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A THEOLOGY OF THE MARKET: ROBERT NELSON'S *ECONOMICS AS RELIGION*

Fr. Charles H. Nalls[†]

*"[A] successful society may require many people who do 'the right thing' for no other reason than that."*¹

Some five years after its debut, Robert Nelson's *Economics as Religion* remains provocative and problematic. As a recovering international trade attorney, I well appreciate Nelson's thesis that economics has taken on the aspects of a religion and that economists themselves form a new, priestly class. I have observed first-hand the battle royal that erupted in unfair trade practices investigations beginning in the mid-1980s when Chicago school economists confronted an established legal analytical framework and its adherents in a clash of near-Biblical proportions. With religious fervor, the devotees of competing views of the market engaged in a public challenge worthy of the prophet's cry, "How long halt ye between two opinions?"²

Analytical altars built, the priests of Chicago and of older strains of economics mocked and jeered one another in public places and written opinions.³ The confrontation was as difficult and complex as that of the Arian controversy:⁴ a clash of competing theologies with

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¹ ROBERT H. NELSON, *ECONOMICS AS RELIGION: FROM SAMUELSON TO CHICAGO AND BEYOND* 8 (2001).

² 1 Kings 18:21 (King James).

³ See generally Bruce A. Blonigen & Thomas J. Prusa, *The Cost of Antidumping: The Devil Is in the Details*, 6 J. POL'Y REFORM 233, 233 (2003) (arguing that the "costs of antidumping . . . protection are substantially higher than standard tariff analysis would suggest").

⁴ The Arian controversy, which arose in the fourth century, involved a major, protracted controversy concerning the divinity of Jesus Christ and the relation of Christ to God. The First

different languages, different prophets, and different holy writs. In the context of international trade remedies within antitrust and unfair competition cases, economists were demonstrably "in the requisite religious capacity"⁵ in the early 1980s. As Nelson observes, the economists' "social role has been as preachers of a religion with the special character that it acts to uphold the normative foundation required for a rapidly growing modern economy."⁶

If anecdotal evidence is an indicium, it is safe to say that the ongoing struggles in trade and domestic competition aim at answers "to a deeply felt need in the heart of man. Above the needs of the individual are the needs of the family, and higher still are the needs of the clan and people."⁷ In that sense, Nelson has made a very cogent case for economics as a religion, if, indeed, religion were simply an alternative vision of "ultimate values."⁸ In that case, economics fits a broad definition of religion as "a system of general truths which have the effect of transforming character when they are sincerely held and vividly apprehended."⁹

The theologian would observe, though, that "[r]eligion is an experience which no definition exhausts."¹⁰ We are considering something far more complex than values or general truths. As G.K. Chesterton once observed, "Religion is the sense of ultimate reality, of whatever meaning a man finds in his own existence or the existence of anything else."¹¹

Economists also may see their own economic research in this light. Nelson states that "[r]eligion is about changing people to make them better understand the truth as it is seen by the initiated and thereby also changing their behavior—as in Christian efforts to persuade sinners to see their fallen ways and to give up their sinful behavior."¹²

Economists may view their efforts to persuade people to be more "rational" in this context. But, as Nelson admits, "it is difficult to fit

Council of Nicea was convened in AD 325 in an attempt to resolve the dispute. See William Barry, *Arianism*, in 1 THE CATHOLIC ENCYCLOPEDIA 707-10 (Charles G. Herbermann et al. eds., 1907-1911).

⁵ NELSON, *supra* note 1, at 8.

⁶ *Id.*

⁷ Charles F. Aiken, *Religion*, in 12 THE CATHOLIC ENCYCLOPEDIA, *supra* note 4, at 738, 740 (referring to how religion serves a "deeply felt need in the heart of man").

⁸ NELSON, *supra* note 1, at 23 ("To the extent that any system of economic ideas offers an alternative vision of 'ultimate values,' or 'ultimate reality,' that actually shapes the workings of history, economics is offering yet another grand prophesy in the biblical tradition.").

⁹ ALFRED NORTH WHITEHEAD, *RELIGION IN THE MAKING* 15 (1926).

¹⁰ RUFUS M. JONES, *SPIRITUAL ENERGIES IN DAILY LIFE*, at vii (new & rev. 1949).

¹¹ GILBERT KEITH CHESTERTON, *COME TO THINK OF IT* (1931).

¹² NELSON, *supra* note 1, at xviii.

discussion of religion into the standard framework of economic thought.”¹³ Even more problematic, however, is the case of trying to fit economics into a framework of religious thought.

This is not to say that Nelson does not have convincing proofs of the religious dimension of economics—no matter what strain he examines. For example, in the first part of *Economics as Religion* entitled “The Laws of Economics as the New Word of God,” Nelson examines the rise of Marxism and the American Progressive movement at the end of the nineteenth century and early twentieth century to show that “economics is offering yet another grand prophesy in the biblical tradition.”¹⁴ In this sense, just as the “Jewish and Christian bibles foretell one outcome of history[, if] economics foresees another, it is in effect offering a competing religious vision.”¹⁵ It is a new prophecy, one with inherent values and its own eschatology.

Nelson expresses fairly well the coming of the new age, a millenarian vision, in a quote from Murray Rothbard on the Marxist vision as the application of an ancient formula:

[For Marx] history is the history of suffering, of class struggle, of the exploitation of man by man. In the same way as the return of the Messiah, in Christian theology, would put an end to history and establish a new Heaven and new Earth, so the establishment of communism would put an end to human history. And just as for . . . Christians, man, led by God's prophets and saints, would establish a Kingdom of God on Earth, . . . so for Marx and other schools of communists, mankind, led by a vanguard of secular saints, would establish a secularized kingdom of heaven on earth.¹⁶

Applying theologian Paul Tillich's requirement that a genuine religion must offer a vision of “ultimate reality,” Nelson quite rightly recognizes that the test has been met, and economics can fairly be taken as a religion if that is the sole basis for the determination.¹⁷

The analogy holds up well in part two of *Economics as Religion* entitled “Theological Messages of Samuelson's *Economics*.” I, like many of my age, endured this text as an undergraduate at a time when

¹³ *Id.*

¹⁴ *Id.* at 23.

¹⁵ *Id.*

¹⁶ *Id.* at 25 (quoting MURRAY N. ROTHBARD, CLASSICAL ECONOMICS 317 (1995)).

¹⁷ *Id.* at 23. Paul Tillich defined religion as “the state of being grasped by an ultimate concern, a concern which qualifies all other concerns as preliminary and which itself contains the answer to the question of the meaning of our life.” PAUL TILlich, CHRISTIANITY AND THE ENCOUNTER OF THE WORLD RELIGIONS 4 (1963).

it literally was taken as gospel in many economics departments. While I suspect some lurking heresy in our own corner of the world (a small text by Milton Friedman was almost surreptitiously assigned), the Samuelson text and its updated and revised charts were as ubiquitous as the pictorial depictions of Gospel vignettes used to instruct the illiterate in medieval cathedral churches.

Nelson is spot on in attributing a near-Talmudic status to Samuelson's "Progressive gospel of efficiency."¹⁸ As well, he demonstrates that the gospel according to Samuelson is not value-free or value-neutral; like its predecessors and successors, it is value-laden. Similarly, in part three of *Economics as Religion* entitled "The Gods of Chicago," Nelson counterpoises the Chicago "reformation" against the Progressivist orthodoxy of Samuelson, both in terms of method and implicit values.¹⁹

The problem here is one of skepticism: the Chicago school does not offer a comprehensive replacement of the old theology. Rather, the Chicago school applies a kind of economic version of historical-critical analysis to the optimistic gospel of beneficial government action. Paralleling the same result in Biblical exegesis and mainstream twentieth century Protestantism, this critique precipitated a crisis of faith.

The question, then, is what will replace the Progressive gospel? According to Nelson, in the fourth part entitled "Religion and the New Institutional Economics," the substitute will be the new institutional school of economics typified by Joseph Stiglitz, although this may be a temporary palliative to the "crisis of faith" precipitated by Chicago.²⁰

Finally, in the last part of his book, entitled "Economics as Religion," Nelson reiterates his thesis that the authority of traditional religion had passed to science, and in the case of the conduct of modern society, to the social sciences.²¹ Here, the messages of economic prophesy have not depended on the necessary existence of any god or in the hereafter. Rather, this belief system results "in an entirely new and secular religion—although one that draws many of its themes

¹⁸ *Id.* at 36.

¹⁹ *Id.* at 119, 119-207. I do confess, as a priest, that I am discomfited by Nelson's Protestant-Catholic analogy in this portion of the book. To echo Professor Jennifer Roback Morse in her 2002 review of *Economics as Religion*, "[Samuelson's] understanding of Protestantism seems nuanced and detailed, but his description of Catholicism reflected stereotyping rather than genuine understanding." Jennifer Roback Morse, *Economics as Religion: From Samuelson to Chicago and Beyond* by Robert H. Nelson, 5 J. MARKETS & MORALITY 519, 519 (2002) (book review).

²⁰ NELSON, *supra* note 1, at 228-29.

²¹ *Id.* at 261-328.

from the biblical tradition, now typically reworking them in a less direct and mostly implicit fashion."²²

At the end of the day, here is the theological breakdown in the final analogy: among legal scholars and nonlegal scholars in philosophy and religion there is a very lively debate as to whether the word "religion" can or should be defined.²³

The problem in Nelson's book is definitional. As pointed out at the turn of the last century by Catholic writer Charles F. Aiken:

Religion answers to a deeply felt need in the heart of man. Above the needs of the individual are the needs of the family, and higher still are the needs of the clan and people. On the welfare of the people depends that of the individual. Hence we find that religion in its outward worship is to a large extent a social function. The chief rites are public rites, performed in the name, and for the benefit, of the whole community.²⁴

This is well and good, for we see in these various attributes all of the points that Nelson brings out, including the public rites—although for such ceremonies, I would proffer that they take the form of expert economic testimony before Congress, in international and domestic trade investigations before the courts, in the various think tanks and institutes and, of course, in classrooms. These rites are accompanied by a liturgical language, images, and a priesthood. But there is more to "religion" than these elements.

In looking for a legal definition, Jeremy Gunn, Senior Fellow for Religion and Human Rights at Emory University, offers a tripartite approach: "religion as *belief*, religion as *identity*, and religion as *way of life*."²⁵ Gunn observes:

Religion as *belief* pertains to the convictions that people hold regarding such matters as God, truth, or doctrines of faith. . . . *Belief* religion typically emphasizes the importance of individuals having a proper understanding of doctrines . . . [and] may in fact emphasize the critical importance of a religious community of like-minded believers, the essential role of a

²² *Id.* at 23.

²³ See, e.g., William P. Alston, *Religion*, in *ENCYCLOPEDIA OF PHILOSOPHY* 140, 140-45 (Paul Edwards ed., 1967) (discussing some of the various definitions of religion and the difficulty of reconciling them).

²⁴ Aiken, *supra* note 7, at 740.

²⁵ T. Jeremy Gunn, *The Complexity of Religion and the Definition of "Religion" in International Law*, 16 HARV. HUM. RTS. J. 189, 200 (2003).

priesthood in the salvation of souls, or even the need to manifest religion in the public square.²⁶

Nelson makes a persuasive case on this element, as well as on religion as *identity*, which emphasizes affiliation with a group. "*Identity* religion, in this basic form, understands coreligionists to be a part of the same group (perhaps even regardless of their personal beliefs)."²⁷ Again, Nelson has made a case for identity, certainly among the adherents of the Cambridge and Chicago schools, and the new institutional economists. While precise "theological beliefs" may differ, there are histories, cultures, and traditions. On the third prong, however, the religious analogy grows indistinct. Religion as a *way of life* beyond shared belief or identity or shared actions does not seem to loom large in Nelson's analysis.

Even more pointedly, there is nothing of the sacred. Emile Durkheim found that religion points toward the sacred or as he put it, "[Religion is] a unified set of beliefs and practices relative to sacred things, that is to say, things set apart and forbidden,—beliefs and practices which unite [into] one single moral community—all those who adhere to them."²⁸

What man aims at in religion is touching the sacred and Deity. In connection with the sacred, man hopes to attain his happiness and perfection. "This spiritual perfection, bringing with it perfect happiness, is realized in part at least in the present life of pain and disappointment, but is to be found fully attained in the life to come."²⁹ To be sure, there may be self-interest, but there is desire of happiness that is tied to the sacred, and that reach leads beyond self-interest.

Nelson seems to puzzle over this rather than answer it. Quoting James Q. Wilson, Nelson acknowledges that the human involves "both a 'self-interested' side and an 'altruistic' side."³⁰ Nelson observes that "[c]ontrary to the almost exclusive emphasis on the former in economic analysis, Wilson concludes after a lifetime of close observation of political and economic affairs that 'on balance, I think the other-regarding features of human nature outweigh the self-

²⁶ *Id.*

²⁷ *Id.* at 201.

²⁸ BRIAN MORRIS, ANTHROPOLOGICAL STUDIES OF RELIGION 115 (1987) (quoting EMILE DURKHEIM, THE ELEMENTARY FORMS OF THE RELIGIOUS LIFE 37 (1915)).

²⁹ Aiken, *supra* note 7, at 739.

³⁰ NELSON, *supra* note 1, at 8 (quoting James Q. Wilson, *Two Cheers for Capitalism*, 2000 PUB. INT. 72, 75).

regarding ones.”³¹ In sum, “[m]uch of life cannot be explained in ordinary economic terms.”³²

The explanation lies in God.

Religion may . . . be defined as the voluntary subjection of oneself to God, that is to the free, supernatural Being (or beings) on whom man is conscious of being dependent, of whose powerful help he feels the need, and in whom he recognizes the source of his perfection and happiness.³³

Religion is voluntary and transcends acquisition and material needs fulfillment. Rather, “it is a virtue, since it is an act of the will inclining man to observe the right order, springing from his dependence on God.”³⁴ Thus, Saint Thomas Aquinas defines religion as “the virtue which prompts man to render to God the worship and reverence that is His by right.”³⁵ As Nelson writes:

Perhaps the biblical God has reconsidered. Perhaps, instead of Jesus, he has now chosen economists to be a new bearer of his message, replacing the word of the Old and New Testaments that has now become outdated for the modern age Perhaps God has decided that the underlying ordering forces of the world, the ultimate reality that will shape the future outcome of history, will truly be economic.³⁶

Or perhaps, as Saint Augustine advises us, “There is a God-shaped hole in every person.”³⁷ The material cannot fill that hole, and no matter what prescription we have for material advancement, there is nothing in the economic realm that can explain it in the terms of Samuelson, Friedman, or Marx.

In the words of Chesterton, “[O]ne of the chief uses of religion [is that i]t makes us remember our coming from darkness, the simple fact

³¹ *Id.*

³² *Id.*

³³ Aiken, *supra* note 7, at 739.

³⁴ *Id.*

³⁵ *Id.* (“St. Thomas defines religion as ‘*virtus per quam homines Deo debitum cultum et reverentiam exhibent.*’” (quoting THOMAS AQUINAS, *SUMMA THEOLOGICA* pt. II-II, Q. lxxxii, a. 1)).

³⁶ NELSON, *supra* note 1, at 23.

³⁷ ST. AUGUSTINE, *THE CONFESSIONS OF ST. AUGUSTINE* 1 (Albert Cook Outler ed. & trans., Dover 2002) (1955) (“[F]or thou hast made us for thyself and restless is our heart until it comes to rest in thee.”).

that we are created."³⁸ Economics cannot accomplish that aspect of religion either.

At the end of the day, Nelson has given us a fair account of economics as having the form of religion. There are undeniable and concrete aspects that he has identified in a concise and well-researched work. The historical account of the denominations of economics alone in *Economics as Religion* makes it worth having in one's library. It is a book to reread, consult, or meditate on before or after one retains an economic expert. Nevertheless, it probably is best to look elsewhere when considering the simple question of why people might do "the right thing" for no other reason than that.

³⁸ Myles E. Connolly, *Famous Essayist Tells How He Manages To Be Jolly*, BOSTON SUNDAY POST, Jan. 16, 1921, at 33 (quoting Gilbert K. Chesterton).