



# *Economics, Theology and Religion Newsletter #1*

*Erasmus Economics & Theology Institute*

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## New Articles

### *EUROPEAN JOURNAL OF THE HISTORY OF ECONOMIC THOUGHT*

#### **The Paradox of Value in the Teaching of the Church Fathers**

Joost Hengstmengel

The paradox of value is a classic puzzle in economics. It wonders why necessities are cheap while luxury goods are useless but expensive. Often Adam Smith is cited as the “inventor” of the paradox. Few economists seem to realise that it was voiced by numerous writers before. This article focuses on the Church Fathers, and discusses the role and interpretation of the paradox in their works. It argues that although these “theologians” did not take the analysis of the paradox much further than their philosophical predecessors, they elaborated on the subjectivity of value and price, thus contributing to the genesis of the economic theory of value.

*Keywords:* Paradox of value, water-diamonds paradox, Church Fathers, Adam Smith

*JEL-codes:* B11, B12, D46

### *JOURNAL OF THE HISTORY OF ECONOMIC THOUGHT*

#### **Jewish Social Science and the Analysis of Jewish Statistics in the Early Twentieth Century**

Nicolas Vallois

The late nineteenth century saw the multiplication of statistical studies on Jewish populations. This literature is now known as “Jewish Statistics” or “Jewish Social Science” (JSS). This article focuses on the articles published in *Zeitschrift für Demographie und Statistik der Juden* (*Journal for Demography and Statistics of the Jews*, ZDSJ). The ZDSJ was the main journal in JSS and appeared from 1905 until 1931. Existing scholarship on JSS has either focused on the influence of Zionism (Hart 2000) or eugenics and race theory (Efron 1994). This article proposes to relate JSS to the history of economics and statistics. As is suggested by the intellectual profile of the main contributors to the ZDSJ, we argue that JSS was a by-product of the German historical school in economics. Though JSS was intended for a mostly Jewish audience, its organization and methods were clearly inspired by those of German economists.

### *CAPITALISM: A JOURNAL OF HISTORY AND ECONOMICS*

#### **Profit, Penury, and the Impieties of Inequality? A Retrospective on Martin Luther’s “On Trade and Usury” for Our Times**

C.N. Biltoft

The potential evils of wealth are legion—this was a well-varnished truth in Christian doctrine, long before the German theologian Martin Luther vernacularized the precept in his sermon, “On Trade and Usury” (1524). Many pre-Reformation religious orders, those founded on vows of poverty, had repeated as liturgy the ways in which earthly riches posed an almost insurmountable obstacle to spiritual salvation. For some, it was difficult to the point of physical impossibility, as that oft-cited and ambitious camel that tried but never managed to pass through the eye of a needle. (...)



## **Our Lady of Mont Pelerin: The “Navarra School” of Catholic Neoliberalism**

Bethany Moreton

Religious doctrine and practice have been among the principal conduits for neoliberal ideas, policies, and subjectivities, and attention to them reveals the self-conscious dependence of free markets on intimate forms of unfreedom. Intellectual historians have recovered the shifting and overlapping neoliberal schools of Geneva and Freiburg, Virginia and Chicago, Vienna and Cologne. This article makes a case for adding a similarly heterogenous but nonetheless identifiable “Navarra School” to the roster of neoliberal networks. The neologism derives from the flagship university in Spain where members of the elite Catholic lay movement Opus Dei disseminated economic policy, business training, and religious practice.

*Keywords:* neoliberalism, Catholicism, discipline, self-mortification, economic theology, business schools, conservatism, sexual traditionalism

### *JOURNAL FOR THE SCIENTIFIC STUDY OF RELIGION*

## **Trust and Trustworthiness of Christians, Muslims, and Atheists/Agnostics in the United States**

Linda Thunström, Chian Jones Ritten, Christopher Bastian, Elizabeth Minton, Dayana Zhap-passova

Trust, a cornerstone of economic development, is promoted within religions. In a randomized controlled trial, we examine how trust and trustworthiness vary across religions (Christianity and Islam), religiosity, and atheists/ agnostics in the United States. Three novel findings emerge. First, Christians are trusted more than Muslims and nonbelievers, which is due to a Christian ingroup bias—Christians trust Christians more than they trust Muslims and nonbelievers, while Muslims and nonbelievers trust all groups the same. Second, religiosity matters to trust. Religious people trust those of higher religiosity more, but only if they are of the same religion. In contrast, nonbelievers trust people of higher religiosity less. Third, trustworthiness among nonbelievers is somewhat lower than that of the religious, especially toward Christians. We speculate that the lower reciprocity originates in the prejudice toward nonbelievers. Our results may help explain discrimination against Muslims and nonbelievers, given that discrimination often originates in distrust.

### *RELIGIONS*

## **Religion and Labor Market Performance: Is It What You Believe or How Much?**

Philipp Öhlmann

A growing corpus of literature has explored the influence of religion on economic attitudes and behavior. The present paper investigates the effect of religion on labor market performance using a novel approach to control for the endogeneity of religion. It proposes contingency experience, individual experiences of existential insecurity, as an instrumental variable of a person’s religiosity. The empirical analysis uses data from a household survey in South Africa specifically designed for this study. The econometric approach is the estimation of instrumental variable ordered probit and linear probability models. Using the Centrality of Religiosity Scale (CRS), the analysis differentiates between effects of individual religious intensity and of religious affiliation. The findings show that individual religiosity, measured in the CRS, has a robust and positive effect on labor market performance. Religious affiliation does not seem to affect labor market performance. The positive effect on religiosity is documented in



a set of ordered and binary outcome models across different indicators of labor market performance. The study concludes that the intensity of belief exerts an influence on labor market attitudes and outcomes, while affiliation in religious communities (indicating different content of belief) does not seem to make a difference.

*Keywords:* religion, religiosity, Centrality of Religiosity Scale, labor market performance, contingency experience, instrumental variables, South Africa

## *RELIGION, STATE AND SOCIETY*

### **The Socioeconomic Matrix of Support for Sharia: A Cross-National Study of Muslims' Attitudes**

Valery Dzutsati & Carolyn M. Warner

What explains the variation in support for the implementation of formal religious laws in societies? To address the question, we analyse the socioeconomic bases of support for sharia, Islamic law. Our findings suggest that there is a negative correlation between the state's ability to provide social order and welfare, and support for sharia across social strata. A state with low capacity is associated with high support for sharia among the lowest and the highest social strata of the society. Conversely, a state with high capacity for public goods provision is associated with low support for sharia among the lowest and the highest social strata of the society. Using new cross-national survey data of Muslims in rich and poor societies, we find that the evidence supports our theory, indicating that in analyses about sources of demand for religious law, social order and social welfare factors need to be considered.

*Keywords:* Religious law, public goods, state capacity, social welfare, social order, islam

## New Books

### ***Religion and the Rise of Economics (Knopf, January 2021)***

Benjamin M. Friedman

Critics of contemporary economics complain that belief in free markets—among economists as well as many ordinary citizens—is a form of religion. And, it turns out, that in a deeper, more historically grounded sense there is something to that idea. Contrary to the conventional historical view of economics as an entirely secular product of the Enlightenment, Benjamin M. Friedman demonstrates that religion exerted a powerful influence from the outset. Friedman makes clear how the foundational transition in thinking about what we now call economics, beginning in the eighteenth century, was decisively shaped by the hotly contended lines of religious thought within the English-speaking Protestant world. Beliefs about God-given human character, about the after-life, and about the purpose of our existence, were all under scrutiny in the world in which Adam Smith and his contemporaries lived. Friedman explores how those debates go far in explaining the puzzling behavior of so many of our fellow citizens whose views about economic policies—and whose voting behavior—seems sharply at odds with what would be to their own economic benefit. Illuminating the origins of the relationship between religious thinking and economic thinking, together with its ongoing consequences, Friedman provides invaluable insights into our current economic policy debates and demonstrates ways to shape more functional policies for all citizens.



***The Spirit of French Capitalism. Economic Theology in the Age of Enlightenment* (Stanford University Press, March 2021)**

Charly Coleman

How did the economy become bound up with faith in infinite wealth creation and obsessive consumption? Drawing on the economic writings of eighteenth-century French theologians, historian Charly Coleman uncovers the surprising influence of the Catholic Church on the development of capitalism. Even during the Enlightenment, a sense of the miraculous did not wither under the cold light of calculation. Scarcity, long regarded as the inescapable fate of a fallen world, gradually gave way to a new belief in heavenly as well as worldly affluence. Animating this spiritual imperative of the French economy was a distinctly Catholic ethic that—in contrast to Weber’s famous “Protestant ethic”—privileged the marvelous over the mundane, consumption over production, and the pleasures of enjoyment over the rigors of delayed gratification. By viewing money, luxury, and debt through the lens of sacramental theory, Coleman demonstrates that the modern economy casts far beyond rational action and disenchanting designs, and in ways that we have yet to apprehend fully.

***Reimagining Faith and Management: The Impact of Faith in the Workplace* (Routledge, March 2021)**

Edwina Pio, Robert Kilpatrick & Timothy Pratt (eds.)

Much contemporary research ignores or is dismissive of the growth of global religiosity, even though 90 percent of the global population sees the world through a commitment to some kind of faith. *Reimagining Faith and Management* addresses this issue and extends the research on the impact of faith in various aspects of management, such as negotiation, leadership, entrepreneurship, governance, innovation, ethics, finance and careers. Faith impacts how individuals and organisations envision, manage and respond to their various stakeholders, communities, the natural environment and the world around them. This book presents various facets of how faith, values and/or ideological outlook which informs, influences and adds mystery to inspire and impel individuals and organisations. The 21 chapters are based on academic research and offer practical managerial recommendations. The book is divided into three sections: faithful futures impacting individuals; faithful futures impacting organisations and faithful futures impacting society. Each chapter presents a theoretical base and includes practical implications. The book is ideal reading for educators, practitioners, researchers and students of business, management, career studies, faith-based organisations, corporate governance and business ethics, as well as religious studies, including applied theology.

***The Economic Theology of Neoliberalism: Foucault and Agamben on the History of Governmentality* (dissertation, KU Leuven, February 2021)**

Tim Christiaens

Foucault’s lectures on the emergence of neoliberal governmentality have been an influential source on the study of neoliberalism today. I argue that Foucault’s approaches, however, also possesses some limits. It does not address why governmental rationalities display historical continuities, the mutual affinity between neoliberalism and Christian forms of thought, and how neoliberal regimes exclude surplus populations. I turn to Agamben’s economico-theological rethinking of Foucault’s genealogy of governmentality in order to complete Foucault’s approach to neoliberalism. According to Agamben, historical continuities between governmental rationalities arise when discursive signatures move from one rationality to another. One such signature has been the word ‘oikonomia:’ for the Greeks, it meant the father’s government of the household as a functional organization, but it was gradually detached from this





context. For medieval theologians, it referred to God's providential government of world-history as a functional organization. It was this theological dimension that, according to Agamben, was transmitted to modern governmentality through liberal authors like Adam Smith. The aim was to use the medieval project of theodicy to justify the exclusion of the poor from the benefits of free market liberalism. Just like Christians have to accept their suffering in the name of God's final salvific plan, economic agents must supposedly accept their misery in the name of future prosperity. This discursive structure, in my view, still permeates neoliberal governmental rationality. I subsequently trace it in Hayek's theory of competition, the Beck-erian theory of the homo oeconomicus, and Novak's theology of the corporation.

### Upcoming Conferences

#### **Adam Smith on Ethics and Economics - A Liberty & Markets Colloquium**

Acton Institute for the Study of Religion and Liberty

This colloquium on Adam Smith on Ethics & Economics will explore the model Adam Smith proposes in the Theory of Moral Sentiments to account for the growth and development of ethics, and it will also consider the main thesis of his Inquiry into the Nature and Causes of the Wealth of Nations. Smith understands both ethics and the market to be systems of order that are unintentionally developed by individuals as they strive to satisfy their interests. The desire for mutual sympathy and the drive to better our condition in life are the basic social motivations that give rise to these unintended systems of moral and economic order. This conference proposes to explore the similarities, differences, and the relation between the two systems (the moral and the economic). (...)

*Date/location:* 25-28 March, Grand Rapids, United States

### Call for Papers

#### **Christian Faith and Economics Education**

Special issue of Faith & Economics

The practice of teaching economics warrants careful reflection and study, and we can all learn from the best practices of other teachers. Even more, those who work to bring a particular Christian tradition to bear in their teaching will find a wealth of integrative scholarship, but little that is focused on teaching. Even less work is focused on the broader practices of higher education. This is a particularly difficult period for higher education in the United States, and so it is appropriate for us to turn our scholarly attention toward the institutions that we serve, and the practice of teaching. (...)

*Deadline:* 15 October