt instrument issued by a corporation)
Employee relations	Adult education on company time; hot meals for employees; housing for employees to be purchased over time at cost and low interest rates; workers hostels; pensions; pensions for widows; indexed pensions; free medical and dental services for employees
Governance	Functional department organization; multidivisional organization; participative management; consensus building; works councils; appeals committees; profit sharing; cooperative ownership; employee selection of managers.
Accounting	Formal accounting and auditing
R&D	Research & development departments; hiring of university professors as consultants.
Banking	Provincial Banking; the cheque; bills of exchange

different prices for the same goods as these were all forms of dishonesty. While the market responded positively to these ideas – and made Quakers rich as a result – the practices were founded on deep ethical beliefs rather than any self-interested calculation of market preferences. Indeed, George Fox was disdainful of the rich man, whom he saw as the "greatest thief" because he acquired his wealth "by cozening and cheating, by lying and defrauding" (Hill 1992: 171).

This emphasis on honesty meant that Quakers had a dread of business failure and indebtedness (Tibbals 2017). As early as 1688, Friends were told, through the system of *Advices*, that none should "launch into trading and worldly business beyond what they can manage honourably and with reputation; so that they may keep their words with all men…the payment of just debts be not delayed" (Society of Friends 1802: 195). The Quaker administrative machinery, especially the meetings for business, proved effective in ensuring that Friends actively observed and upheld their principles. The meetings for business provided a frame for Friends to intervene with advice and help for members in financial difficulty: "It was assumed that Quakers would turn to each other for business advice; that more experienced heads would help the less so. Co-operation, not rivalry, was their commercial watchword" (Walvin 1997: 56). Quaker businesses were subjected to a level of scrutiny and a form of external audit that, in the eighteenth century, did not exist elsewhere in the commercial world.

A remarkable and distinctive attribute of the Quakers was their meticulous record-keeping and their passion for writing. Because of their explicit challenge to society's values and practices, Quakers had to devote considerable time and energy to keeping meetings going themselves and to annual reporting of membership as well as to documenting persecution and recording births, deaths and marriages. The Quaker fondness for writing and record-keeping provided an authentic record of their own struggles, having opted out of other formal institutions.

Quakers were acutely aware that their distinctive beliefs and practices had to be taught to and learned by the next generation if their culture was to survive: education was not only about present needs but primarily oriented to the future. For instance, by 1671, 15 Quaker schools had been established. From the earliest days, meetings supervised the training of boy apprentices, choosing trades and masters and monitoring progress during the seven years of apprenticeship. Apprenticeships were also important in socializing young Quakers into the norms of their faith.

We should add a few words of critical caution to the depiction of Quakers' undivided approach to business. Extolling the virtues of a techno-scientific modernity, Quakers also benefited from Britain's emerging empire and accumulated wealth from overseas trade. It is also easy to overemphasize the idea of a distinctive "Quaker ethos" and the role that this played in "Quaker" businesses. For instance, Rowlinson and Hassard (1993) have argued that it was not Quaker beliefs but rather contemporary social movements of the late nineteenth century that led Cadbury to develop specific labour-management institutions, which were then retrospectively linked to a Quaker ethos in a perhaps cynical attempt to create a distinctive and enduring Cadbury culture and tradition (see also Rowlinson 1988). Moreover, the ethos associated with Cadbury and Rowntree was not replicated uniformly across all Quaker enterprises. For example, the Quaker firm of Bryant and May had extremely poor working conditions which led to the famous matchgirls' strike of 1888.

Dividing business and life

An intriguing part of the Quaker story is how and why they lost their pre-eminent position in business from the late nineteenth century onwards. An important turning point hinges around developments in corporate law in the mid-nineteenth century, specifically the Limited Liability Act of 1855, the Joint Stock Companies Act of 1856, and the Companies Act of 1862. Until then, the Quaker companies were essentially family businesses or partnerships, but the limited liability form of ownership, combined with the joint stock company, allowed the expansion of the company's capital base beyond family resources, and consequently family control. It is arguable that part of the reason the Quakers went into decline was because of their excessive concern with authenticity. Similar to the Puritans, they valorized honesty and integrity and hence disliked actors and lawyers, which they regarded as professions based on inauthentic forms of behaviour. This Puritan pursuit of authenticity also meant that they disapproved of play unless it had a utilitarian benefit. For instance, the 1738 Yearly Meeting complained of "particularly balls, gaming-places, horse-races, and playhouses" (Society of Friends 1858a: Epistle 1739: 227).

For the Quakers, the issue of limited liability struck to the core of their belief system as honesty in trade, including the avoidance of debt, was a condition of membership of the Religious Society of Friends from its inception in the 1660s. The message was consistent and constant. In 1754, an "epistle" – a letter from one Friends' body to another – exhorted members at monthly meetings "to be properly watchful over one another, and early to caution all against running beyond their depth, and entangling themselves in a greater multiplicity of trade and business than they can extricate themselves from with honour and reputation" (Society of Friends 1858b: Epistle 1754: 290–1). The notion of limited liability directly contradicted this, in that, for many, it rewarded and encouraged dishonesty. And, in line with the Protestant ethic, failure in the realm of work raised suspicions of sin, imprudence and a breach of the religious imperative to make one's outward life congruent with one's inward life.

While advocates of limited liability pointed to the difference between a loss caused by intentional dishonesty and a loss resulting from unintentional carelessness or bad luck – and also highlighted the value of mitigating practices, such as publishing company registration information – such nuances made little impression on the Quakers. This was partly because, notwithstanding their deep engagement in the world of commerce, most Quakers had, with some exceptions, either been largely excluded or withdrawn from the public sphere and mainstream politics during the seventeenth and eighteenth centuries, and up until the mid-nineteenth century they deeply distrusted elections and party politics (Isichei 1970). Not surprisingly, therefore, they made little contribution to public discourse about the concept of limited liability prior to the passing of the Companies Act. Tellingly, many Quakers at the London Yearly Meeting of 1918 voiced serious concern about the immorality of limited liability, but the reality was that that debate had effectively concluded over 50 years previously.

The Quaker perspective on the joint stock companies was framed by their belief in the importance of the individual, which meant that for Quakers, and for many others, the "corporation" is a collection of individuals rather than a singular, distinct entity. This is clear from the language used: up to the mid-nineteenth century, companies, whether incorporated or not, were invariably referred to in the plural rather than the singular – the term "company" being short for a "company of proprietors" or similar (Taylor 2014: 12). As the idea of the company as a distinctly separate entity emerged around that time, singular verbs and nouns came to dominate and the use of plural constructions to describe the company went into decline (Lamoreaux 2004: 44–5). This was a widely held belief, but what made the Quakers distinctive was their long-standing tradition of individualism and their consequent suspicion of collectivist models of the world. This was also an important reason why many Quakers disliked trade unions and the socialist focus on collective action, power and social class (Freeman 2013). Hence, the notion of the company as a unitary entity, separate from its constituting individuals, was contrary to their individualistic outlook.

Notwithstanding their success in commerce, Quakers were less able to shape the wider political, social and legislative thinking during the emerging factory and machine age of the mid and late nineteenth century, which, ironically, the Quakers had been central in making a reality. In particular, the enactment in law of the company as a distinct legal entity where responsibility and liability could be limited, worked to divide religious belief from sociopolitical and economic values. Another effect of these legislative changes was to create a clear distinction between the shareholders and the managers, which marked a major change from the partnership model – favoured by the Quakers – where the owners were invariably actively involved in managing the business. Thus, in many ways, the new dispensation was inimical to the Quakers' undivided approach to business and life. Quakers saw their business as a service if not a religious calling, with this service motive operating as a counter to the profit motive. This is not to say that the Quakers were against making a profit; rather, they saw profit as a necessary by-product of a successful business, which ultimately was for a service to God and a way of working for common good.

Faced with this dilemma, many of the big Quaker businesses converted to the corporate form by the end of the nineteenth century: Reckitt's in 1888, Crosfield's in 1896, Rowntree's in 1897 and Cadbury in 1899. Always with an eye on being modern, the Quaker companies' willingness to embrace the new corporate form was consistent with their enthusiasm for innovation – whether these be technological, organizational, managerial or new forms of governance and corporate ownership. Yet, the great wave of incorporation in the 1890s marked the beginning of the end of the Quaker undivided business philosophy. The issues were complex, and incorporation was certainly not the only reason why the philosophy unravelled, but it did coincide with a major transition in how Quakers conceptualized their role in the economy and society. During the twentieth century, the Quaker enthusiasm for commerce waned and the Quakers moved, or were shifted, inexorably out of the commercial world as ownership passed progressively out of the families and into institutions. Today, the most famous "Quaker" companies – such as Cadbury and Barclays – are only Quaker by historical association.

Conclusions and futures

The Quaker belief in plainness, brevity and silence was a reaction to what they saw as the "Babelish confusion" of religion in mid-seventeenth-century England (Bauman 1983: 1). This confusion (albeit not religious) exists today, with an excess of language, information, constructs and theories, a phenomenon in which academia has played a not insignificant role. Ghoshal (2005: 79) puts it bluntly: "By propagating ideologically inspired amoral theories, business schools have actively freed their students from any sense of moral responsibility", which then leads to bad business and management practices. If there is a contemporary "Babelish confusion", then a neo-Quaker inspired response might be expected as the Quakers seem to provide a coherent and compelling model of how business might be organized for the greater good of individuals, communities and society by thinking more about ends and purposes and connecting the art of living with earning a livelihood.

Quaker history, beliefs and practices provide a valuable lens for understanding contemporary responses to information overload, confusion and what Ghoshal refers to as "ideology-based gloomy vision". The early Quakers considered themselves part of an "Adventurous Society", integrating religious belief with worldly action to transform society towards the Light – an undivided approach to business, work and life. Quakers' Holy Experiment in business is significant not because of their successes or ultimate failure but because they remind us that "the great achievements of the past were the adventures of the past" (Alfred North Whitehead, quoted in Castle 1941: 68). What will be the form, character and qualities of the adventure of the future and will that future be shaped by a divided or undivided world view of business, economy and society? Such questions, our answers to them and the new purposes they create is our responsibility in memory of the future.

Note

1 This chapter is based on Kavanagh and Brigham's (2018, 2019) analysis of Quaker business.

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38

NEOCLASSICAL ECONOMICS AS THEOLOGY

Robert H. Nelson

Introduction

In the neoclassical economics that dominated professional economics in England and the United States from the late nineteenth through much of the twentieth century, economists conceived the economy as a form of mechanical system and the discovering of the technical laws of its workings as the goal of their research agenda. Neoclassical economists thought of their professional activities as a form of scientific endeavour closely analogous to physics. Admittedly, they recognized that economic laws seldom have the same scientific exactness as physical laws. They regarded this, however, as a small "complication" in performing their fundamental service to society, providing the technical basis of knowledge to advance human control over the economic system and thus human welfare.

Most neoclassical economists did not say all this quite as explicitly as I have done here. Rather, their beliefs were typically communicated most powerfully in their manner of conducting and presenting their economic research. The leading economics journals even today are designed to look like physics journals. The articles commonly have a mathematical model of some economic system which is to be "tested" statistically – in the same article or by another economist somewhere else – to assess its objective validity. Like physics, a journal article is seen by economists as the most legitimate form of "scientific" product – books about economic subjects do not count much for tenure in top economics departments.

In the standard neoclassical economics, much of the economic analysis was done under an assumption of "perfect knowledge" and "perfect rationality" of the economic system. When economists relaxed such assumptions, they still considered that the economic mechanism would always be tending towards a "general equilibrium". Even if the final equilibria might never be exactly reached, the economic system as a whole would in the long run always be moving towards equilibrium outcomes such as the matching of supply and demand in a particular market.

When a dynamic element was introduced, it was seen as the result of some outside (for economists an "exogenous") development that resulted in a new set of equilibria. A common economic method was to make a new assumption and then discover the implications for the resulting altered economic equilibrium states of the world. So the study of economic change in neoclassical economics was that of comparative statics – about comparing relative changes in states of equilibria. Studying the many messy details of the actual dynamic workings of change was seen by neoclassical economists as unnecessary, much as a physicist could afford to ignore the effects of friction in working out the scientific laws of the natural world (Mirowski 1989).

Given such unworldly features, neoclassical economics finally lost favour in the economics profession from the 1970s onwards (Nelson 1976; Furubotn and Richter 1997). It could be seen in retrospect as the professional economic version of a wider utopianism that characterized much of the thought of the twentieth century (Nelson 2001). As most economists were now coming to realize, the fundamental economic problem is actually one of the real-world acquisition of knowledge and the institutional mechanisms that can serve to spread this knowledge throughout the economic system, thus guiding the actions of the various participants in the economy. Rather than perfect knowledge, a better initial assumption for economic analysis might well be a state of no economic knowledge at all. The field of economics could then be studied as a problem of understanding the great diversity of institutional and other ways of moving from an initial no-knowledge economic world to the amazingly wide ranging forms of real-world economic knowledge we routinely see around us in practice (Stigler 1961). Economists sometimes bury all these dynamic elements in the overarching term "transaction costs", but this does little to illuminate the actual workings of the economic world.

The essence of the economic problem is thus the actual means of information discovery, dissemination and use in society relating to economic matters (Hayek 1945). So when neoclassical economists assumed perfect information and perfect rationality, their professional methods were little more than the assertion of a tautology – the economic information problem already solved by the beginning assumption of a world of perfect information. As the 1978 Nobel prize-winning economist Herbert Simon later wrote of neoclassical economics, "most of its 'action' – the force of its prediction – derives from the usually untested, auxiliary assumptions that describe the environment in which decisions are made", yielding a methodology that is essentially "tautological and irrefutable" (1987: 38–9).

Even as a tautology, however, there was ample room for economists to spin complex webs of mathematical reasoning about the workings of a perfectly informed and perfectly rational economic world. For many neoclassical economists, their economic explorations revealed a world – however imaginary – which they experienced as exhibiting a deep aesthetic beauty. It was not unlike the feelings of awe and wonder experienced by the Christian faithful in entering a medieval cathedral. As has become a more common observation in recent years, neoclassical economics offered a new Scholasticism of the twentieth century that followed after its medieval Scholastic predecessors – as Simon characterized it, neoclassical economics is a "scholastic exercise" (Simon 1986: 23).

In this respect and others, it helps to understand that neoclassical economics is more about making a religious statement than an application of the scientific method. In his micro-economic theorizing, Paul Samuelson on the "progressive" side is a kind of "religious artist" writing in mathematics. Milton Friedman, on the "conservative" (or "libertarian" is more accurate) side, and although he made many influential practical policy proposals, served in his high theorist role as a secular prophet of the religion of economic progress. Many ordinary people today still experience the teachings of economics with religious-like feelings of awe and mystery. They trust that professional economists must have a high level of technical expertise to which they should defer. The popular media has commonly helped advance such economic worship. Or at least the media did prior to the Great Recession of 2008 and 2009, which may yet prove to have been a professional economic Waterloo.

Religious blessings as delivered by economics

As little more than a beautiful tautology, neoclassical economics contributed remarkably little to society's actual understanding of the workings of the economic system. There were many individual economists who made important contributions in other more practical ways, but such economists had a lower professional status. The neoclassical economic theorists were the highest ranking "stars" of the most prestigious economic departments such as Massachusetts Institute of Technology, Harvard University and the University of Chicago (which long specialized in "demonstrating" that the unregulated market would come closest to achieving a perfect economic equilibrium as would be found in a world of perfect knowledge and perfect rationality).

It thus might seem a paradox that professional economics has today shed much of its neoclassical past, and may thus be yielding more actual economic understanding, even as it is now held in lower public regard, and has less influence in the policymaking process. Apparently, economic influence in public affairs is less closely correlated with the possession of specific economic knowledge as compared with having a broader religious appeal to the American public. Hence, when it comes even to the practical influence of economists in the world, it may be necessary to study "economic theology" (Nelson 1991). As this chapter will argue, neoclassical economics, for all its scientific limitations, was historically most influential and most successful in giving an essential secular religious blessing to the American economic system.

The great Harvard economist Joseph Schumpeter (1942) had a deep faith in the powers of "economic science". He was a complex figure, however, who in *Capitalism, Socialism and Democracy*, unlike most other professional economists of his time, wove a broad political and economic picture that addressed as well the cultural elements that sustained the legitimacy of the capitalist economic system. Schumpeter candidly explained that the workings of capitalism fed on a process of widespread "creative destruction". It was nothing like the smooth and painless neoclassical search process towards a happy economic equilibrium. As another economist wrote more recently of his thinking, for Schumpeter:

> When they succeed, entrepreneurs get rich. Their new goods ripple through the economy as people realize that they'd like a gramophone player or a television and then go out to buy one. Henry Ford made a fortune out of discovering how to make a cheap car for the masses. Andrew Carnegie from introducing new ways of making steel.
>
> Soon, imitators copy the original entrepreneurs, making the same cars, furnaces or dyes that they introduced. The new goods revolutionize whole industries and the economy expands. Eventually, some businesses fail and the economy starts to contract until a new round of innovation begins. Boom and busts, the up-and-down cycles of the capitalist economy, come from successive waves of innovation, the ebb and flow of entrepreneurship and imitation. New technologies kill off old ones – the horse-drawn cart gives way to the car, the candle to the light bulb. Companies like the camera film manufacturer Kodak rise, then decline, and new leaders appear, like Samsung, who put digital cameras into mobile phones. Schumpeter called it "creative destruction". In Schumpeter's view, capitalism is nothing but the constant change caused by restless entrepreneurs.
>
> *(Kishtainy 2017: 111)*

Schumpeter himself feared for the longer-run future of such a socially disruptive process. For many people, beyond a certain point, the material enrichment created by the radical pace of change of capitalism might not be worth it. Thus, if they were to continue to accept the social legitimacy of a capitalist system, they might require a higher purpose than mere material increases of goods and services. This is where economic religion came in. It promised that the rapid economic progress of the world, however radically disruptive, not only makes us richer in goods and services but also makes us much better human beings (Nelson 2019). Indeed, this is a religious vision not only underlying capitalism but many other "economic religions" such as Marxism, which prophesied the emergence of a "new man" at the end of history when economic progress would culminate in the final abolition of economic scarcity and thus the very transformation of human nature. Other forms of socialism created similar utopian hopes and expectations of reaching a new heaven on earth (Nelson 1991: 181–9). In order for any of them to be successful, a long period of economic (and wider) "creative destruction" would be necessary. The problem both capitalism and socialism faced, as Schumpeter and others saw it, was how this process might be achievable in a democratic political system that would typically be risk averse with respect to the large potential costs for many individual people associated with radical economic change.

But the economic secret of capitalism was that its autonomous market workings – given a sufficient religious blessing to legitimate them – could in fact sustain a long-run period of creative destruction and thus rapid economic progress. This is the answer to the question posed above: why was neoclassical economics – given its large scientific limitations – so important in practice to the success of American capitalism? Its critical contribution was to give a religious blessing to capitalism that overcame the typical risk aversion of so many Americans. Neoclassical economics provided much of the public imagery and symbolism – the liturgy – of capitalist economic religion. For decades, college students learned this liturgy in Economics 101. Capitalism might require heroic individual and other sacrifices, but they were justified as the (temporary) means to the much greater cause of saving the whole world. As it was often said, there is a "price of progress" that every good citizen should be willing to pay when a heavenly destination (if now on earth) is at stake.

The religious symbolism of neoclassical economics was also practically helpful to the success of American capitalism because of its emphasis on a theoretical world of static equilibrium, thus diverting attention from the reality of the high social costs associated with the process of ever-continuing creative destruction. Indeed, in its depiction of the workings of a neoclassical economy of perfect information and perfect rationality, there would be no such transitional social costs at all. Symbolically, moving economically from one economic equilibrium state to another would be painless in a world of perfectly knowledgeable and perfectly rational economic agents – who would thus know immediately how to adjust seamlessly to any outside shocks. Indeed, with perfect knowledge and perfect rationality, the information problem that is the essence of the economic problem, as noted above, would no longer exist. If there were any obstacles to economic progress, they would be political – perhaps the social necessity to accept a new distribution of income that created winners and losers. Even in this respect, however, political disputes would violate the perfect rationality assumption, because with completely perfect knowledge every political agent could already see from the beginning the ultimate political resolution – and thus why waste time and energy by fighting over it when the result was politically unavoidable.

A third important factor is that, as long as ordinary people believed in the world-saving powers of economic progress, their economic faith would work to legitimize a new authoritative priesthood in society, the priesthood of professional economists. If economic progress was indeed the true path of human salvation, it was not to be found in the teachings of the Bible but in the body of technical knowledge possessed by professional economists. The members of the economics profession should therefore replace the Roman Catholic and other priesthoods of old. Moreover, the traditional priesthoods were already experiencing a sharp erosion of public faith in their traditional religious messages, leaving many modern people desperately in search of a newly authoritative priesthood in whom they could believe.

Despite the wide public faith in popular democracy, it seems that in reality every society requires a guiding elite. Indeed, it may be more important that there should be some such elite than the specific details of the religious basis on which that elite asserts its legitimacy. In the modern age, elite status has been achieved above all by making a claim to the special possession of scientific knowledge. As long as popular faith in the redeeming powers of economic science held firm, one might say that American capitalism was long based on three pillars: (1) a popular belief that the process of economic progress is the path of the transformation of human nature and of human salvation; (2) this belief justifies the capitalist system because, as Schumpeter said, capitalist creative destruction offers such a path (probably the most rapid path of all); and (3) neoclassical economists, as the leading scientific experts in the workings of the economic system, become the leading priesthood, the new guiding elite who work to ensure that the capitalist system is sustained and rapid economic progress thus ensured.

By 2017, however, partly owing to the Great Recession of 2008 and 2009, combined with a wider recognition – including as it had been developing among many professional economists themselves in earlier decades – of the large intellectual limitations of neoclassical economics, much of this religious system of faith had been eroded. In that case, there might be much less point to enduring the social traumas of creative destruction. Does this have anything to do, one might ask, with Brexit and the election of Donald Trump both in 2016?

Doing "economic theology"

There are many denominations of economic religion. Indeed, the term "capitalism" itself as the description of an economic system has lost much of its meaning today. It is more accurate to speak of various forms of the welfare state that seek differing relationships between government and the private market. In the United States, the Progressive-era "gospel of efficiency" arose between 1890 and 1920 with its goal of the governmental "scientific management" of American society (Hays 1959). Marxism is another form of economic religion that became a major influence in world affairs around the same time as the new state religion of the Soviet Union after 1917.

A central question for any (Western at least) religion is the explanation for the wide presence of evil in the world. In Christianity, for more than a thousand years, the explanation was that evil is the result of the original sin in the Garden of Eden. As the British economic historian Niall Kishtainy explained recently, the most important consequences were economic. At first in the Garden of Eden, "life was easy for Adam and Eve. They drank from a river and ate fruit from the trees … and didn't have to do very much" to have all this. But after they disobeyed God, He told them that henceforth "by the sweat of your brow will you eat your food". Human beings fell "from a life of plenty … into one of scarcity" (Kishtainy 2017: 13). The Fall in the Garden was in significant part an economic event, the beginning of economic history. Marxism had a similarly Biblical timeline, seeing evil as resulting from the class struggle that began less than 10,000 years ago with the rise of economic civilization and the resulting creation of surplus production.

Until very recently, there seemed little prospect of any end to the biblical God's punishment. The great majority of human beings had always lived in deep poverty and economic desperation, and it seemed that – at least until God one day came to earth – they would always live this way. But the modern age from the eighteenth century onwards opened up a radical new human possibility, that of rapid economic progress continuing over the long run. This possibility first began to be realized in Holland in the seventeenth century and then spread in the eighteenth century to England. The nineteenth century would see a full-fledged industrial revolution in England that eventually spread far beyond. By the end of the twentieth century, astonishingly enough, in the developed world average people live – in terms of access to food, communications, transportation, medical care and many other items of consumption – at a material standard of living higher than a royal family of 300 years ago. It is virtually an economic miracle.

If a life of economic deprivation had been God's original harsh judgement, it thus seemed that human salvation might now lie within human hands alone. Indeed, new economic prophets now held out the hope that economic scarcity might be abolished altogether. Human beings would no longer have to wait for a heavenly destination in the hereafter (which in any case was of uncertain probability for Christian theologians such as John Calvin, who believed that only a minority of human beings were predestined for salvation). Astonishingly enough, the economic promise was sooner and more reliable than the biblical message that Jesus Christ had come to earth and died to save us from our sins – and would some day be returning (Nelson 2001: 276–8).

Such an economic theology could be adapted – if somewhat awkwardly – to a "progressive" Christian setting. But the scientific discoveries and other developments of the modern age were undermining Christianity altogether for many people. The very idea of an original sin in the Garden of Eden increasingly seemed mythological – and Darwinism for many people was the final death blow. How, then, might the continuing obvious large presence of sin in the world be explained? For modernist true believers from the Enlightenment onwards, they now substituted a new understanding. They contended that a person is shaped by the external environment in which they grow up and lives out their life. So it was really bad environments, not original sin, that made bad people. Critically for "economic theology", it was the material character of the environment that was decisive. This meant that, by showing how to eliminate poverty, and eventually all economic scarcity, economic knowledge could offer human beings the power to save the world by their own actions alone, the result of perfecting their external economic environment. From Adam Smith onwards, including Karl Marx, economics became the new "Bible" of the many newly "secular religious" true believers of the Western world. (There were also other types of secular religious competitors such as Freudianism – itself offering a vision of a violent "economic" struggle now taking place among competing parts of the mind, a "Marxism of the mind" as it has been called).

Environmentalism: an anti-progressive gospel

History has a way, however, of confusing the message. Despite the immense economic progress of the nineteenth century, things went terribly wrong from 1914 onwards. Two recent books, *Bloodlands: Between Hitler and Stalin* (Snyder 2010) and *Inferno, the World at War, 1939–1945* (Hastings 2012) document the extraordinary ferocity of a new kind of religious warfare in the Western world, lasting for 30 years and leading to the deliberate slaughter during the Second World War of well over 10 million people in the "bloodlands" of Eastern Europe, many of them innocent civilians caught between the two modern religious combatants of Nazi Germany and the Marxist Soviet Union. In the earlier 30-year religious war of the seventeenth century, it is estimated that about 30 per cent of the population within the borders of the Germany of that time similarly perished.

The atom bomb in 1945 then raised the possibility that human beings by their own actions might not be advancing along a path of scientific and economic progress towards heaven on earth but rather hell on earth. Besides endangering human beings themselves, "progress" already seemed to be endangering the existence of significant parts of the plant and animal kingdoms of the earth. Beginning in the 1960s, environmentalism became the leading outlet for such fears. Rachel Carson wrote in 1962 that DDT was not a miracle chemical that would finally eradicate malaria, but was actually killing some of the most important bird life of North America, threatening bald and golden eagles with extinction. Environmentalism now proclaimed that much of the presumed scientific knowledge on which public policy was based was not only deeply flawed technically but its consequences were morally bankrupt as well (Nelson 2012). One prominent environmental philosopher was even motivated to write on the good reasons why "environmentalists hate mainstream economists" (Norton 1991: 250). Environmentalism thus offered a fundamental religious challenge to the progressive true beliefs in the economic salvation of the world that had carried the day from the eighteenth century and the Enlightenment into the mid- to late twentieth century.

Despite the fact that environmentalists do not usually recognize it, there is, moreover, a deeply ascetic and Calvinist side to contemporary environmentalism (Nelson 2014). The continual accumulation of goods and services is seen not as the path to a greater individual and social happiness and to wider human improvement, but as a distraction from higher and better callings. A 1970s Sierra Club book was entitled *Muddling Toward Frugality* (Johnson 1978). Economic optimism in the eighteenth century displaced the Calvinist pessimism that had long seen human beings as living in a permanent state of corruption and depravity. But now the human savagery of so much of twentieth-century history suggested that the long-standing Christian understanding of a fall into depravity might be more plausible than modern progressives previously could conceive might be true. Significant new religious thinking would apparently be necessary.

The religion of Trumpism

History has had more surprises in store, some even very recently. An editorial writer for the *Wall Street Journal* who attended one of Donald Trump's mass rallies during the primary campaign of 2016 came away concluding that "in Mr. Trump, many GOP primary voters have found a sort of messiah" – and literally so. Yet another American journalist, reflecting on the atmosphere of a Trump rally he also attended, wrote that the crowd "hung on the candidate's every word – often with looks of ecstasy and some visibly trembling". Indeed, it amounted to a secularized religious revival meeting. Following a formula familiar to stump preachers of old, Trump told the assembled that "our country is going to hell" but fortunately "deliverance was at hand" because Trump was the new prophet who would lead the way to "salvation" (Finley 2016).

Seeing little economic progress in their own lives, any progressive religious enthusiasm the Trump supporters might once have had for making the sacrifices called for by the capitalist workings of widespread "creative destruction" had faded. Large numbers of Americans had also abandoned progressive economic religion for evangelical and other conservative Christian denominations that had turned back to the old idea that it is God, not the knowledge produced by professional economists, who will be responsible for saving the world. Indeed, for them progressive economic religions were a modern heresy. This may help to explain why fully 80 per cent of American white evangelical Christians would vote for Trump for President in November 2016, despite his three marriages and other much less than "Christian" behaviour over his personal and business history since the 1970s.

The goal of economic progress, as described above, is not only greater material well-being but also large improvements in other more important non-material areas of life. The 2016

Nobel Memorial Prize winner in Economic Sciences, Angus Deaton and his economist wife, Ann Case, have recently been documenting the remarkable decline in life expectancy among middle-aged white Americans. The three leading causes they find are opioids and other illegal drugs, alcohol and suicide. At a March 2017 conference at the Brookings Institution in Washington, DC, they suggested that

> the increases in [such] deaths of despair are accompanied by a measurable deterioration in economic and social wellbeing… Marriage rates and labor force participation rates fall between successive birth cohorts, while reports of physical pain, and poor health and mental health rise.
>
> *(Case and Deaton 2017)*

– all this occurring in one of the richest nations in the world. Few people would think there is much in common between American environmentalism and American Trumpism, but they do share a common disdain for the central religious role that progressive economic experts long played in American public life. Indeed, as a matter of public policy, this leads them both to share a high degree of scepticism about the benefits of free trade and both are wary of large-scale immigration.

A crisis of economic religion

The British sociologist David Martin is the closest intellectual we have today to the great German sociologist Max Weber. In 2014 in *Religion and Power*, Martin writes that "we cannot discuss the place of religion in our public life as though we were dealing with irrational religion in the private sphere and rational politics in the public sphere. That procedure is as morally outrageous" – favouring even raw politics over any carefully developed religious arguments – as "it is scientifically untenable" (Martin 2014: 1). The waves of populism rolling across Europe and the United States in recent years have superficially been about economics but are really more about religion – about in fact the current crisis of the economic religions that dominated so much of the public life in the West of the modern age.

In assessing the benefits and costs of economic growth and progress, economists have been highly selective, ignoring some kinds of benefits and costs altogether, typically those associated with the short-run transitional path – the creative destruction – of overall economic progress. It is, as economists have long said, the end result – the long run – that counts, paying little heed to the potentially large short-run stresses and strains of the social processes of economic growth and development themselves. For economists, it is the politicians who "sinfully" put too much emphasis on such shorter-run considerations. Implicitly, this thinking amounts to affirming a belief in economic growth and progress as the path to a wonderful future – to a new heaven on earth. If such a transcendent purpose is truly at stake, there is much to be said for the long-run message preached by economists that economic growth must be the core priority. But the economic religions of progress have been fading since the 1970s, and at an accelerating rate since 2000.

So we face an economic crisis that is really a religious crisis (Nelson 2010). It is impossible to say where all this will lead. But the new economic and religious thinking will need to consider all the many important things that were left out by neoclassical economics and that later economists have also been unable to address adequately. These include matters such as the loss of community when the market, operating nationally and internationally, renders a negative verdict on the mainstays of the local economy – and, if they want to have a job, most people have no choice but to move away to another place, itself often a costly and painful experience. Another critical omission is the individual sense of anxiety about possible losses of a community or a job, even when such losses never actually occur. Newly addressing such matters would, to say the least, require economics to undergo a major transformation. And given the inseparability of economics and religion, it would require a major religious transformation as well.

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39

MARXIST ECONOMICS AND THEOLOGY

Roland Boer

> Thus we get the fetish form of capital and the conception of fetish capital.
>
> (Marx 1894 [1998]: 390).

The core of the theological implications of Marxist economics may be somewhat surprising: it concerns the fetish. In the three volumes of *Capital*, Karl Marx undertakes his major transformation of the fetish in order to identify the ultimate secret of capitalism. However, in order to get to this point, we need to work our way through a number of steps. These concern a brief survey of works on Marxism and religion, in distinction from theology, a consideration of liberation theology's efforts to align idolatry and fetishism, and then Marx's own transformation of the fetish.

I begin with a distinction between the (troubled) category of religion and that of theology. Marxism and *religion* is a path reasonably well worn, but Marxism and *theology* offers a track where relatively few dare to tread. While a number of anthologies of selected items on religion written by the "founders" exist (Marx and Engels 1976; Padover 1974; Raines 2002; Lenin 1969), we may identify the key features of those critics who have dealt with the question of religion. To begin with, some inevitably focus on the famous opium metaphor, with the best works emphasizing its ambivalence (McKinnon 2006; Molyneux 2008; Löwy 2005). Some have followed Walter Benjamin's brief suggestion from 1921 concerning capitalism as a "religion" without dogma (Benjamin 1996: 288–91; Deutschmann 2001; Löwy 2009). Many point out that Marx clearly saw religion as a secondary category, for the key lies in political and economic analysis and activism (Bhattacharyya 2006), although some simply take the line that religion is an illusion (Toscano 2009). More comprehensive are the overall surveys and efforts to think through what the blockages and implications might be of a Marxist criticism of religion (McLellan 1987; Roberts 2008a, 2008b; Rehmann 2011). These do not include subsequent efforts to reinterpret a Marxist approach to religion, let alone Friedrich Engels's distinct contribution to understanding both the political ambivalence of religion and the revolutionary origins of Christianity (Engels 1850 [1978], 1882 [1989], 1883 [1990], 1894–95 [1990]).

On Marxism and theology we find far less. Subsequent Marxists may have found their works subjected to theological analysis (Kotsko 2008; Depoortere 2009; Brittain 2010; Karlsen 2010), but actual efforts to deal with Marx's thought in light of theology are few (Van Leeuwen 2002b, 2002a). My own work has attempted a somewhat different approach, in which Marxism and theology function as two languages, with their own promises and limits, engaged in a dialectical interaction (Boer 2007–2014, 2013, 2017). When I introduce economics into the equation, the field becomes even more specific. The only recent group that has offered any sustained analysis of Marxist economics are the liberation theologians, although their overriding tendency has been to engage Marxist analysis for economic and social questions, while seeking solutions on a theological register (or what may be called the ontological reserve).

The exception is the fetish. Some liberation theologians sought to connect Marx's deployment of fetishism – especially the fetishism of commodities from the first volume of *Capital* – with the biblical criticism of idolatry. In the Bible, the best example appears in Isaiah 44:9–20, which develops a clever criticism. The idol worshipper is not simply deluded, worshipping an object made of wood, metal or stone. Instead, the key is that while the worshipper believes this object points to a deity, the text of Isaiah denies the link. You – suggests Isaiah – may think you are worshipping your god through this object, but your god does not exist (see also Exodus 20:3–5). Therefore, all you worship is the object in question, without realizing it. Subsequently, within the various streams of the Christian church, idolatry became associated with other religions, which required their own systems of organization, religious professionals, built structures and venerated items. Again, the key argument was that the gods in question do not exist, so the respective worshippers devote their attention to meaningless objects.

For the liberation theologians, idolatry was not limited to the gods of other religions, but applies also to the many facets of capitalism (Hinkelammert 1986: 5–42; Sobrino 2004 [1982]: 57, 146, 165–7; 2004 [1985]: 59, 99; Dussell 1993, 2001: 298–9; Sung 2007; Assmann and Hinkelammert 1989; Scott 1994: 75–109; Löwy 1996: 56–7; Evans 1984: 146–8; Lischer 1973: 554–5; Suda 1978; Thiemann 1985; Ward 2005: 333–4). Far from a generic denunciation of "materialistic" pursuits, they identify specific features of capitalism as idolatrous. These include the obsessions with national debt, gross domestic product, economic growth, trade surpluses and deficits, interest rates, profit margins – these idols have become part of a cult that destroys lives for the benefit of a few. Further, the economic theories – Fordism (neo)liberalism and Keynesianism – that seek to "explain" but, in reality, justify such idols are false ideologies coming from the mouths of false prophets.

As we will see soon, these liberation theologians have actually drawn out Marx's identification of the many capitalist fetishes and identified them as idolatry. In the *Economic Manuscript of 1861–1863*, Marx continually expands the fetishes, well beyond commodities and the commodity relation in the first volume. These include the capitalist as a personification of capital; the productive powers of capital, use, exchange and surplus value; the application of the forces of nature and science; the products of labour in the form of machinery; wealth; the conversion of production relations into entities, interest, rent, wages and profit. Capitalism has become a massive conglomeration of fetishes (Marx 1861–63 [1994]: 457–8). Clearly, liberation theologians have seen fit to read this argument as another version of the criticism of idolatry. The catch is that such an interpretation misreads Marx: he had already subsumed idolatry and indeed its associated theological currents under fetishism. In developing a dialectical transformation of the latter, he effected an extraordinary *Aufhebung* – or "sublation" – of theology itself. To see how, we need to work our way through Marx's deliberations on the fetish.

Marx first encountered the fetish in the early 1840s. Reading for a work on religion – the lost treatise *On Christian Art* that was part of his early collaboration with Bruno Bauer – Marx read, in translation, a crucial work by Charles de Brosses (1760, see Marx 1842 [1976]). Coming after a history of some three centuries of Portuguese encounter with African peoples, the neologism "fetish" had entered the lexicon of the burgeoning study of religion. Given the history of idolatry and its reshaping as a theological category (with appropriate institutional appurtenances), it was no longer an adequate term to describe the objects worn and – at times – eaten by the Africans as an inescapable part of social interaction (Pietz 1985, 1987, 1988). The fetish and its simultaneously attributed and real power became a mark of "native" religio-social practices. By the time of Brosses' work, fetishism had subsumed idolatry into its orbit. The work in question examined the fetishism of ancient Egypt, with the primary "source" being the Bible. Items that had formerly been described as idols were now seen as fetishes.

Marx found this insight profoundly useful. In various works of the 1840s he already sought to invert the otherness of the fetish, observing, for example, that the "natives" of Cuba are far more civilized than the Rhine nobles who make a fetish of wood and hares (Marx 1842 [1975]: 262–3).[1] Over the following years, Marx would deploy the fetish to reinterpret the alienation of labour, in which the transfer of power inherent in the fetish comes to the fore: characteristics of human interaction attach to the fetish, while human beings function as though they were objects. Here lies the key to the later theory of reification, for it arises from the quasi-theological category of the fetish. In terms of labour, the objects produced by labour gain the power of the worker while the worker becomes weaker, a point Marx makes with explicit theological analogies (Marx 1844 [1975]-b: 272, 278). Or, the mediating role of money sucks power out of human relations and attributes them to this curious thing – much like Christ in Christian theology, who is the mediator between the "Father" and human beings (Marx 1844 [1975]-a: 212; see also Marx 1844 [1975]-b: 325–6).

By the time we come to *Capital*, the fetish had already undergone significant transformations in Marx's thought. Most analyses focus on the section in the first volume concerning the secret of commodity fetishism:

> There [with commodities] it is a definite social relationship between men, that assumes, in their eyes, the fantastic form of the relation between things. In order, therefore, to find an analogy, we must have recourse to the mist-enveloped regions of the religious world. In that world the productions of the human brain appear as independent beings endowed with life, and entering into relation both with one another and the human race. So it is in the world of commodities with the product of men's hands. This I call the Fetishism which attaches itself to products of labour, so soon as they are produced as commodities, and which is therefore inseparable from the production of commodities.
>
> *(Marx 1867 [1996]: 83)*

The importance of this text has long been recognized, but its import is open to debate. Is Marx saying that the fetishism attached to commodities and commodity relations is an illusion, which renders the analogy unhelpful (Geras 1983: 165; Dupré 1983: 49; Pietz 1985: 10; Ward 2005: 333–4)? Or is the transfer real, as Marx often indicates? A careful study of the text itself (Marx 1867 [1996]: 81–94) reveals that Marx struggles at the edge of language as he tries to pin down what can hardly be represented (Jameson 2013). As he does so, he produces a convoluted phrase: "socially valid, and therefore *objective thought forms* [*gesellschaftlich gültige, also objektive Gedankenformen*]" (Marx 1867 [1972]: 90; italics in original). As Rehmann (2013: 43) observes, "As an 'objective thought form', commodity-fetishism is both a form of social life in bourgeois society and a corresponding form of practice and consciousness, that is, 'reasonable' practice as well as practical reason". This effort to sublate (*Aufhebung*) the old distinction of real and unreal through the fetish will be crucial in the subsequent development of the category of the fetish.

The following material in *Capital* transforms the fetish much, much further. I should say that this is a path that few tread, since they prefer to dwell in the territory of the first volume of *Capital* (Pashukanis 1929 [1924]; Lukács 1968, 1988 [1968]; Cohen 1978; Baudrillard 1981: 90–1; Ripstein 1987; Finocchiaro 1989; Bennett 2001: 7–9, Knafo 2002; Nancy 2004, see further, Dimoulis and Milios 2004: 5–17). One or two try to minimize the theory of fetishism, as an anomaly in Marx's work (Mulhern 2007), but few are those who venture further (Dimoulis and Milios 2004: 23–31; Düzenli 2011). But if we delve further, we find initially a process of expansion so that every feature of capitalism becomes an instance of fetishization, until Marx begins a process of distillation, in which he seeks the essence of capitalism's extraordinary secret. Thus, in the remaining section of the third draft of *Capital* (Marx 1861–1863 [1994]: 455–61), Marx introduces the range of items I noted earlier (in relation to the liberation theologians). Moving well beyond money, commodities, use value and exchange value, he focuses on the abstractions in the social process of labour: these involve the combining of individual capacities and objective conditions of labour, such as machinery, fixed capital and how the forces of nature and science are applied.

Further, while the capitalist personifies the social character of labour, we also find rent, wages and profit taking on social relations, with the result that social development becomes nothing less than the development of capital. Indeed, human history itself is the development – over millennia – of capitalism. At this point, we still have a collection of items that have become fetishes. But by the third volume of *Capital,* we find even more items, so that every facet of capital is fetishized. Added now are land, landlord, the abstraction of labour (which becomes a "mere ghost" like the Holy Ghost) that produces wages of itself, wages, profit (arising from surplus labour, value and product), circulation process, world market, movements of market prices, credit, industrial and commercial cycles, alternations of prosperity and crisis – all of these seem to function as "natural laws" subject to "blind necessity" (Marx 1894 [1998]: 801–18).

Once expansion has reached its limit, the process of distillation begins, in two steps. The first is to identify three core features, with each seeming to produce profit in and of itself. These are capital, land and labour, in which capital works through interest, land through ground rent, and labour through wages. The fetishization now becomes clearer, for each seems to produce its respective interest, rent and wages without the mediation of labour power, surplus labour, surplus value, commodities, production, circulation and so on. Now the theological dimensions begin to come to the fore, in what may be called Marx's implicit theo-economics:

> In capital–profit, or still better capital–interest, land–rent, labour–wages, in this economic trinity represented as the connection between the component parts of value and wealth in general and its sources, we have the complete mystification of the capitalist mode of production, the conversion of social relations into things, the direct coalescence of material production relations with their historical and social determination. It is an enchanted, perverted, topsy-turvy world, in which Monsieur le Capital and Madame la Terre do their ghost-walking as social characters and at the same time directly as mere things.
>
> *(Marx 1894 [1998]: 817)*

This section of *Capital* is not called "the Trinity formula" for nothing. However, within this trinity, the most important is the first, capital–interest, which holds the place of God the Father. The reason is that the landlord demands a portion of the rent for himself and the worker requires some of his wages for sustenance and self-renewal (Marx 1894 [1998]: 809). Something is removed from or is extraneous to the system. By contrast, the capital–interest relation remains seamlessly integrated.

So, the final step is to identify this very process as the core fetishization of capitalism. The explicit identification of this "most fetish-like form [*fetischartigste Form*]" (Marx 1894 [1998]: 388) appears in the twenty-fourth chapter of the third volume. He speaks of what is now called the financialization of the market: without mediation, capital creates surplus value and money creates money. Instead of the well-known formula M–C–M', the actual fetish of capital is simply M–M' – "the original starting-point of capital" (Marx 1894 [1998]: 389). Gone is any need for the processes of production and circulation.

What is at stake here? First, the fetish transfer, which involves the transfer of human social interaction to the relations between objects, is now fully realized in the complete abasement and disappearance of human relations – as with the gods. As Marx puts it, "In interest-bearing capital, therefore, this automatic fetish, self-expanding value, money generating money, is brought out in its pure state and in this form it no longer bears the birthmarks of its origin". This is the essential fetish form (*seine reine Fetischform*), a "mysterious", self-generating source of its own increase (Marx 1894 [1998]: 389). In terms of the earlier lists of the many features of capital, these may now be seen as the incarnations of capital as a fetish in and of itself. Second, is this process real or an illusion? Once again, Marx works at the edge of language. It is a topsy-turvy world, in which M–M' is a "meaningless form" of capital, mystification "in its most flagrant form", if not the "fetish form of capital and the conception of fetish capital" (Marx 1894 [1998]: 390). Yet, it is also very real, when we remember the process of production. Thus, M–M' may be a "meaningless condensation", but it is also the "original starting-point", the "primary and general formula", the moment when the unity of production and circulation "appears directly" (Marx 1894 [1998]: 389).

By now, the *Aufhebung* of the fetish is almost complete, moving far beyond the early exploration of the fetishism of commodities, let alone the initial observations concerning hares and fallen wood. The whole range of items Marx has explored have become particular instances, incarnations of the "pure fetish form [*seine reine Fetischform*]" of capital. Capitalization is nothing less than fetishization, so much so that Marx coins a new term, "capital-fetish [*Kapitalfetisch*]" (Marx 1894 [1998]: 396).

What are we to make of this profound transformation? I have argued that he effects a profound *Aufhebung* of the fetish, working his way over decades from the initial inversions that the term enabled to profound insights into the workings of a system that resists representation. Yet, the fetish is not a strictly theological category. It came initially from colonial encounters of the fifteenth century, entering into European analysis in a desperate effort to understand a world that was opening out as Western Europe was itself beginning to move from a profound backwardness to a militant colonialism. In short, the fetish arose from the early stages of what would later be called studies in religion, even if "religion" was framed in terms of the European articulation of Christianity. The somewhat outsider status of the fetish in terms of theology actually suits what Marx does with the term, for he could not do so with a standard theological term. One needs to look awry, to think sideways in order to trick the system into revealing its secret. And that is precisely through a term that was both outside the system and a product of its expansion.

I would like to emphasize the dialectical potential of the fetish. To begin with, Marx astutely recognized – in a Germany that was itself backward in a backward Europe – that the fetish signalled this multilayered backwardness, in which the "savages" were themselves far more advanced than the purveyors of "advanced" culture. As he developed the term in his analysis in seeking to understand capitalism, it was precisely this dialectical potential that the fetish provided. This move entails two steps. The first is to analyse what many regarded as the most advanced economic system and show how it actually relies on a "primitive" conception. As Max Horkheimer and Theodor Adorno put it, the most advanced instances of enlightenment evince the most advanced exhibition of barbarism (Horkheimer and Adorno 2002 [1947]). The second step is to offer a profound *Aufhebung* of not only the fetish but also of theology. How so? Marx began by assuming the "estrangement effect" of the fetish in relation to theology, in which the fetish subsumed the theological category of idolatry within its orbit (via Brosses' argument). He then took the fetish on a distinct path, with idolatry under its belt, sublating it in terms of labour and money and the commodity, so that it provided him with the means of understanding the inner workings of capitalism in terms of "capital-fetish". By now, theology had been doubly transformed. Initially, it was already under the sign of the fetish, but now it was sublated at another level to identify the inner workings of capital. By the end, theology was hardly recognizable in its initial terms. All of its questions and problems had shifted another level or two, only to raise a whole new set of questions.

Note

1 While editor of the *Rheinische Zeitung*, Marx satirized the Rhine Province Assembly for its measures to curtail the medieval practice of peasants gathering fallen wood and catching hares on the lord's estate.

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JOHN MAYNARD KEYNES AS THEOLOGIAN*

David Andrews

Introduction

From his undergraduate period onwards, John Maynard Keynes' writings are filled with religious references, but in his posthumously published memoir, *My Early Beliefs*, reflecting on the views he shared with his friends in the "Apostles" society at Cambridge University before the First World War, he described his early hostility towards religion. He recalled that he had regarded Christians as "the enemy" because "they appeared as the representatives of tradition, convention and hocus pocus" (1938 [1972]: 446). During that early period, he wrote, he had considered his own system of beliefs to be unequivocally free of religious taint, "as entirely rational and scientific in character … nothing more than the application of logic and rational analysis to the material presented as sense data" (1938 [1972]: 438).

The reasons for Keynes' early hostility towards Christianity are not hard to discern. There was a long tradition in Great Britain, with which Keynes' family had been associated, of disagreement and separation from the established Anglican Church, going back to the sixteenth century, including Unitarians, Puritans and Quakers, among a number of dissenting and nonconforming groups. Turmoil within the Church intensified in the middle of the nineteenth century with the Catholic revival known as the Oxford Movement, along with a series of highly influential challenges to the historical accuracy of the biblical narrative. David Strauss' *The Life of Jesus Critically Examined* (1913 [1835]) pointed to the mythological character of the supernatural events depicted in the Bible. Charles Darwin's *On the Origin of Species* challenged the creation story. Orthodox clerical members of the Church of England sanctioned historical criticism in the *Essays and Reviews* (Parker 1860). In 1862, Bishop John William Colenso published his *The Pentateuch and the Book of Joshua Critically Examined*, in which he attacked the literal accuracy of the story presented in the first books of the Bible. In his 1865 *Examinations of Sir William Hamilton's Philosophy*, John Stuart Mill attacked the philosophical defence of orthodox belief put forth by H. L. Mansel in his Bampton Lectures of 1858.

Despite these challenges, the Church of England retained a great deal of power and influence in the life of the country. In the late nineteenth century, therefore, reformers at the University of Cambridge directed their energies against such Church-inspired religious constraints as the

* This chapter is a revised version of Andrews (2017).

requirement that Fellows affirm the Thirty-Nine Articles of Religion. At the beginning of the twentieth century, the young Keynes and his friends viewed themselves as the leaders of the next wave of reform, the pernicious influence of the Church appearing to them as the primary obstacle to be overcome.

The later Keynes took a very different view. First, he came to see his own early beliefs as constituting a "religion", as "some sort of relation of neo-Platonism", despite his very different perspective during those early years: "I have called this faith a religion … But we should have been very angry at the time with such a suggestion" (1938 [1972]: 438). In 1938 he reaffirmed his commitment to his early religion:

> It seems to me looking back, that this religion of ours was a very good one to grow up under. It remains nearer the truth than any other that I know, with less irrelevant extraneous matter and nothing to be ashamed of … It is still my religion under the surface.
>
> *(1938 [1972]: 442)*

Moreover, Keynes came to see another force as the central problem of modern society, namely, the greedy, selfish and materialistic attitude expressed in the philosophy of Jeremy Bentham, "the Benthamite calculus, based on an over-valuation of the economic criterion": "I do now regard that as the worm which has been gnawing at the insides of modern civilization and is responsible for its present moral decay" (1938 [1972]: 445–6). From this perspective, Keynes came to view religion and tradition in a positive light, because they stood in opposition to the selfish and materialistic tendency. In his *Economic Possibilities for Our Grandchildren* (1930), he predicted that economic progress would allow humanity to escape from Benthamism, leaving people "free … to return to some of the most sure and certain principles of religion and traditional virtue" (1930 [1972]: 371). The shift in Keynes' view is associated with his taking a broader view of religion that was not based on the Church of England. In this chapter I explore this new definition and the senses in which it applied to Keynes himself.

A broad definition of religion

There is no evidence that Keynes ever believed in any sort of deity, but religion, for Keynes, did not require the affirmation of dogmas or belief in God or gods. These were not necessarily inconsistent with religion, but they were not necessary for it either. In *A Short View of Russia* (1925 [1972]), in which he described Leninism as a kind of religion, he divided believers into two categories, "high and low": on one hand were the "mystical sleep-walkers" and on the other, the "practical idealists". He explained as follows: "There are two distinct sublimations of materialistic egotism – one in which the ego is merged in the nameless mystic union, another in which it is merged in the pursuit of an ideal life for the whole community of men" (1925 [1972]: 254). The first category includes those who participate in religion through a certain kind of individual mental experience relating to the divine, for example in prayer, thanks or celebration. The second category includes those who do not accept current conditions and work to create a better world for everyone. Without providing examples, Keynes pointed out that some great religious leaders belonged to both groups.

The second group makes for an unusual definition of religion, as Keynes pointed out, giving rise to some conclusions that may be surprising. For example Keynes pointed out that on this view Leon Trotsky was "amongst the most religious" people in the world despite his explicit condemnation of religion in terms that Keynes quoted at length. But Trotsky's condemnation only referred to religion in the first of Keynes' senses. Keynes justified calling him religious by citing other writings demonstrating that Trotsky was deeply committed in the second sense, because Trotsky anticipated, in Trotsky's words quoted by Keynes,

> a society which will have thrown off the pinching and stultifying worry about one's daily bread … in which the liberated egotism of man – a mighty force! – will be directed wholly towards the understanding, the transformation, and the betterment of the Universe.

Keynes also cited a similar passage from Trotsky's *Literature and Revolution* pointing to the same eventuality:

> The Revolution itself is not yet the Kingdom of Freedom. On the contrary, it is developing the features of "necessity" to the greatest degree … Revolutionary literature cannot but be imbued with a spirit of social hatred, which is a creative historic factor in the epoch of proletarian dictatorship. But under Socialism solidarity will be the basis of society. Literature and Art will be tuned to a different key. All the emotions which we revolutionaries, at the present time, feel apprehensive of naming – so much have they been worn thin by hypocrites and vulgarians – such as disinterested friendship, love for one's neighbour, sympathy, will be the mighty ringing chords of Socialist poetry.
>
> *(1925 [1972]: 255)*

That is, even though Trotsky explicitly rejected what he considered to be religion, he looked to a higher ideal for humanity than that which was dominant in the existing society and in this Keynes saw true religion, above that of the professed believer who could not see any higher mode of human existence than that which currently existed. Socialism, in this sense, was, for Keynes, an inherently religious enterprise.

Keynes' religion in the first sense

The religion Keynes described as his own in *My Early Beliefs*, following the philosophy of G. E. Moore, was a religion in the first sense, involving individuals in states of "nameless mystic union", as can be seen in Keynes' belief that what was most important for human life was to experience "good states of mind" consisting of "timeless, passionate states of contemplation and communion" (1938 [1972]: 436). Moore, a contemporary English philosopher, thought this to be a self-evident matter of common sense from which there was no dissent: "Indeed, once the meaning of the question is clearly understood, the answer to it, in its main outlines, appears to be so obvious, that it runs the risk of seeming to be a platitude" (1903: 188).

Moore's ideas about good states of mind depend on his distinction between ends, which are pursued for their own sakes, and means, which are pursued in order to achieve ends. Linguistic complications arise for two reasons. First, there are intermediate ends, that is, goals that appear to be ends, but are really means towards the achievement of some further end. Second, in ordinary language "good" is frequently applied to means, to indicate that those means are effective for the achievement of the ends to which they are directed. The goodness that was of interest to Moore, goodness in its ethical sense, is the goodness of ends in themselves, pure ends that do not serve as intermediate ends directed towards any other purpose.

The most important pure end, according to Moore, is love, broadly understood, not in an abstract sense, but the actual mental and physical experience of loving and being loved. He took this to be a matter of common sense, about which there was universal agreement. If someone disputed that love as an experienced state of consciousness is good, Moore could only conclude that either there was some misunderstanding or that the person was being intentionally contrary. Another important pure end for Moore was the creation and appreciation of beauty. Again, it was the actual physical and mental experience that Moore thought good, not the idea of beauty in the abstract. Moore believed the goodness of such experience to be a matter of common sense to anyone who gave it any thought:

> By far the most valuable things, which we know or can imagine, are certain states of consciousness, which may be roughly described as the pleasures of human intercourse and the enjoyment of beautiful objects. No one, probably, who has asked himself the question, has ever doubted that personal affection and the appreciation of what is beautiful in Art or Nature, are good in themselves, nor, if we consider strictly what things are worth having purely for their own sakes, does it appear probable that any one will think anything else has nearly so great a value as the things which are included under these two heads.
>
> *(1903: 188)*

Moore's analysis of these led him to add truth to the list of things that are intrinsically good. Again, not truth in an abstract sense, but the activity of pursuing and contemplating truth. He believed that thoughtful, educated and informed people were essentially agreed on this point (Moore 1903: 199). At least in his youth, Keynes accepted the same three objects as good in themselves, the sources of good states of mind:

> The appropriate subjects of passionate contemplation and communion were a beloved person, beauty and truth, and one's prime objects in life were love, the creation and enjoyment of aesthetic experience and the pursuit of knowledge. Of these love came a long way first.
>
> *(1938 [1972]: 436–7)*

The emphasis on experiences of love, beauty and truth is not to deny that states of mind other than these can be good, but only that these are the best and most important states of mind. In *My Early Beliefs*, Keynes suggested that Moore's understanding of pure ends and good states of mind was overly narrow and that other things could be added to the list (1938 [1972]: 444). In his work *Economic Destiny*, the British economist Ralph Hawtrey, a friend of Keynes, and himself also influenced by Moore, included a whole range of good states of mind (1944: 194).

Keynes' religion in the second sense

While the "passionate states of contemplation and communion" qualify as religious in the first sense described above, Keynes was also religious in the second sense, in that he was a practical idealist seeking "an ideal life for the whole community of men". According to Moore's moral philosophy, duty requires that one act in such a way as to maximize goodness construed in the manner described above, as a property of states of mind: "the assertion 'I am morally bound to perform this action' is identical with the assertion 'This action will produce the greatest possible amount of good in the Universe'" (1903: 147). Or, again,

> By far the most valuable things, which we know or can imagine, are certain states of consciousness, which may roughly be described as the pleasures of human intercourse and the enjoyment of beautiful objects … it is only for the sake of these things – in order that as much of them as possible may at some time exist – that anyone can be justified in performing any public or private duty … they … form the rational and ultimate end of human action and the sole criterion of social progress.
>
> *(Moore 1903: 188–9)*

Keynes saw two related obstacles to the maximization of goodness in the universe. On one hand, the problem of supplying the material needs of people simply to maintain their physical existence in the world, what Keynes called the economic problem, was an enormous obstacle to the experience of good states of mind. Keynes considered material comfort, along with physical calm and intellectual freedom, to be a precondition for the experience of good states of mind. This is not to say that one might not experience good states of mind without these conditions, but rather that their absence substantially hinders such experience. Poverty and hunger are generally not good states of mind. A difficulty arises, however, because the acquisition of material comfort is or can be an uncertain and time-consuming process that does not typically produce good states of mind directly. Creating the conditions for good states of mind therefore requires activity that does not produce them, that may even produce bad states of mind. The solution of the economic problem, the creation of a situation in which scarcity could be replaced with abundance, in which people would no longer have to devote the primary share of their attention to activities enabling them to procure their material needs, would therefore allow more people a much greater opportunity to experience good states of mind than they could have in a world in which the economic problem was not resolved.

On the other hand, this difficulty is exacerbated by the fact that the struggle to acquire the means of physical subsistence produces the greedy, selfish behaviour, described above as Benthamism, that seriously detracts from good states of mind, because it serves as an obstacle to love, the creation and appreciation of beauty and the pursuit of truth. The dominant role in human history of the necessity of coping with the economic problem, with the struggle for material survival, leads to the pervasiveness of self-interested behaviour. In his 1925 *A Short View of Russia*, Keynes perceived deleterious consequences:

> At any rate it seems clearer every day that the moral problem of our age is concerned with the love of money, with the habitual appeal to the money motive in nine-tenths of the activities of life, with the universal striving after individual economic security as the prime object of endeavour, with social approbation of money as the measure of constructive success, and with the social appeal to the hoarding instinct as the foundation of the necessary provision for the family and the future.
>
> *(1925 [1972]: 268–9)*

It was in this connection that Keynes had a limited degree of sympathy for Leninism. His criticisms of the Soviet government can hardly be overstated, but despite these criticisms, Keynes found an element of Leninism that he could embrace, that "may … contribute something to the true religion of the future, if there be any true religion". Specifically, Keynes wrote: "*Leninism is absolutely, defiantly non-supernatural, and its emotional and ethical essence centres about the individual's and the community's attitude toward the love of money*" (1925 [1972]: 259, italics in original).

Keynes recognized that Leninism's attitude towards the love of money was not original. Jesus objected to the love of money, and at several points Keynes likened Leninism to Christianity. He suggested, for example that the Archbishop of Canterbury, the leader of the Church of England, would deserve to be called a Bolshevik "if he seriously pursues the Gospel precepts" (Keynes 1925 [1972]: 253). In this, Keynes was sympathetic to Christian ideals despite his youthful antipathy for the actually existing Church. The supernatural character of Christianity, apparent in such crucial aspects as the miracles and the Resurrection, was among its least attractive elements for Keynes, and the expression of what he perceived to be similar ideals in a non-supernatural form had a strong appeal for him.

What Keynes found to be new in the Soviet experiment was the attempt to carry this ideal out in practice for a community as a whole. The goal of Leninism, as Keynes saw it, was to build a world in which this ethical principle could be realized, to "construct a framework of society in which pecuniary motives as influencing action shall have a changed relative importance" (1925 [1972]: 259–60). This was to be accomplished not by legal exclusion of money-making, but by restructuring the pattern of incentives in order to make a career based on it impractical. Keynes illustrated this by comparison with the United Kingdom of his own day, in which a young person might, without discredit, choose a life devoted to public service or a life devoted to private business. The intention was that in the future in Russia, on the contrary, this choice would not arise: "the career of money-making, as such, will simply not occur to a respectable young man as a possible opening, any more than the career of a gentleman burglar or acquiring skill in forgery and embezzlement" (1925 [1972]: 260).

Keynes objected to the violent means with which the Soviets sought to achieve this outcome. Highlighting their brutality, he likened the Russian Communists to "the early Christians led by Attila … using the equipment of the Holy Inquisition and the Jesuit missions to enforce the literal economics of the New Testament" (1925 [1972]: 257). Like Trotsky, however, Keynes was religious in the second sense because he too anticipated a society free from what Trotsky called, in the passage cited above, "the pinching and stultifying worry about one's daily bread". In *The Economic Possibilities for Our Grandchildren*, that is, Keynes predicted that the economic problem would be solved. With ongoing improvements in productivity, developing the technical capacity for solving the problem of subsistence was largely a matter of time. The crucial consequence of the solution of the economic problem would be to demonstrate that the economic problem is not the basic problem of human life, despite its overwhelming importance in the history of humanity. The true problem of human life according to Keynes, is how to live one's life in a satisfactory manner:

> Thus for the first time since his creation man will be faced with his real, his permanent problem – how to use his freedom from pressing economic cares, how to occupy the leisure which science and compound interest will have won for him, to live wisely and agreeably and well.
>
> *(1930 [1972]: 328)*

The idea of living a "good life" has a long history, from the ancient Greeks through the present day. Similar ideas were not uncommon in Keynes' own time, for example in Max Weber's 1905 *Protestant Ethic and the Spirit of Capitalism*.

With the solution of the economic problem, the approval and encouragement given to the Benthamic tendency towards selfish materialism could be abandoned:

> When the accumulation of wealth is no longer of high social importance, there will be great changes in the code of morals. We shall be able to rid ourselves of many of the pseudo-moral principles which have hag-ridden us for two hundred years, by which

> we have exalted some of the most distasteful of human qualities into the position of the highest virtues. We shall be able to afford to dare to assess the money-motive at its true value. The love of money as a possession – as distinguished from the love of money as a means to the enjoyments and realities of life – will be recognized for what it is, a somewhat disgusting morbidity, one of those semi-criminal, semi-pathological propensities which one hands over with a shudder to the specialists in mental disease. All kinds of social customs and economic practices, affecting the distribution of wealth and of economic rewards and penalties, which we now maintain at all costs, however distasteful and unjust they may be in themselves, because they are tremendously useful in promoting the accumulation of capital, we shall then be free, at last, to discard.
>
> *(1930 [1972]: 329)*

Once these materialistic customs and practices have been abandoned, humanity would be free

> to return to some of the most sure and certain principles of religion and traditional virtue – that avarice is a vice, that the exaction of usury is a misdemeanour, and the love of money is detestable, that those walk most truly in the paths of virtue and sane wisdom who take the least thought for the morrow. We shall once more value ends above means and prefer the good to the useful.

Keynes concludes this passage in *The Economic Possibilities for Our Grandchildren* with a reference to the words of Jesus according to the King James Bible:

> We shall honour those who can teach us how to pluck the hour and the day virtuously and well, the delightful people who are capable of taking direct enjoyment in things, the lilies of the field who toil not, neither do they spin.
>
> *(1930 [1972]: 330–1, referring to Matthew 6:28)*

Keynesian uncertainty?

The belief that, as the result of technological improvements in productivity, economic progress would allow people universally to enjoy economic security, was very influential in the nineteenth century, endorsed by thinkers as diverse as John Stuart Mill and Karl Marx. Universal economic security was seen by both as an opportunity for more leisure, with less time lost to work that was not intrinsically rewarding. Marx and Mill both assumed that this leisure would allow people to develop themselves, physically and mentally, in a manner that was consciously and freely chosen. They differed over how this would transition would be achieved. Mill held that it would occur in the natural course of the progress of society. Marx thought it would take purposive human action, perhaps violence, to bring about the transition.

Keynes was committed to the idea that this better future state for humanity would eventually come into existence, but there is some ambivalence in his views about how it would come to pass. In his 1930 essay on *The Economic Possibilities for Our Grandchildren*, he adopts the view of Mill, claiming that the solution of the economic problem would come about in the normal course of economic progress, that it would be necessary to wait for this to happen despite the otherwise objectionable consequences of market-oriented economic life. This personal deformity was the price that had to be paid for the technological improvement that would allow the masses the opportunity to cultivate their higher moral and intellectual capacities.

Yet Keynes made this concession with some irony:

> The time for this is not yet. For at least another hundred years we must pretend to ourselves and to everyone that fair is foul and foul is fair; for foul is useful and fair is not. Avarice and usury and precaution must be our gods for a little longer still. For only they can lead us out of the tunnel of economic necessity into daylight.
>
> *(1930 [1972]: 331)*

In claiming that it is necessary to "pretend" that "fair is foul and foul is fair", Keynes called attention to the fact that fair is not foul and foul is not fair, not pretending at all, directly undermining the apparent sense of his own statement.

In his essay *A Short View of Russia*, however, he had made a case for the socialist, who demanded the transition be made immediately through purposive action, because the existing order did not seem to be leading society into a period of abundance:

> We used to believe that modern capitalism was capable, not merely of maintaining the existing standards of life, but of leading us gradually into an economic paradise where we should be comparatively free from economic cares … Now we doubt whether the business man is leading us to a destination far better than our present place.
>
> *(1925 [1972]: 268)*

If economic development is not leading to true progress, it is necessary for those unwilling to wait for the hereafter to make the ideal state a reality in the present. There is no justification for sustaining the moral cost of economic progress if it were not to bring the moral benefits:

> if heaven is not elsewhere and not hereafter, it must be here and now or not at all. If there is no moral objective in economic progress, then it follows that we must not sacrifice, even for a day, moral to material advantage.
>
> *(1925 [1972]: 268)*

But as far as Keynes may have leaned towards the socialist position, there is another question with regard to the means required to bring the better society about. According to one approach, perhaps that of Marx and Trotsky, a revolution of the working class against the bourgeois order would lead to the creation of better, more humane, institutions, which, in turn, would produce better human beings. An alternative view was well represented in the history of the Cambridge "Apostles", the secret student society that Keynes was a member of. Its members believed that the first step had to be a moral turn of human beings away from Benthamism, a turn that would lead people to build better institutions (Brookfield 1906).

By the last years of his life, Keynes appears to have adopted the latter position. In 1944, after decades of depression and several years of war, in his letter to Friedrich Hayek on the publication of Hayek's *The Road to Serfdom* (1944), Keynes invokes religious imagery to argue that the key problem is not in politics or institutions but rather in the morality of the human beings who composed the institutions:

> I should say that what we want is not no planning, or even less planning, indeed I should say that we almost certainly want more. But the planning should take place in a community in which as many people as possible, both leaders and followers, wholly share your own moral position. Moderate planning will be safe if those carrying it out

> are rightly oriented in their own minds and hearts to the moral issue. This is in fact already true of some of them. But the curse is that there is also an important section who could almost be said to want planning not in order to enjoy its fruits but because morally they hold ideas exactly the opposite of yours, and wish to serve not God but the devil … No, what we need is the restoration of right moral thinking – a return to proper moral values in our social philosophy … Dangerous acts can be done safely in a community which thinks and feels rightly, which would be the way to hell if they were executed by those who think and feel wrongly.
>
> *(1944 [1980]: 387–8)*

In the letter, Keynes is no longer willing to wait, but argues for actively building a better world through some degree of economic planning. He argues that before such planning can be carried out safely, it is necessary that we have a return to "right moral thinking". The problem, one he thought could be overcome, was that some people in policymaking roles were greedily pursuing their own interests rather than serving the interests of society as a whole. Keynes calls for moral change, the return of explicitly religious values, according to which avarice would no longer receive social approbation (Andrews 2010).

Conclusion

Keynes' religion was focused on the experience of goodness and the improvement of the society. The economic aspect of religion on which he focused was concerned with providing economic security to all, a foundation for good experience. This has become particularly relevant today. At the same time that economic policies have increased inequality and reduced economic security, it becomes increasingly clear that the solution of the economic problem worldwide is not fundamentally a technical problem of production. Mill's smooth and peaceful transition does not appear to be taking place, yet compelling moral, political and economic reasons oppose the use of the force Marx believed necessary. Keynes offers a third alternative, a moral socialism, without violence, a religious socialism protective of individuality and freedom.

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41
THE CRYPTO-THEOLOGY OF FRIEDRICH HAYEK*

Tim Christiaens

> Perhaps what many people mean in speaking of God is just a personification of that tradition of morals and values that keeps their community alive. The source of order that religion ascribes to human-like divinity … we now learn to see to be not outside the physical world but one of its characteristics.
>
> Friedrich Hayek (1988: 140)

Introduction

Friedrich Hayek's defence of the free market hinges on a distinction between economies and catallaxies. The former are orders instituted via central planning, whereas the latter are spontaneous competitive orders independent from conscious top-down design. According to Hayek, economies only function properly in small communities held together by innate instincts for solidarity and altruism. Only on this scale would it be possible to organize collective action through conscious planning. Economic orders hence purportedly dominated prehistoric tribal societies. They even imagined the universe itself as the object of divine planning. Hayek hence locates religion and its faith in a divinely instituted providential cosmos squarely on the plane of instinct. This allows him to reject economic planning today as an ill-conceived revival of religious sentiment. The belief that markets could be planned allegedly repeats the animistic faith in an omniscient mind able to oversee and control the cosmos. The only difference is that economic planners today supposedly imagine the state instead of God at the control panel.

I argue that Hayek's distinction between economy and catallaxy is based on a misunderstanding of the semantic history of "economy". He misrepresents the meaning of the word "economy" to distance his own theory of catallactics from theology. Using Giorgio Agamben's genealogy of "economy" in *The Kingdom and the Glory* (2011), I will show how medieval conceptions of providential economy combined both ideas of divine planning and spontaneous immanent order. Hayek's seeming rejection of religion and transcendence in favour of catallactics and immanence thus constitutes not a supersession but an extension of a tendency already present in medieval theology. There is a crypto-theology at work in Hayek's economic and social theory. Ultimately Hayek replaces "God" as the master signifier of the cosmos with "the market",

* This chapter is a revised version of Christiaens (2019).

but he maintains humanity's submission to an order that would supposedly transcend human understanding. In this chapter, I will first show what role Hayek assigns to religion in tribal society. Afterwards I explain how he presents his notion of catallactic spontaneous order as an alternative to religious sensitivities for linking the manifestation of order to divine intervention. In the third section, I confront Hayek's distinction with Agamben's semantic history of 'economy" to reveal its crypto-theological underpinnings. I conclude with some further avenues for the study of neoliberal economic theology.

Religion as a catalyst for civilization

According to Hayek (1988: 11), human communities originally gathered in small tribes for survival. The latter were held together by innate instincts for solidarity and altruism (Hayek 1988: 70, 2013: 252). As long as human beings had to confront the forces of nature, it was advantageous to cooperate closely. Tribal communities consequently possessed forms of mutual assistance and common goals thanks to instincts that shaped collectives into tight cooperative groups. In Hayek's terminology, they displayed an "economic" form of organization. Taking his cue from Aristotle's theory of *oikonomia* (Hayek 1988: 45–7), Hayek (1978: 74) argues that the father of the household sovereignly determines a hierarchy of ends for the family's resources and thereby introduces order (*taxis*) from the outside. Such a plan is simple enough for a single individual to understand, while also being geared towards the fulfilment of specific ends and composed of concrete commands for all family members (Hayek 2013: 37; Petsoulas 2013: 13–14). The latter submit to the father's command thanks to the aforementioned cooperative instincts. According to Hayek, however, such a conception of planning is only possible on the small-scale level of the individual or the local organization. Tribes and families can also work as economies because the instinct for solidarity guarantees their internal cohesion. They operate as if they were a single individual that determines its own preferences.

Religion unexpectedly disrupts this order. Just as there are instincts for social bonding, there is a biological instinct for animism (Hayek 1988: 136, 2013: 26). Whenever prehistoric communities encountered a form of order, they assumed it had to be designed by a superior mind. They projected their own propensity to economize their households onto the cosmos as a whole. This constitutes, for Hayek (1988: 73), the source of religion's anthropomorphic notion of transcendence, that is, "the idea that a single brain or will (as for example that of an omniscient God) could control and order [the world]". It fostered a state of mind that saw in all events the judgement or intervention of a deity (Gray 1987: 30; Hayek 2013: 10). Obeying God's will and executing his plan would thus guarantee an individual's salvation, whereas meddling with the cosmic order would invite punishment (Hayek 1988: 136). To appease God, tribes hence developed moral customs and rituals. The latter suppressed natural instincts for instant gratification and replaced them with an attitude of humble submission to the divine order (Hayek 2013: 489; Spieker 2013: 311; Whyte 2017: 7–8). This was obviously not a pleasant experience (Hayek 2013: 500), but it was the natural outcome of the conflict between the animistic drive and other instincts: the drive to ascertain divinely inspired economic order in the world made individuals submit to abstract religious rules. Though certain moral rules of conduct might have frustrated individuals, they accepted them because God willed it so. Religion hence not only imposed new customs on tribal societies, but also satisfied the need for justifying these anti-instinctual norms by referring them to God as divine planner of the world.

The mythical beliefs that accompanied religious and moral practices legitimated the repression of instincts in the name of a higher order (Hayek 1988: 138). Even if the reference to a divine planner might have been false in Hayek's mind, religious prescriptions were "symbolically true" (Hayek 1988: 137); they had the beneficial effect of civilizing tribal culture. By legitimating the suppression of instinctive behaviour and substituting them with rule-oriented conduct, religion gradually lifted humankind out of the state of nature into civility. Although Hayek did not use the term himself, "economic theology" would in his social philosophy hence refer to the theology that postulates the existence of a divine planner in the world, a God that imposes a certain economy upon the universe, thereby breaking apart tribal communities based on shared, instinctual ends in favour of collectives held together by the adherence to the same religious rules of conduct and traditions. "Economic theology" would in this optic be a relic of the transition from tribalism to civilization.

Catallaxy as spontaneous order in civilized communities

Different tribes developed different moral customs over time. This instigated, according to Hayek (1988: 25–6, 2013: 19), a cultural survival of the fittest among groups. The communities with the best traditions thrived. Their population size grew (Hayek 1988: 120–1; Hill 2001: 12; Spieker 2013: 311) and they spread out, ultimately displacing the groups with inferior moral rules of conduct. As communities grew and instincts were repressed, a new form of social organization was required. Once a certain threshold in the population size is reached, it becomes impossible to maintain social cohesion with the instinct for solidarity. Tribes could function as a single individual economizing their households because they were small enough for everyone to know and love everyone else. Larger groups have to derive their cohesion from another source. According to Hayek:

> The great change … was the transition from the face-to-face society, or at least of groups consisting of known and recognizable members, to the open abstract society that was no longer held together by common concrete ends but only by the obedience to the same abstract rules.
>
> *(2013: 496)*

Hayek rejects economic household management for larger groups because it is (1) immoral and (2) unfeasible. (1) Different individuals have different preferences. Organizing society via a centralized exogenous plan would imply that planners construct their own hierarchy of ends and impose it on the rest of the population (Hayek 2001: 94). They would have to coerce people to accept their conception of the good life. This was not a problem in tribal communities because they could count on the solidarity instinct to ensure that preferences would ultimately align, but it becomes morally questionable in a community of strangers. (2) Planning social order would also prove impossible. Human reason is too fallible to take up the position of *oikonomikos* in complex civilizations with large populations (Hayek 2013: 13). The latter are too multifaceted for centralized decision-making. The kind of knowledge required to efficiently organize them is dispersed among many individuals and usually not susceptible to explicit articulation (Hunt 2007: 48). It constitutes tacit entrepreneurial know-how, or what Hayek (1980: 80) calls "knowledge of the particular circumstances of time and place". Planning this like an economy would create "calculational chaos" (Gray 1987: 36) as governments consistently fail to predict individual preferences down to the minutest detail and thereby distort the adequate usage of the required local expertise.

Hayek's alternative to collective economic planning is government via the Rule of Law (Foucault 2008: 172–3). In this case, there is no overarching *oikonomikos* determining the market, but only a framework of abstract rules of conduct agreed upon by all and enforced – in the beginning – by religion, but in modernity by the state (Hayek 2001: 79–80):

> The law will consist of purpose-independent rules which govern the conduct of individuals toward each other, are intended to [universally] apply to an unknown number of further instances, and by defining a protected domain of each, enable an order of actions to form itself wherein the individuals can make feasible plans.
>
> *(Hayek 2013: 82)*

The Rule of Law sets out the basic guidelines of social interaction, but also gives individuals the freedom to enact their own divergent preferences (Hayek 1978: 135). It avoids the impracticalities of collective planning by decentralizing decision-making to the individual level where the knowledge of particular circumstances of time and place resides (Hayek 1978: 75; Petsoulas 2013: 27). This reduces the government to the role of a gardener tending the spontaneous growth of individual conduct (Hayek 2001: 18). The Rule of Law establishes a "catallaxy", that is, "the order brought about by the mutual adjustment of many individual economies in a market" (Hayek 2013: 269). If all individuals determine their own conduct within a framework of fixed general rules, Hayek believes their interactions will spontaneously form an order without the need for exogenous intervention. The odd word "catallaxy" is a neologism borrowed from the nineteenth-century economist Richard Whately, who derived it from the Greek term *katallattein*, denoting "to exchange" or "to turn an enemy into a friend" (Mises 1998: 233–5). Says Hayek:

> So long as collaboration presupposes common purposes, people with different aims are necessarily enemies who may fight each other for the same means [unless the instinct for solidarity appeases this conflict]; only the introduction of barter made it possible for the different individuals to be of use to each other without agreeing on the ultimate ends.
>
> *(2013: 170)*

The system of exchange allows different individuals to have divergent preferences without obliging them to agree upon a common set of goals or to battle for the same scarce resources. The market order thereby functions as the basis for civilization (Hayek 2013: 272–3). Eventually, the entire Great Society is a spontaneous order where individuals unwillingly generate order by using their personal freedom to execute their preferences within a framework of universally accepted rules of just conduct (Hayek 2013: 6).

Hayek locates the origin of catallactic theory in Scottish Enlightenment philosophy (Hayek 1967: 86, 1980: 4, 2013: 22; see also Montes 2011: 7–38; Petsoulas 2013; and Cornelissen 2017). Scottish liberals posited a realm of order from human action *without* human design (Hayek 1967: 96, 1978: 73). This is the collection of human interactions that spontaneously self-coordinate into a sustainable and growing system without the need for exogenous constructive planning. The ultimate expression of this spontaneous order is Adam Smith's theory of the invisible hand of the market (Hayek 1967: 99, 2013: 36). According to Smith, the pursuit of individual preferences in a free market eventually delivers greater prosperity for all. The spontaneous self-coordination of individuals through exchange creates an order more beneficial than could ever have been accomplished by human design. Nobody can intuit the general interest beforehand nor possess the information to establish it, and yet the market spontaneously generates the best of all possible worlds (Vogl 2015: 22–3).

Hayek (1978: 179–90) entrenches this market order in his theory of competition as a discovery procedure. In a free market, the price system communicates dispersed information about the supply and demand for all commodities (Gane 2014: 17; Petsoulas 2013: 56). It shows every individual how scarce goods are and how much other people are willing to pay for them. By disclosing the opportunities and risks associated with every transaction, prices function as signals to guide future action (Hayek 2013: 275–6). If the price of apples is falling while that of pears is rising, it incentivizes apple farmers to move production towards pears. This process obviously only functions if farmers are incentivized to listen to the appropriate signals via competition. There should be a risk involved in failing to act upon price signals. Those with the best "entrepreneurial alertness" (Barry 1979: 47; Kirzner 1973: 35) and knowledge of the particular circumstances of time and place will be most likely to succeed. Catallactic order thus proceeds via selective adaptation (Bröckling 2016: 55; Gissurarson 1987: 62–3). Individuals learn the "spirit of enterprise" (Hayek 1978: 189) by adapting their choices to price signals. This is ultimately a gradual trial-and-error endeavour (Gissurarson 1987: 50). Those who refuse to adapt or make irrecoverable mistakes should know that they run the risk of failing the selection procedure (Hayek 2013: 255). Hayek consequently proposes to regard catallactic conduct as a game:

> It proceeds, like all games, according to rules guiding the actions of individual participants whose aims, skills, and knowledge are different, with the consequence that the outcome will be unpredictable and that there will regularly be winners and losers. And while, as in a game, we are right in insisting that it be fair and that nobody cheat, it would be nonsensical to demand that the results of individual players be just. They will of necessity be determined partly by skill and partly by luck.
>
> *(2013: 234–5)*

Within a framework of established rules of just conduct, the outcome of competition is determined by a combination of merit and chance. This might stir social outrage, but Hayek maintains it is morally neutral (Hayek 2013: 197; Hunt 2007: 55; Whyte 2017: 8). According to Hayek, innate social instincts never disappear, which causes people to feel compassion for those who fail to adapt. The abstract rules of competition conflict with our instinctive sense of justice (Hayek 2013: 498). The latter consequently induces people to prefer interventions to alleviate human suffering. Hayek uses this observation for his critique of social justice. According to Hayek, socialists – but also religious organizations like the Catholic Church (Hayek 2013: 230) – combine the instinct for compassion with the animistic instinct that confuses catallactic with economic orders. Socialism promises that it can organize economic interventions that would diminish the negative side effects of competition, but it thereby deludes itself of the limited abilities of human reason (Hayek 2013: 15). It imagines that the state could plan the market as if it were a God imposing his salvific plan upon the cosmos. Socialists might thus reject the existence of a divine planner of the universe, but they simultaneously put the state in the position of omniscient planner for society.

If one however agrees with Hayek's findings on the immorality of planning and the dispersion of knowledge, such a transcendent position for the state is undesirable and impossible. For Hayek, socialism would have disastrous effects on the price system. Since individual agents are supposed to act upon such signals, price distortions create perverted incentives (Hayek 2001: 129). Imagine, for instance, that the state would dispel a food crisis through government planning. It could set a price ceiling on certain kinds of food. This informs producers that investing in food production will not pay off. Individuals are hence less incentivized to enter the food industry. Eventually economic planning might hence trigger even worse food shortages, which would require even more government intervention. Any kind of planning – apart from a minimal subsistence wage (Hayek 2001: 124, 2013: 249) – hence sets the state on a slippery slope towards total economic planning (Hayek 2001: 131). For Hayek, individuals should not act upon instincts for compassion, but practice "humility" (Hayek 1980: 32) with regard to the spontaneous order of the Great Society. This effect used to be promoted by religion, but it is still necessary to maintain the free market as the best of all possible worlds:

> It was men's submission to the impersonal forces of the market that in the past has made possible the growth of a civilization which without this could not have been developed; it is by thus submitting that we are every day helping to build something that is greater than any one of us can fully comprehend.
>
> *(Hayek 2001: 210)*

The order generated by the market is too great for any individual to fathom, and yet it constitutes the optimal form of social organization. Hayek's catallactics hence prescribes individuals to have faith in the market, even if its benevolence might not always be apparent on first sight.

Agamben's alternative semantic history of "economy"

Hayek firmly establishes catallactics as an atheistic discipline and equates socialism with nostalgia for divine providential intervention. The religious overtones are however hard to miss: he prescribes "humility" and provides a justification of misfortune that recalls Christian theodicies (Vogl 2015: 37). Using Agamben's semantic history of *oikonomia*, I argue that Hayek's thought is haunted by a theological heritage. Taking medieval theologies of *oikonomia* into account allows regarding catallaxy as secularized divine providence. This blurs the economy/catallaxy distinction insofar as theology accepts both the existence of a single transcendent governor *and* the emergence of immanent spontaneous order. "The Christian government of the world … assumes the paradoxical figure of the immanent government of a world that is and needs to be extraneous" (Agamben 2011: 140). Exogenous planning does not contradict endogenous self-coordination. Hayek's catallactics will consequently resemble economic theology with the sole difference of substituting "God" with "the market" as transcendent source of legitimation.

Oikonomia gained a technical theological meaning in the second and third century when the Church Fathers attempted to reconcile monotheism and Trinitarianism by fracturing God into a singular being and a multiple praxis (Agamben 2011: 17–51; Leshem 2016: 25–44; McLoughlin 2015: 59–61; Mondzain 2005: 18–68; Zartaloudis 2010: 56–64). God was one qua substance, but his will was administered via the multiple persons of the Trinity (Heron 2017: 27; McLoughlin 2015: 61). This doctrine dominated medieval theology, which eventually posited two "economies" (Zartaloudis 2010: 216). Less important to our purposes is the Trinitarian economy that articulates the coordination of the different persons of the one divine substance. More pertinent is the salvific or providential economy, namely how God's praxis in the world leads to redemption. God's activity purportedly reveals itself in history via the administration of his plan of redemption. Every event is a sign of a divine presence guiding the world to its perfection. This might seem no different from Hayek's notion of economy: if God has a pre-established salvific plan and simply imposes it extraneously on the world, he acts exactly like the economic planner Hayek wishes to banish from the market order.

Medieval theologians however stress that the providential economy is compatible with human freedom and spontaneous order (Agamben 2011: 124; Heron 2011: 162). To render worldly freedom possible, God allegedly abdicated his absolute potentiality (*potentia absoluta*) over the world (Courtenay 1990: 71; Ojakangas 2012). If God would impose the totality of his power on the world, the latter would be unable to remain autonomous. At the moment of creation, God hence agrees to withdraw from his creation to make room for worldly freedom. This leads theologians to distinguish between general and special providence (Agamben 2011: 113; Heron 2011: 165; McLoughlin 2015: 63). In Aquinas' words (2005: Sum I-II, Q. 103, Art. 6), God determines the general design of government (*ratio gubernationis*), but leaves the execution (*executio*) of his plan to intermediary agents. If there were only special providence, God would specifically determine for each creature its actions, which would diminish his majesty and annul worldly freedom (Aquinas 1952–1954, Art. 3; Heron 2017: 82–3). God does not concern himself with every individual action, but as creator, or "first cause", he invests each creature with a natural essence that makes it spontaneously act according to the salvific plan as an intermediary agent of God's will (Agamben 2011: 97). God does not command every individual creature directly, but establishes the general rules so that each creature spontaneously acts as God requires. "God set up certain broad rules … within which moral agents can act with real freedom – and yet their free actions wind up moving towards the direction God is taking history" (Kotsko 2010: 116).

Agamben (2011: 141) calls this indirect way of bringing about redemption a "government of collateral effects": God does not immediately make creatures conform to his plan, but he has created them in such a way that he can accept the effects of free creaturely interaction as part of his general providence. The immanent spontaneous coordination of worldly beings is a series of unintended consequences wilfully affirmed by God:

> The government of the world occurs neither by means of the tyrannical imposition of an external general will, nor by accident, but through the knowing anticipation of the collateral effects that arise from the very nature of things and remain absolutely contingent in their singularity.
>
> *(Agamben 2011: 118–19)*

Medieval providential theology thus reconciles, *contra* Hayek, the exogenous transcendent order of economy with the endogenous immanent order of catallaxy. A transcendent God creates the world in such a way as to let salvific order grow spontaneously from creaturely interactions. After six days of creation, however, his work as first cause is done (Agamben 2011: 105). *Dieu règne, mais il ne gouverne pas.* Worldly creatures, on the other hand, function as secondary causes (Agamben 2011: 119; Aquinas 1952–1954: Art. 8; Gilson 1972: 196). By following their natural inclinations, they render God's plan of redemption operative without him having to intervene directly (Heron 2011: 163).

> What defines divine government is … the fact that it fully coincides with the very nature of the things that it directs. Following a paradox that perfectly corresponds to the structure of the order, the divine government of creatures has no other content than the natural necessity inherent in things.
>
> *(Agamben 2011: 132)*

This providential faith is still at work in the Scottish Enlightenment thinkers Hayek builds his catallactics on (Dean 2013: 178). When Hayek, for instance, interprets Ferguson's statement of "establishments, which are indeed the result of human action, but not the execution of any human design", he transmogrifies the argument so that spontaneous orders lack any design for Ferguson (Cornelissen 2017: 5–6). He wilfully ignores the theological intent of Ferguson's texts to interpret it as a precursor to a fully immanent spontaneous order (Whyte 2017: 4). According to the Scottish thinker, however, God is at the origin of such establishments. Various Smith scholars have also shown Smith's claim about the invisible hand to be more than simple metaphor. He takes the phrase of an "invisible hand" from providential theology (Agamben 2011: 283–4), and some argue that it should be viewed in light of Smith's natural theology, implying that the market order really is the work of God rendered operative by human agents pursuing their self-interest (Harrison 2011; Hill 2001; Oslington 2017; Viner 1972).

Although some are opposed to the idea of a theological heritage in Smith's "invisible hand" (Alvey 2004; Laval 2007: 213–27; Viner 1927), it is clear that Hayek carries the weight of a particular theological heritage, even if he put himself to the task of defending a theory of spontaneous order without recourse to theology (Cornelissen 2017: 14; Whyte 2017: 12; Zartaloudis 2010: 80n120). His catallactic order is a *secularized version* of providential theology. The former is a system of spontaneously coordinated individual preferences that accomplish the general welfare via the competitive price system. Providential theology postulates a system of spontaneously coordinated secondary causes that effectuate redemption by following their natural inclinations. The main difference is that Hayek rejects the existence of a transcendent God arranging this immanent order beforehand. He accepts the immanent side of order, but not the transcendent side, ignorant of the theological background of spontaneous orders. Hayek thereby completes the advance of rendering the transcendent pole of government obsolete and the immanent order self-sufficient (Zartaloudis 2010: 75). He completes the movement towards the death of God hidden in providential theology and replaces God's harmonious creation with the price system as an immanent technique for mutually harmonizing individual preferences.

This does not however constitute a complete break with the providential paradigm (Agamben 2011: 287). The price system is a herald for "the impersonal forces of the market" (Barry 1979: 76) incentivizing individuals to readjust their preferences. The "market" consequently functions as a *deus absconditus* (Rehmann 2013: 285), an empty master signifier that itself remains idle, but authorizes the actions of individual agents as reflected in commodity prices (Kotsko 2015: 186). Just like God as first cause does not govern directly but legitimates the actions of secondary causes in his name, "the market" never reveals itself as such but functions as a signifier in Hayek's catallactics that justifies the effects of selective adaptation on individuals. This is why Hayek frequently refers to "market order" "as if it were an entity existing independently of its constituent members" (Petsoulas 2013: 56). Individual agents in Hayek's catallaxies function as secondary causes effectuating their mutual harmonization via their influence on prices. The latter embody, as it were, the will of the market.

New avenues for neoliberalism studies

I have investigated how Hayek's distinction between economies and catallaxies is based on a misrepresented semantic history of "economy". Hayek believes he can link economic planning to bygone beliefs in God's providential ordering of the world because he misunderstands the latter as a series of direct interventions in the world to impose God's plans on Earth. In reality, medieval economic theology claims that God has withdrawn himself from the day-to-day organization of the world after creation. He has created the world in such a way that the interactions of individual creatures will spontaneously generate order. Medieval providential theology and Hayek's catallactics are hence more alike than Hayek would have claimed: both posit the existence of an immanent, benevolent order; Hayek only replaces the master signifier "God" with that of "the market". This however leaves some research questions still unaddressed. Hayek unknowingly secularizes providential theology due to his reception of Scottish Enlightenment thought and Smith's notion of the "invisible hand", but he is not the only neoliberal economist to study Smith closely. How much of economic theology has seeped into the thought of George Stigler (1965), Ronald Coase (1994: 75–118), Jacob Viner (1972), and so on, is hence still a mystery. It is also unclear how this relates to contemporary economists who reject Hayek's equation between free markets and spontaneous order. Knight's notion of uncertainty and Schumpeter's vision of entrepreneurship, for example are influential, but they upset Hayek's idealized version of stable free markets. It is lastly yet unexamined how this economic theology relates to Hayek's political theology. His reception of Carl Schmitt's notion of sovereignty in his political theory is well known (Cristi 1984; Irving 2018; Mirowski 2013: 83–8; Scheuermann 1997), but it has remained unconnected to his economic thought.

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PART V

Exit

42

INTELLECTUAL BROKERAGE IN ECONOMIC THEOLOGY

Methodological and theoretical reflections from Islamic banking and finance

Aaron Z. Pitluck

Introduction

You have found yourself reading a handbook on economic theology, and I have found myself writing for it. In this prosaic academic activity, we are co-developing the contested and emerging field of economic theology – a field so nascent that as I'll argue even its name is contentious. This chapter's main strategy is to use the anthropological gaze to make two empirical economic theological projects strange: that of the co-production of this Handbook, and that of the co-production of Islamic banking and finance. Both projects are economic theologies if we follow Stefan Schwarzkopf's (in this Handbook) lead in defining economic theology as "theorizing the economy around the role that theology played in shaping economic concepts" or in "the social presence of the sacred in economic life". Let us enter this dialogue by way of a vignette – a genre popular in anthropological writing.

As part of a research project on Islamic banking and finance in Malaysia, I interviewed "Lee"[1], a non-Muslim Chinese-Malaysian employed as a financial engineer in a transnational investment bank. He spends the majority of his time at this bank's Islamic subsidiary, designing wholesale Islamic financial instruments such as *sukuk*, a financial product that is perceived by many to be theologically distinctive from conventional sovereign or corporate bonds because it is structured so that investors do not receive interest payments. In our interview focused on Lee's work, we discuss many third parties, but one third party that is raised by neither of us is Allah as a transcendent agent. In contrast, I conducted another interview with "Mustafa", a Muslim Malay-Malaysian with a career as a sharia scholar, employed as a part-time independent consultant on this same bank's shari'a committee. In the course of our interview focusing on Mustafa's daily work, we discussed many third parties, and one such third party was Allah and His actions and requirements on Earth. How does a researcher reconcile informants with two different epistemic perspectives as to whether there is a transcendental third party named Allah potentially acting at this worksite? This is not only my puzzle as a researcher. This is also a problem for Lee and Mustafa, both of whom work with one another to co-produce innovative Islamic financial instruments. How do two people living in such different ontological worlds work together to create a new economic theology?

In this chapter, I argue that a philosophical commitment to critical realism, coupled with conventional social science methodology, provides a useful solution for developing empirical research in economic theology. This chapter also describes how practitioners like Lee and Mustafa are engaged in intellectual brokerage to develop Islamic banking and finance. With well over $2 trillion held in Islamic banks and financial instruments, 97 per cent of which is located in Muslim-majority countries (Pitluck and Adhikari 2018), Islamic banking and finance may be the world's largest ongoing project of economic theology – the reshaping of economic relationships using religious and sacred theorizing. In doing so, I'll softly suggest that my practitioners appear to be assuming a critical realist perspective (or at least some form of realism). Social science researchers can learn from these practitioners in Islamic banking and finance in two senses – not merely how they are building one of the world's largest project in economic theology, but also how to engage in intellectual brokerage to co-develop the contested and emerging academic field of economic theology.

Critical realism, social science methodology, and economic theology

As illustrated in my essay's introductory vignette, empirical economic theology must face the methodological and ontological problem of religious pluralism. How do I analyse my data when a pervasive social fact in my field site is contested – the existence or non-existence of Allah, and if He exists, what are His characteristics and wishes? In what ways does He act in and change events in my field site? Unsurprisingly, different people in Malaysia raised in the Muslim tradition have different answers to these questions. Moreover, Malaysia, like the world, is religiously plural, including the diverse lifeways of non-religion. As Peggy Archer and colleagues succinctly summarize,

> When it comes to religion, [transcendental beliefs, and transcendental experiences or the lack of such experiences,] the one decisive fact that confronts us all is plurality; the plurality of experience and the plurality of interpretation, even of similar experiences. Plurality is a descriptive fact.
>
> *(Archer, Collier and Porpora 2004: 11)*

A requirement of ethnographic research (common in many additional methodologies) is to understand the world from the perspective of another. James Spradley nicely encapsulates this challenge in an idealized conversation with a prospective informant:

> I want to know what you know in the way you know it. I want to understand the meaning of your experience, to walk in your shoes, to feel things as you feel them, to explain things as you explain them. Will you become my teacher and help me understand?
>
> *(1979: 34)*

Yet to do so successfully, the researcher must understand the worlds of interviewees with potentially contradictory ontological understandings of transcendent phenomena. In addition, there are challenges of reflexivity – both when researching people with ontological views different from the researcher's, as well as researching people presumed to share the same metaphysical ontology.

Like other empirical researchers of economic theology, I must ask what epistemological strategies are necessary to collect this data and analyse these interviews – and what ontological commitments are consistent with these methodologies. To rephrase this question in starker terms: does empirical research that touches on religion need to take a position on the existence of transcendent being(s), or can it avoid this by simply acknowledging the social fact of religion? Given the plurality of transcendental experiences and non-experiences in the world, I propose that we answer these questions using the *principle of ontological and epistemological pluralism*; that is, that the best research strategy is one that makes as few ontological and epistemological demands as possible (Abend 2008: 195–6).

Building on the work of Margaret Archer, Andrew Collier, and Douglas Porpora (2004), I suggest that a philosophy of science termed critical realism provides such a minimalist set of propositions for empirical scholars of economic theology. The first proposition is *ontological realism*, the "belief that there is a world existing independently of our knowledge of it" (Sayer 2000: 2) As Andrew Sayer reasons,

> I would argue that it is the evident fallibility of our knowledge – the experience of getting things wrong, of having our expectations confounded, and of crashing into things – that justifies us in believing that the world exists regardless of what we happen to think about it.
>
> *(ibid.)*

Alternatively, one could argue, as Roy Bhaskar (1997: Chapter 1) does, that the world "must" be similar to ontological realism in order to account for the observed accretion of scientific knowledge from past scientific practices. With this proposition in mind, the world may or may not have transcendental being(s) such as Allah, and who may or may not act in, alter, and be observed in the world, but the truth of this is independent of our knowledge and experiences (Archer, Collier and Porpora 2004: 6–10).

The second proposition is *epistemic relativism*, meaning that "our knowledge or beliefs about reality are always socially and historically conditioned" (Archer, Collier and Porpora 2004: 11). In other words, our interpretation of our senses and our understanding of ontological reality are inextricably shaped by our social positions. Specifically, scientists' interpretation of reality is contingent on (and constituted by) our theoretical frameworks, the technologies and techniques we employ in our methodologies, the historical contingency of our social networks and research communities, and so on. All knowledge, including scientific knowledge, is socially constructed. Consider this second proposition with the uncontroversial empirical observation of religious pluralism. If readers agree with the principle of ontological and epistemological pluralism, I suggest that social scientists of economic theology must take a position of agnosticism regarding transcendental phenomena.

The third proposition builds on the first two. Although much of reality is socially constructed and we can only know the world through concepts of our own making (epistemic relativism); nevertheless, there is also a real world out there independent of our interpretations of it (ontological realism). This suggests that although scientific knowledge is socially constructed, it is also fallible in that it well describes or poorly describes our common ontological world. The principle of *judgemental rationality* is that

> [we] can publicly discuss our claims about reality, as we think it is, and marshal better or worse arguments on behalf of those claims. By comparatively evaluating the existing arguments, we can arrive at reasoned, though provisional, judgments about what reality is objectively like: about what belongs to that reality and what does not.
>
> *(Archer, Collier and Porpora 2004: 2)*

Hence, there is no guarantee that we will arrive at accurate conclusions about the world, nor a guarantee that all of ontological reality is observable or interpretable; nevertheless, critical realism proposes that judgemental rationality is a prerequisite for arriving at stable interpretations of ontological reality.

These three propositions have both methodological and epistemological implications when examined in relation to empirical work in economic theology. Methodologically, social scientists can engage in dialogue with informants and with each other to create increasingly accurate descriptions and causal understandings of economic theological projects, despite very different life experiences – including religion and non-religion. An epistemological implication is that when we observe practitioners creating an economic theology, such as Lee and Mustafa, a working hypothesis is that they are operating on the same three philosophical principles as we are: that they are discussing and debating the same world (ontological realism) in spite of their contradictory perceptions of or non-experiences with God (epistemic realism), and that through dialogue, they are capable of creating a project in economic theology (in this case, Islamic banking) that potentially conforms over time more closely to the requirements of transcendent being(s), even if neither party nor researchers are able to ultimately reconcile competing epistemic beliefs, values, and experiences regarding this transcendental reality. Finally, if researchers and practitioners of economic theology are all observing the same ontological world but from different epistemic positions, this creates the opportunity for an intellectual brokerage in both directions. For example my research on Islamic banking and finance has been enriched by the work of practitioners (Daud Bakar 2016; Haneef 2009; Usmani 2002). Conversely, academic researchers such as Bill Maurer (2005) and Ryan Calder (2016) have addressed debates in the practitioner community and have published in practitioner publications (Calder 2011; Maurer 2010). This observed intellectual brokerage demonstrates the plausibility of our three propositions, particularly the principle of judgemental rationality (Bhaskar 1997).

In the remainder of this chapter, I will demonstrate these three points with reference to what may be the largest empirical project in contemporary economic theology – the field of Islamic banking and finance – a project in formation between "economists" and "theologians" – or whom I discover is in fact three forms of practitioners – entrepreneurs, economic theologians, and bureaucratic ethicists.

What is Islamic banking and finance?

Islam is not monolithic. The Islamic world is diverse, with numerous traditions – Indonesian/Malay, Indo-Pakistani, Persian, Turkic – that have little in common with the experience of the Arabian Peninsula. There is therefore a great deal of geographic heterogeneity in how Islam is practised and how communities interpret the sharia (Warde 2010). Islamic banking and finance (hereafter IBF) is less diverse; nonetheless, it is a market in formation with factious voices claiming certain economic activity as "sharia compliant" or "Islamic", while other voices claim the same economic activity to be outside of, if not contrary to, Islam. Describing Islamic finance as a discordant chorus is a trivial claim. After all, for over half a century, Islamic scholars have engaged in print (Siddiqi 1983 [1969]) in intense debates regarding how to interpret contemporary financial practices (Pitluck 2013).

IBF postdates the conventional banking sector. It originated in the early 1970s, fuelled by the increased political economic power derived from oil revenues to many Muslim-majority countries. Its principal intellectual and institutional support arose from debates within the Organization of the Islamic Conference (OIC) to reform the monetary and financial system to conform with Islamic ethics, as well as in larger debates within the United Nations for a New

International Economic Order (Warde 2010: 70–113). IBF is a project that is often associated with postcolonialism, the slow shifting of the world's hegemonic centre from a North–South axis to a multipolar East–South arrangement (Imam and Kpodar 2013; Nederveen Pieterse 2011; Pollard and Samers 2007).

IBF is an "elusive, contested, evolving and heterogeneous set of practices that defies simple description or conceptualization" (Pollard and Samers 2007: 314). Nonetheless, IBF tends to be distinguished from conventional finance based on three broad criteria. First, finance must be cognizant of the objects being financed. Islamic financial institutions are prohibited from purchasing equity in or providing credit to products and activities prohibited by the religion. Secondly, *riba* and *gharar* are prohibited. As a working translation, *riba* is associated with interest, usury, and financial transactions untethered to the nonfinancial economy (El-Gamal 2003). *Gharar* is associated with unproductive risk and exploitative information asymmetries (El-Gamal 2001). Thirdly, and more broadly, Islamic economic activity must not involve products or services prohibited by the religion (e.g. alcohol or pork), and should be conducted transparently and with fully informed mutual consent by all parties. Charity is obligatory. Debt is broadly permissible within the above parameters. And although most of the IBF sector is profit-seeking, for some IBF also entails promoting equity and social justice (Vogel and Hayes 1998: 53–69).

Notwithstanding these broad principles, the precise operationalization of IBF varies across financial institutions within the same country, and across legal jurisdictions. This partly reflects the institutional structure of the religion. Sunni Islam has four distinct schools of interpretation of sharia. Legal interpretations (*fiqh*) evolve as sharia scholars draw on the consensus interpretations within particular schools and time periods (*ijma*), interpret via careful reflection and devout effort (*ijtihad*), reason by analogy from primary sources (*qiyas*), or depart from tradition because of local custom (*'urf*), public interest (*maslaha*), or overriding necessity (*durura*) (Vogel and Hayes 1998: 23–47). Consequently, when a sharia scholar or sharia supervisory board issues a fatwa (authoritative legal opinion) that permits transaction X,

> one should not conclude that transaction X is "Islamic" for all parties and for all time. The *ijtihads* of different scholars may legitimately vary. Moreover, if the fatwa is based on utilitarian choice, assessments of utility can change with place and time. And lastly, a fatwa might rest on nothing more than temporary, and changeable, necessity.
>
> *(Vogel and Hayes 1998: 41)*

Intellectual brokerage within Islamic investment banks

What, therefore, constitutes Islamic banking and finance, and how is it distinctive from conventional finance? This kind of practical economic theology requires a specific kind of work that I am calling intellectual brokerage. This intellectual brokerage takes place in Islamic finance conferences (Rethel 2018), in publications and workshops organized by sharia scholars who specialize in banking and finance (Daud Bakar 2016), and is hammered out in small group social interactions within Islamic financial institutions (Pitluck forthcoming). I will now elaborate and demonstrate this last point by drawing on Pitluck (forthcoming). This larger empirical project (Pitluck 2008, 2016) draws on over 50 focused, ethnographic, tape-recorded interviews in Malaysia, conducted between 2005 and 2019, with investment bankers and sharia experts focused on their co-production of Islamic financial products.

Three parties interact within Malaysian Islamic investment banks: the investment bankers employed as financial engineers, the sharia scholars on the sharia committee, and the sharia personnel employed by the bank, notably in the Shari'a Department. *Investment bankers* are technicians that employ their financial expertise for their supervisors. Robert Shiller (2012) equates such financial expertise with that of engineers. In the Malaysian context, the investment bankers in Islamic banks are not necessarily Muslim or pious. The Malaysian government requires that financial institutions registered as "Islamic" must appoint a shari'a committee staffed by *shari'a experts* to supervise the bank's management (Bank Negara Malaysia 2011). These positions are analogous to the corporation's board of directors insofar as the members have part-time appointments, are not employed by the bank, and have careers elsewhere (or are retired). Shari'a experts are also employed internally by the bank as *shari'a personnel* as full-time employees. Some of these positions are required by corporate governance regulations. For example Islamic financial institutions must have shari'a research and shari'a secretariat positions to provide support for the shari'a committee. Those appointed to these positions must have the same minimum credentialing qualifications as persons holding positions on the shari'a committee. However, Islamic banks in Malaysia pragmatically experiment with hiring additional sharia personnel, both for the Shari'a Department and for other departments, including in Audit, Risk, or Legal. I argue that these three parties engage in intellectual brokerage to create, maintain, modify, and adapt the world's largest project in economic theology.

How do (typically non-Muslim) investment bankers make shari'a-compliant products and financial instruments? These bankers are typically termed "product sponsors" or "product specialists", or are referred to by the department in which they work. Many are like Lee, an executive vice president employed in the conventional parent bank's Debt Capital Markets Department rather than the bank's Islamic banking subsidiary. Lee is a dealmaker, engaged with the client services team at the earliest "pitch" stage of a product for a prospective client. He "works hand in hand" with what he terms an "Islamic structuring team", composed of investment bankers in his department and shari'a personnel assembled from the bank for each project based on expertise and availability. He also works quite closely with "Shari'a Advisory" in the Shari'a Department. From Lee's perspective, as a banker making bespoke transactions for businesses, some of which are shari'a compliant, shari'a makes finance "quite limited". Therefore, to make a financial instrument sharia compliant, you must explore ways to get around things. He perceives himself as "layering in the Islamic structure" on top of "the underlying commercial intentions" of the client. He described his team in Debt Capital Markets as a "check and balance for the commercial aspect" of the transaction. For Lee, being "shari'a compliant" means above all compliant to a client's best interests. He perceives himself as advocating for the client's economic interests, while it is the responsibility of the shari'a experts to ensure that the client and the client's investors will perceive the product as Islamic. Generalizing from our case to other empirical projects in economic theology, we can conceptualize the investment bankers as entrepreneurs creating moralized markets. As entrepreneurs, they are deeply concerned for the marketability and profitability of their goods (cf. Godechot 2008).

Globally, including in Malaysia, the shari'a experts who sit on corporate firms' external shari'a committees are referred to as "shari'a scholars". This is an honorific expression rarely used to refer to shari'a experts employed full-time in firms (discussed below), who are variously described as "shari'a officers" or referred to in organizational terms (e.g. "the shari'a team" or "the Shari'a Advisory"). In the language of the corporate governance literature, shari'a scholars are independent and external persons not employed by the bank, representing neither management nor shareholders. Looking outward from our case, the shari'a scholars can be understood as economic theologians with an institutionalized position vis-à-vis the entrepreneurs.

In contrast to other countries, the Malaysian Central Bank stipulates that a shari'a scholar may not sit on the shari'a committee of more than one bank or insurance company (Alkhamees 2013). Therefore, in Malaysia, all shari'a scholars are, in the words of one such scholar, "part-timers" with full-time jobs outside of the industry – often in universities or Islamic finance think tanks – or are retired. The shari'a scholars I interviewed, without exception, did not identify as employees of the bank on whose shari'a committee they served. They did not refer to the bank as "we". Rather they referred to "the bank", "the business", "the function", or "management". Some emphasized that they were distant and critical observers of the corporation. Mohd stressed at diverse points in our interview that, as a scholar,

> we are answerable to God. We believe that we cannot go against God's will. Shari'a is there and we should exhaust our effort to apply all of God's orders. So we should obey the shari'a and we should be able to change our policy, our bank's policy, our legal constraints … to God's will. That is our philosophy.

He then posed the rhetorical question, "So why do you ask us to change our shari'a in order to satisfy [Central Bank] policy? They are the ones that should change policy! This always creates a sort of tension between the shari'a committee and management". Another shari'a scholar, Ahmad, emphasized that the bankers and shari'a scholars have independent and autonomous roles:

> To them [the bankers], they just want to do it … To them, I don't think [the detailed requirements of shari'a] makes much difference. But they also want to comply, if possible. We are the ones who tell them whether what they want to do is complying with the shari'a or not.

However, such uncompromising positions are exceptional. Much more common among scholars employed on shari'a committees is a relationship to the bank of pragmatic incrementalism. This is partly theological and partly political. Numerous scholars explicitly or implicitly put forward the theological argument that permissibility is the core of *muamalat* (Islamic economic jurisprudence). As al-Qaradawi (2001: 7), a scholar influential in Malaysia and the Islamic world explains, "In Islam, the sphere of things prohibited is very small, while that of things permissible is extremely vast. [Hence] … the general principle of the permissibility of things and within the scope of Allah's favor". The other component is political. As Faruq explained:

> We need to sort of strike a balance between the readiness of the industry and what needs to be done immediately; what can be done in five years' time; what can be done in ten years' time. So the industry needs to grow. We don't want to be seen as too rigid. We don't want to be seen as too many requirements to fulfil … a lot of things that we need to balance.

In a separate interview, his colleague on the same bank's shari'a committee made a very similar point:

> I think that for most Islamic investors, for them they are like, "Okay, I know [Islamic finance] is not perfect but I will live with it" … Because if you look to it 20 years ago what was Malaysia with regard to Islamic finance? Nothing. Thirty years ago, we didn't even have Islamic finance … So it takes time, to fine tune. And so I think that is basically one of accommodation. We know it is not perfect, but better than we were before. Hopefully, we will [get] into a better situation in the future … So I know some of the things we approve are not 100 per cent right, but I also know that [if] you want

> it to be hundred per cent it won't fly … This is the compromise we have to do; this is the only way to do it. It is a work in progress, so we go.

When shari'a scholars described themselves in a positive light, or described others in a positive light, they tended to present themselves as engaging intellectually with the bank's products and modifying them, rather than preventing a product from materializing. For example Harun argued that a shari'a scholar shouldn't engage in "sheikh sitting", which he imagines as "a sheikh in long white robes comes in and issues a fatwa and says this is what you have to do". It is better to be "proactive" and to "be very imaginative", to imagine the products from the perspective of what is fair to the customer as well as the bank. Ashraff emphasized that the shari'a committee cannot simply say what is "allowable": "You cannot stop at that level. If it is not allowable, what is the alternative?"

In contrast to self-described "Islamic economists" based outside of the finance industry who emphasize social justice rather than commerce (also see Rudnyckyj 2018), numerous shari'a scholars paused in their narratives to emphasize that Islamic financial institutions are profit-making commercial institutions and not charities:

> There is nothing wrong with getting profit from the activities because … even though you are an Islamic bank, [that] does not mean you are a charitable body. You are a profit-making body with some responsibilities to the shareholders, to the depositors … Profit also is one of [our] targets but having said that … You can get as much as possible profit gains, but you cannot ignore the Shari'a side, the ethical side of it.

So far, I have discussed the intellectual brokerage and meaning-making between entrepreneurs (the investment bankers) and the economic theologians (the shari'a scholars). However, there are also important issues of control that take place within these small group social interactions. There are spatial and temporal limits to the capacity of the shari'a committee, convening at least once every other month (Bank Negara Malaysia 2011: 36), with its five or so "part-timers", to evaluate and monitor bank practices to ensure that they are shari'a compliant. For some, the responsibility weighs heavily. Irfan explained that he serves as a shari'a scholar because it is his responsibility as a human, and as part of a community. He described how he feels accountable for his work, both now and in the hereafter:

> I myself, I told my colleague, if I am not comfortable, I do not want to continue. Simply because you [are] a shari'a committee [member], you have responsibilities, and therefore you are accountable, and the responsibilities actually [are] beyond what we can bear. So if you don't do extra, are we comfortable? Are we being responsible here?

To enable "part-timer" shari'a scholars to supervise a vast, potentially transnational, Islamic investment bank and to fulfil its obligations under Malaysia's *Shari'a Governance Framework*, Islamic banks employ "full-timer" shari'a personnel to assist the shari'a scholars. Generalizing from our case, we can understand these shari'a personnel as bureaucratic ethicists (Abend 2014). In Islamic banks, these employees are tasked with empowering two parties with partly conflicting interests: other bank employees (such as the investment bankers and management) tasked with generating revenues and minimizing costs, and the external shari'a scholars on the shari'a committee tasked with supervising the bank to ensure it is profiting (and cost-cutting) using shari'a-compliant means. The *Shari'a Governance Framework* specifies little regarding these employees, other than that Islamic financial institutions are required to provide administrative support for the shari'a committee, and to ensure that their decisions are carried out.

Analytically, we can imagine Islamic banks as organizing their Shari'a Departments on an advocacy spectrum. At one end of the spectrum, the Shari'a Department is simply an advocate of management's interests. As a shari'a scholar observes of the Shari'a Department with which he works, "So they, of course, they are always on the CEO's side. The CEO wants something, so they are always trying to [advocate a shari'a opinion to support] the CEO and the management". At the other end of the spectrum, the Shari'a Department – although not independent – may advocate on behalf of the shari'a committee within the bank. For example one head of a Shari'a Department, throughout our three-hour interview, consistently identified himself and his department with the bank – using the word "we", for example. However, at a crucial point in the interview he emphasized that he perceived himself and the shari'a scholars as forming a single profession, contrasted with the management:

> Because shari'a people want to talk among themselves, it is easier to understand, compared to when they talk to outsiders. Because outsiders tend to – bankers always have secrets. They will not tell everything to shari'a scholars. So that one, we want to protect [against]. They won't tell everything to shari'a scholars, so Shari'a Advisory's role is to know everything, what basically [the bankers] want out of this proposed structure.

However, even at this bank, other shari'a personnel are staffed in the product development team to ensure unconflicted shari'a advocacy on behalf of the investment bankers' areligious interests. To summarize, Islamic banking and finance are co-produced by the three parties – the investment bankers, the shari'a scholars, and the shari'a personnel. This intellectual brokerage of meaning-making is not conducted among equals. In some banks, despite national corporate governance protections, the investment bankers who dominate these small group social interactions and Islamic products are more likely to closely resemble those of the conventional sector. In banks in which the shari'a scholars hold autonomy and power within the firm, the scholars have the opportunity to create financial products and services that they view as theologically distinctive from conventional financial products. Whether the shari'a personnel expend their time and energies to support the shari'a scholars or the investment bankers is also influential in shaping the balance of power between these parties. What constitutes Islamic banking and finance – and what practices are theologically determined to lay outside of Islam – is shaped by an asymmetrical intellectual brokerage conducted in small group social interactions within Islamic financial firms. At least in this case, economic theology is not the product of economic practitioners or of theologians, but of the intellectual brokerage between the entrepreneurs, economic theologians, and bureaucratic ethicists. This intellectual brokerage is directly shaped by the banks' organizational structures, by national corporate governance regulations, and (outside of the scope of this chapter) by the international "demand" by clients for "Islamic" products.

Conclusion: decentring and reconceptualizing economic theology

Circling back to critical realism, I softly suggest that my practitioners appear to be assuming a critical realist perspective (or at least some form of realism). A realist premise clearly held by everyone I interviewed was that these dialogues between parties was about the same ontological world (ontological realism). Nevertheless, it was self-evident to all parties that peoples' perspectives differ as to the existence of Allah and the details of His requirements in the shari'a (epistemic relativism). For the most part, the economic theologians and bureaucratic ethicists practice judgemental rationality in their work among each other and with non-Muslims, in order to lead to an incrementally superior understanding of Islamic banking and finance's ideal form, and to incrementally move industry practices towards this paragon. Occasionally, shari'a scholars – particularly when discussing theological disagreements among themselves – would abandon the premises of critical realism and judgemental rationality by emphasizing that different scholars have different and equally valid opinions, or that there are irreconcilable differences based in distinctive schools of Islamic jurisprudence. However, I understand such occasional rhetoric as the exception that demonstrates the rule: in their daily work, the shari'a scholars practice judgemental rationality with Muslims and non-Muslims to arrive at a better interpretation of what financial practices on Earth are superior, inferior, or even "shari'a non-compliant".

I recommend that empirical researchers who read this Handbook would benefit from mimicking my informants and adopting a position of critical realism in their academic research. Globally recognized shari'a scholars such as Dr. Mohd Daud Bakar (2016) and Mufti Dr. Muhammad Taqi Usmani (2002) are describing the same ontological world as empirical academic researchers such as Bill Maurer (2005, 2010) – although due to epistemic relativism, their interpretations of the transcendental differ from one another and from those of this Handbook's diverse readers. The task for the academic project of economic theology is in this respect identical to the practitioner project of economic theology – to engage in judgemental rationality to better understand our common world despite our socially constructed distinctive knowledges of that world.

The analytic strategy of this chapter has been to decentre economic theology from its Western hegemonic moorings in Christianity and its primarily historical empirical studies to examine how a contemporary economic theology is produced outside of the global North. Let us provisionally follow the lead of the *Oxford English Dictionary* in understanding "theology" as a synonym for the academic field of Divinity, as a systematic study or science "which treats of God, His nature and attributes, and His relations with man and the universe". Such systematic scholarship well describes the education, expertise, and work of the shari'a experts employed in Islamic banking and finance. It also well describes the rabbinical scholars in the Jewish tradition and the canonists in Christianity. Calder (2016) coyly terms such religious scholars as "God's Technicians", and he argues that they have historically played a requisite role in the practice of what this Handbook terms economic theology. Specifically, he argues that the religious ban on interest in these three religious traditions has held the greatest force in time periods when religious jurists as a professional group are held as technical experts, and the usury ban has withered when God's Technicians lose their authority.

Yet not every way of life that incorporates the transcendental has a systematic theology, much less an institutionalized role for God's Technicians (e.g. consider the many local variants of the Hindu tradition, see Beyer 2006: 188–224). How can this nascent field of economic theology engage with religious traditions that are either poorly described as having a systematic theology, or in which this theology is not emphasized relative to other aspects of religious life?[2] Doesn't this concept of theology preclude the large populations of people with eclectic metaphysical beliefs who do not identify with any religious tradition (e.g. the "nones", see Woodhead 2016)? To put the matter bluntly, the term "economic theology" suggests that peoples without theology may have their economic concepts shaped by others' religions, but not by their own metaphysical practices. This is a strong assumption that I argue is unwarranted. In my field site, Islamic banking and finance are shaped not merely by economic theologians and bureaucratic ethicists, but also by their asymmetrical intellectual brokerage with investment bankers (who often identify as non-Muslim and who often view their work in the bank as areligious). If economic theology, in this key contemporary case study, is created in part by people without an Islamic theology, then the assumption that one must have a theology to create economic theology appears unwarranted. I encourage Handbook readers to be attentive to the economic theology of practitioners who do not have or do not emphasize theologies, and to understand the term "religion" with as few ontological and epistemological demands as possible.

Notes

1 All names are pseudonyms, and all interviewees are given male genders to ensure anonymity. Unfortunately, this obscures gender dynamics. I gratefully acknowledge the receipt of an Illinois State University Faculty Research Award to support this research and this chapter.

2 I thank Jim Spickard for his insights on religions without systematic theologies.

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