

REACHING
FOR
HEAVEN
ON
EARTH

The Theological Meaning of Economics

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Foreword

In ancient rhetoric the foreword, or exordium, was supposed to establish *ethos*, the valued character of the speaker. A listener needs assurances from the beginning that a speech is worth listening to. Readers of books are like that, too. But an economist, like a cynic, is someone who knows the price of everything and the value of nothing. Robert Nelson and I are both economists. How is one cynic to establish the valued character of another?

The answer, I think, is to note that we are both part of a turn in economics away from cynicism and toward value. The cynics, who leave value aside, are giving way. Economics, like the analytic philosophy with which it shares much, has spent five decades separated from the rest of the culture, looking down with a cynical sneer on theology and literature and other matters of value. If an economist wants to sneer at an argument he will often say, "That's rather *theological*, isn't it?" (The other sneer-words are "philosophical" and, compliments of 1930s positivism, "metaphysical.")

Yet old Adam Smith was first of all a professor of moral philosophy, who thought his book *The Theory of Moral Sentiments* (1750, 1790) was as valuable as *The Nature and Causes of the Wealth of Nations* (1776). John Stuart Mill, besides being the leading economist of his age, was a moral and political philosopher. Yet the worldly philosophers commenced after Mill to withdraw from morality. By 1900 the *Dictionary of Political Economy*, under the heading "Morality," could formulate the profession of economics in a way few economists would now dispute:

The relation of morals to economics is often misunderstood. Political economy is, properly speaking, a science rather than an art. It aims in the first instance at the explanation of a certain class of facts. . . . The special knowledge of economic facts possessed by the economist may enable him to give valuable advice on economic questions, but this, strictly speaking, is not his business. His business is to explain, not to exhort. It is therefore beside the mark to speak of economists, as such, preaching a low morality or rejecting morality altogether.

The economist was to be seen as a man of business, not a preacher. He sold Gradgrind facts, not the mere theological and philosophical and metaphysical preaching of morality. In 1900 the word "preaching" already sneered, as teenagers sneer at their parents' preaching.

The *Dictionary* claims too that the economic facts are Science rather than morality or art. By 1900 the specialization of "Science" in English to mean "lab-coated and quantitative" had already been accomplished. (Consult the first edition of the *Oxford English Dictionary*, sense 5b, first cited in this "modern use" in 1867, which the *Supplement* of 1933 describes as by then "the dominant sense in ordinary use.") No other language did it. The science word still means just "disciplined inquiry" in French, Italian, Spanish, German, Polish, Turkish, Korean, Hindi, Tamil, and others, as it did in English until the middle of the nineteenth century. A German speaks of *die Geisteswissenschaften* to signify what we call the humanities. When an Italian mother brags about her studious boy, "*mio scienziato*," she means he studies hard in school, not that he wears a lab coat and deals in the observable implications of higher order theories. The peculiarly English and recent definition has made it easy for economists and their imitators (economics is mainly an English science) to suppose that a science could have nothing to do with morality or theology or the meaning of life.

It would be a strange economics, of course, that did not treat at least the pursuit of happiness and consequently the morality of getting more in this earthly life. Economics has a branch called "welfare economics" into which moral questions have been diverted since the coming of scientism. The graduate schools in economics teach that economists need merely to distinguish positive against normative, "is" against "ought," the way things are against how they should be. It is a 3 × 5-card theory of ethics, conveniently brief, antequely positivistic.

The sole moral judgment an economist is supposed to be able to make is a wholly uncontroversial one: if every person is made better

off by some change, the change (which is then called "Pareto optimal") should take place. Even philosophers like John Rawls have adopted the notion of Pareto optimality, trying in the economist's manner to pull a decently detailed moral theory out of a hat. Welfare economics has shown some stirrings of complexity in moral life, as in the works of the economist and philosopher Amartya Sen and a few others. But most economists continue working the magician's hat. The hat does not contain a living theory of moral sentiments; mainly this welfare economics is Victorian utilitarianism stuffed and mounted and fitted with marble eyes.

Nelson's book insists on giving the stuffed parrot back to the pet store. Nelson is what is known in the trade as a "policy analyst." Though trained in economics, he uses the economics for practicalities. He therefore knows a dead bird when he sees one. Though trained technically like the rest of us, he is not concerned primarily with matters of pure theory, that is, what can be drawn out of the hat if you assume you have one filled with birds.

Economics and theology are opposites, right? Wrong, says Nelson, leaning against the European presumption since Goethe and Coleridge. Economics and theology look to modern eyes like strange partners. Nelson makes it work, showing in detail that theology has always had its economic double. Like Thorstein Veblen long ago he takes seriously a favorite turn of the newspaper columnist, that economics is mere religion. Voodoo economics. He takes it seriously by going further, knocking the "mere" out from the front end of the expression. Religion, he notes, is not mere. It is what we make of life. Economics, according to Nelson, is the religion of the ordinary.

Nelson detects two traditions in religion, which he calls the Roman (in both the ancient and the Catholic sense) and the Protestant (in both the Calvinist and the rebellious sense). The issue between them has always been the perfectability of humankind. Moderation, prudence, courage, and justice, the four natural virtues, are especially admired by Romans. By their works ye shall know them. On the other hand the three theological virtues, faith, hope, and charity, are especially Protestant. Amazing grace, how sweet the sound, that saved a wretch like me. On Sunday even Catholic Americans partake of this Protestant spirit. But the rest of the week, surprisingly, we Americans are Roman citizens. As Nelson puts it, "Of all nations, the United States exhibits a characteristic national outlook that matches most closely the Roman tradition. Americans typically believe that reason guides the world, showing a deep faith in progress." An American soldier in the Gulf,

when asked whether he hated the Iraqi enemy, said, "No, of course not. I reckon I'm here to do a job and so is he." A centurion standing uneasily between Jesus and the Pharisees could not have better expressed the attitude of Rome.

Rome under the Republic had a civic religion, consisting of the reading of entrails and other sensible precautions. The civic religion of the modern world is social engineering, which depends on similar techniques of divination. The religion promises material salvation, restoring the Garden of Eden and yielding, as Nelson points out, a spiritual salvation. For better or worse, economics is the theology of the modern religion.

Though Nelson does not hold much with social engineering, he by no means disdains religions, spiritual or secular. Religion is not something that can be dispensed with. Nelson does not believe that religion is past. The popular notion is that modernization has overthrown religion. The notion is mistaken, though secular intellectuals from Voltaire to the average reader of the *New York Times* have believed it fervently. "Modernization theory" is among the less substantial achievements of the social sciences, claiming on no good grounds that medieval peasants were very different from you and me. We need religion just as much as our ancestors did. The most modern of nations—I mean America—is among the most religious, draping the exercise of national power in religious symbolism, going to worship on the Lord's day in numbers that would appall the average Frenchman. We moderns continue to need a religion of the Judeo-Christian sort, with its progress and its salvation. "The twentieth century has seen a revival of the wars of religion," says Nelson. Yes, and we fight under the banners of economic theologians.

Nelson believes that our civic religion needs renewal, and finds the renewal in a combination of left and right, the environmentalists and the libertarians. Both are suspicious of the established church. Nelson recommends a Protestant variety of churches in our secular religions. The variety would give people a free choice of economic regime. Unfashionably, he preaches "tolerance of diverse economic theologies."

One can see the unfashionability of it all by contrasting Nelson's small-is-beautiful recommendations with those of the economic bishops, for example Robert Reich, a policy analyst at the Kennedy School of Government at Harvard. Reich has recently sounded the alarm against what he calls "secession" by the educated classes. What worries him is that taxable income will move out from under the taxing

authority, disabling the government from making a community. By contrast, Nelson views secession as just the ticket, the most basic of political and religious rights. Only an established church views the splintering of religious power with alarm.

The economist Albert Hirschman speaks of three social mechanisms, "exit, voice, and loyalty." If you don't like the environmental policies of your town you can love it or you can leave it, exercising *loyalty* or *exit*; or else you can go tell City Hall, exercising *voice*. The Roman tradition in social thinking, represented by Reich on the left and by George Will, say, on the right, wants to create new reasons for loyalty, blocking the exits. The Protestants—or the ecumenical Rome of Vatican II—regards exit as making for a freer world.

Nelson's argument rings true, in its history and in its policy. Economic thinking does run parallel to theological thinking. In a sense well beyond the journalistic sneer, economists of all stripes are theologians. One among numerous clinchers for his historical argument is that many of the Progressives around 1900 in the United States were the sons and daughters of clergymen. They replaced their fathers' theology with a new one. As well they might, for it has ever been so.

I can assure you that Nelson is a surefooted guide to economics, from which I gather (without claiming the *ethos* to speak on such matters) that he is also a good guide to the theology. He strides confidently through economics from Aristotle to the latest Nobel Prize, pointing out along the way the political philosophy from Plato to Nozick and the theology from Paul of Tarsus to the modern masters. He brings the great tradition of Western thought into conversation with the mundanities of the market.

When attempting such a survey it is easy to trip. Nelson does not. And when talking about money and morals in the same breath it is easy to be partisan, but Nelson is not. Smooth-tempered even when disagreeing with Plato or Augustine or Marx, he summarizes them for his own uses fully and accurately. It is an astonishingly clever performance.

It is more than clever, though; it is educational. A student of religion will find here lucid descriptions of the economics most relevant to theology. A student of the economy will find discussions of the philosophers and theologians most relevant to economics. Most people are satisfied to remain ignorant of the other. Nelson asks why people are so resistant to economic thinking, a question which has often occurred to me. When I remark that a serious social thinker must understand economics, my colleagues in political science or sociology

laugh nervously. When money is talked about at all, people laugh. But the situation is no better on the other side. When one suggests to the priests of the modern civic religion that they might study theology, they merely grin stupidly and go on with their econometric spells.

I do not know how much economics the average student of religion knows. Judging from the recent Bishops' Letter, not much. But I am sure that economists know nothing about theology. They need an education—and have the characteristic flaw of the ignorant, which is to deny that becoming educated is worth the effort. After Nelson, no excuses. The theologian who thinks that a dimly remembered Marxism is all he needs to know of economics, or the economist who thinks that religion is merely what's left over when science has done its job, no longer has an excuse. Read Nelson, and repent.

Nelson provides a way for those bleared with trade to see their place in the Western tradition. He moves freely between church and market, Tillich and Schumpeter. The result is an open road between the two halves of the culture, humanism and science. Getting the two parts of the culture long separated to talk to each other is a noble undertaking. Nelson believes, astonishingly, that they can actually learn from each other.

The book marks the end of modernism in economic thinking, namely, the strange notion that fact and value live in different universes. Maybe in God's eyes they are separate. In our universe here and now they live together. "To abandon the scientific method . . . is to undermine a basic faith of the American welfare state, a faith as deeply embedded in Western civilization as the Roman tradition of thought." Nelson speaks of a "postmodern economic theology," by which he does not mean any of the alarming things that you may have gathered about postmodernism from the popular press. He means merely that a science like economics must entail values like theology. "The new world of the welfare state and of economic pursuits would have to be placed within the context of a broader understanding of the meaning and purpose of human existence." Modernism has led economists over the past century to ignore the context.

The one way to push the argument a little further is to doubt that science and religion were ever far apart. Isaac Newton saw God's plan in the universe, and would not have seen it without a theological motive. It is that mad modernist notion that science and humanism are split. Nelson says modestly that his book is "historical," not "scientific." But his argument says that the two should not be put in separate boxes. In 1946, at the height of modernism, the philosopher of history

R. G. Collingwood put the matter well: "Scissors-and-paste historians study periods; they collect all the extant testimony about a certain limited group of events, and hope vainly that something will come of it. Scientific historians study problems: they ask questions, and if they are good historians they ask questions which they see their way to answering." Nelson is a scientific historian of religion and economics, who shows that a policy science must deal with meaning and statement together. The journalists like to say that the scientific claims of economics have crumbled (they have always said it, from 1800 to the present). That is not the point. The point is that science is humanistic, all the way down.

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