

BOOK REVIEW: *Economics as Religion: From Samuelson to Chicago and Beyond* by Robert H. Nelson, Pennsylvania State University Press, 2001.

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Nelson is Professor in the School of Public Affairs at University of Maryland and this book follows on from his earlier *Reaching for Heaven on Earth- The Theological Meaning of Economics* (Rowan and Littlefield, 1991). It is ambitious book which suggests economists “serve as the priesthood of a modern secular religion of economic progress that serves many of the same functions in contemporary society as earlier Christian and other religions did in their time” (p. xvi). Note the assumption that Christianity is now culturally irrelevant. Nelson claims the book “offers a theological exegesis of the contents of modern economic thoughtand a new kind of theological study of the most powerful set of religious beliefs of the modern era” (p. xxv).

These are grand claims indeed, although their actual content depends very much on the way Nelson defines “religion” and “theological”. As the book proceeds religion seems to be defined functionally, so that something qualifies as religion if it dominates culture in Nelson’s understanding of Christianity did in centuries past. In other parts of the book religion is that which deals with ultimate meaning. Throughout the book Nelson pays little attention to such matters as the nature of God or final judgement. He is not interested in doctrinal affinities between economics and traditional religions. Thus the force of the claims about economics being religious is reduced by his minimal and functional definition of religion. Most readers would take “religion” and “theological” to mean a lot more than Nelson does.

Nelson develops his claims about the religious nature of economics through a discussion of some major strands of twentieth century American economics. He begins with Paul Samuelson, Nobel Laureate and author of the bestselling 1948 textbook *Economics*. Samuelson is for Nelson the high point of a gospel of economic progressivism that developed through twentieth century America. Next we have the Chicago School of Frank Knight, Milton Friedman, George Stigler, Richard Posner and Gary Becker who for Nelson are united by a distrust of the gospel of progressivism. They are categorized as “Protestant” critics of the “Catholic” progressives. Finally we have the heroes of the story – the New Institutional School of Ronald Coase, Oliver Williamson and others.

While this discussion of twentieth century American economics is clear and full of interesting suggestions, Nelson’s method of discussing economics with occasional remarks on its religious dimensions does not allow a sustained argument about the religious nature of economics to be developed. He frequently slips from a discussion of economists’ interest in values or culture, to describing economics in religious terms, to conclusions that economics is religious. He slips from discussion of the economics profession to describing it as a priesthood without any analysis of criteria which distinguishes a priesthood from a profession and why economics meets these criteria. Similarly he slides too easily from discussion of economic ideas to describing the system as a theology or gospel. Creative substitution of religious for non-religious terms is not argument. In some cases, though, I think Nelson is right and better arguments could have been developed to support the claims. In other cases he would have been better to leave religion out of it.

I found the labeling of the economic progressivism as Catholic and the Chicago critics as Protestant particularly unhelpful. This labeling is carried over from Nelson's 1991 book, and justified on the basis that Paul Tillich's *A History of Christian Thought* (Simon and Schuster, 1967 – the theological work that Nelson seems to rely on) discusses modern Catholic and Protestant theologies in separate chapters and that some of their characteristics resemble the economic progressives and critics. At times Nelson displays a remarkable theological ignorance for someone arguing that economics is theology. For instance it is difficult to believe that anyone who has actually read Acts could claim as Nelson does (on p. 272) that Ananias' was killed for breaking the early Christian rule that ownership of property must be held in common. I have grave reservations about Nelson's view of religion as something (anything – the actual content is irrelevant) which reduces transaction cost in the market by increasing trust and which blesses the exchange of goods for individual gain (see for instance p. 331). Is what Nelson speaks about as religion recognisable to the participants? It seems to me that religion viewed minimally and instrumentally in the way Nelson does will not actually be able to sustain trust or buttress the market.

Despite these reservations about Nelson's treatment of religion, the book is written in a lively style and full of interesting ideas. Among these are the suggestion that the most important role of economists is not to be value neutral technicians but to maintain the value system that supports modern capitalism, his comparison of libertarian and environmental criticism of economic progressivism, the discussion of Frank Knights' views on religion, and the plea for economists to take institutions and culture more seriously. Overall Nelson has written a brave and thought provoking, but ultimately unsatisfying book.