Book Reviews


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Edward Bailey contacted me in September 2014 to review this book, which was formerly unknown to me although my research deals with religion and economics. Edward seemed to have turned to me when he had particularly lengthy books on the topic to review (cf. my review of Philip Goodchild’s Capitalism and Religion in IR 15.3), which I chose to understand as a compliment even if it put a heavy strain on a typically overcharged workload. Edward had written to me a few of times since to recall the deadline, apparently pressed by an eager author. I had to miss the deadline and request a delay, and it is with much regret that I have handed this in at the tail end of July 2015, a few months after Edward passed away. I would like to dedicate this to his memory and express my gratitude to him for having been a generous elder and a precious interlocutor over the years, since he first invited me to talk in one of his seminars at Middlesex when I was only a Masters student, and later on to Denton and Oxford.

Robert Nelson’s book could well have been titled Economics as Implicit Religion, and it is indeed fitting to review it here in IR. The edition at hand of Economics as Religion is a 2014 re-issue of the 2001 opus in addition to a short epilogue. It is the second book of a trilogy in which Nelson charts the rise of a “modern secular religion of economics” that culminates in the twentieth century cultural ideology of the market. In his first volume, Reaching for Heaven on Earth: The Theological Meaning of Economics (1993) Nelson, quoting Peter Boettke’s review, argues that economics became “the modern theology that [...] replaced traditional theology as the set of doctrines that give meaning to our social reality and hope to our endeavors to improving our lives” (2001, 342). The present volume pursues the task by analysing the works of the major twentieth century American economists to show how professional economists are equivalent to the priesthood of

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this religion of economics which justify, disseminate and legitimize in scientific discourse “normative foundations required for a rapidly growing modern economy” (2014, 8). The third volume, *The New Holy Wars: Economic Religion Versus Environmental Religion in Contemporary America* (2010), picks up on the argument made at the end of *Religion as Economics* and details how this religion of progress in economic dress has recently been opposed by a growing counter-religion of environmentalism.

After a PhD in economics at Princeton, Nelson worked from 1975 to 1993 as an economic analyst in the Office of Policy Analysis of the US Secretary of the Interior, where he started realizing that the policy debates which he assisted and in which he participated were more normative than purely scientific, in other words that they were “religious in character,” and that this contradicted the pretensions of his disciplinary alma mater. He therefore embarked upon the project of enquiring into what he calls the “theological foundations of modern economics” (2014, xviii), a task he has since pursued as professor at the School of Public Policy of the University of Maryland. Although the whole of Nelson’s enterprise rests on the argument that what passes for scientific and secular is in fact religious, his definition of religion is vague and the conceptual discussion poor when compared to the numerous detailed discussions that make up the volume. The elements of definition are scattered in the introductory section, where religion is said to be “about making claims to truth,” as well as “about changing people to make them better understand the truth as it is seen by the initiated and thereby also changing their behavior” (2014, xviii). Nelson also makes an oblique reference to a Supreme Court judgement which itself refers to Paul Tillich’s conception of religion as expressing individual’s ultimate concerns (2014, xxiv). At the same time, the “science” of economics is said to serve the “social functions of religion” (2014, xviii), which we imagine have something to do with legitimizing values and proposing a path for salvation (2014, xx). Professional economists are said “to serve as the priesthood of a modern secular religion of economic progress that serves [sic] many of the same functions in contemporary society as earlier Christian and other religions did in their time,” defending “economic efficiency” as the “core value” and the “greatest source of social legitimacy in the United States for the past century.” Overall and essentially, the argument revolves around the idea of religion as a system of foundational values and metaphysical underpinnings.

One could summarize the argument by saying that secularization did not happen, or rather that it happened in a sense, but only as a transfer
towards a new religion of economic progress (2014, x):

    The economics profession, [...] is the priesthood of a powerful secular religion—or more accurately a set of secular religions, as they have been developed in the theories of the leading schools of economics of the modern age. Beneath the surface of their formal economic theorizing, economists are engaged in an act of delivering religious messages. Correctly understood, these messages are seen to be promises of the true path to a salvation in this world—to a new heaven on earth. Because this path follows along a route of economic progress—with the technical understanding to show the way, it falls to the members of the economics profession (assisted by other social scientists) to assume the traditional role of the priesthood. (2014, xxi)

    The book therefore argues that the modern religion of progress was successfully reinterpreted in essentially economic terms by neo-classical liberal economics and its twentieth century avatars. In this perspective, the modern shift towards inner-worldly salvation aimed the end of material scarcity and the arrival of an era of abundance guaranteed by economic growth.

    Nelson threads his analysis of twentieth century economics with a rather well known narrative of Western modernization (cf. 2014, 266–267). By the modern age, the Christian religion has progressively lost its authority in public life and consequently did its morality cease to effectively restrain the pursuit of self-interest. This authority was transferred to science, which henceforth appeared to be the preferred vehicle for the investigation of God’s Laws of Nature, and therefore as the dispenser of valid truth. Social sciences followed step and imposed themselves as the legitimate actors for the regulation of society. The discipline of economics was particularly prompt to present itself, since the times of Adam Smith (and even prior, in the works of the French Physiocrats, not mentioned by the author) as the social scientific equivalent of physics in the social sciences. In what are some of the best pages in the book, Nelson recalls in chapter ten (“God Bless the Market”) how Newtonian physics provided the template for eighteenth century economics and the Darwinian idea of the survival of the fittest in the nineteenth. Unable to follow physics’ quantum and relativity revolutions, economics in the last century has continued to nourish the pretention of being the physics of social sciences, accompanied by an increasing (ab)use of mathematics.

    The bulk of the book charts the evolution of American economics from the works of Cambridge professor Paul Samuelson to the neoliberal
free-marketism of the Chicago school and its more recent developments, providing an excellent introduction into the field of economics for scholars of religion. Samuelson was the most influential Keynesian economist of the post-War era in the US, and his *Economics* textbook has served as an in-class reference for generations of students. The age was that of the welfare and regulatory state, and it is in this period that economists came to the fore as the preferred social engineers for the utopian transformation of society. Keynesian economics riveted the social engineering of the state to market efficiency, thereby replacing prior progressive forces according to the unexamined principle that the transformation of the material circumstances of humankind would better the whole of society, including in matters of morality and spiritual wellbeing (Nelson 2014, 37).

Economics is a profoundly positivistic discipline that claims to be purely scientific and therefore value-neutral. These precepts are seldom if ever put into question, making economics less of a discipline—understood as a field of competing, opposed and complementary theories—than a highly ideological institution organized around a single unchanging theory, that of the efficiency of free markets. Nelson’s work here is a valuable addition to those of Amartya Sen and Martha Nussbaum, as he shows the profoundly normative implications of economic analysis. The assumptions that underlay economic theory and analysis constantly introduce “a powerful set of value distinctions” which essentially acts to legitimate the market as the ideal and optimal answer to questions of social regulation. As other critical voices have convincingly argued, the self-regulatory mechanism of the market is tautological: it assumes from the outset that the market is the solution to the very problem it is supposed to solve (2014, 63). Samuelson’s *Economics* therefore functions as an efficient promoter of the very set of values that justify the institutionalization of a market society.

This brand of Keynesian progressivism did successfully solve, on a cultural ideological level, what Nelson and others call the “market paradox”: the contradiction between the individual pursuit and maximization of self-interest and the greater common good. Adam Smith (and Bernard de Mandeville before him) had answered this question by arguing that the free pursuit of self-interest in the market resulted in and by itself in the optimal production of the common good. The field of economics, from classical political economy to contemporary “economic science,” has since been nothing more than a re-actualization of this unfounded principle, a renewed “act of faith” in Nelson’s terms. In addition to providing a successful resolution of this paradox (which is that of Modernity), Nelson
shows how Samuelson’s *Economics* (and economics at large) promoted an idea of the self-regulating market which took the normative foundations of the market for granted: “The market is based on the idea of individual pursuit of self-interest. At the same time, however, a market system will work best if there is a clear limit to self-interest [...] In short, the market must exist within an institutional and civic-value context that transcends individual self-interest and supports and encourages actions that have a wider benefit for the common good” (2014, 268). In the wider historical narrative sketched above, economics have been instrumental in overthrowing the traditional religious ethics of Christianity, which, as all other religious traditions, seriously limited the pursuit of self-interest.

Rival to Samuelson’s Cambridge school, the Chicago school emerged in the 1960s and 1970s especially as the new bearers of economic truth, as the same time as American society was transforming into the consumerist, individualist, self-expressive and more libertarian society we see today (Nelson 2014, 166–201). Milton Friedman is without a doubt the most well-known and the most influential of the Chicago economists reviewed by Nelson, as he was not only involved in academia but also in the media, a prime vehicle for disseminating the gospel of free markets. (Nelson does not really mention Friedman’s involvement with the American government as council for the economic laboratories of the Indonesian and Chilean dictatorships, among other issues.) Friedman’s “progressivism” is radically economic and makes away with the Keynesian positive valuing of the state found in Samuelson: “The market is the best way of organizing society, because it offers a maximum of freedom and is the best route to economic progress. Freedom and progress in turn can make the world a much richer and better place in which to live.” (Nelson 2014, 142). Rehashing the nineteenth century liberal economic utopia of the optimal, self-regulating free market as the post-war welfare state came under fire for its shortcomings and inability to deliver its promised utopia, Friedman’s neoliberalism (Nelson does not use the term—why?) locks liberty with the sole market, casting state and government as innately representing a “threat to freedom.” (That welfare states lead to loss of liberty less than dictatorships remains to be proven.) In other words, Friedman’s solution for the market paradox is to simply eliminate any substance of the common good of non-individual origin. Neoliberals revived the eroded utopianism of Keynesianism by transferring it entirely onto the market, yet without adding an ounce of scientificity and continuing to evade the issue of normativity. Meanwhile, the principles and foundations of neo-
classical economics were transferred from Cambridge to Chicago without modification.

The section devoted to Gary Becker is of particular interest for sociologists and other scholars of religion, as he is largely responsible for taking economics’ neoclassical theoretical framework and applying it to social phenomena at large, a project which we could say culminated in the Rational Choice Theory current in the study of religion still dominant in the US today (something which Nelson unfortunately makes no mention of). From Friedman to Becker, one sees how the Chicago school promotes a normative project. In Geertzian terminology that IR readers will instantly understand: economic theory’s model of the rational, individual actor seeking to maximize his self-interest is an unfounded postulate, a “creed” (Nelson 2014, 196), which acts as a model for society. Indeed, the world would be a better place if everyone did act rationally and canalized their pursuit of self-interest in fair, free and fully informed markets, wars could be avoided and so on ... In Nelson’s words, Friedman’s plea for free markets and Becker’s frame for rational action work towards achieving the perfect, optimally regulated society, “ultimately achieving heaven on earth for all humankind” (2014, 196) without any type of government directed collective action.

Nelson’s overview of dominant academic trends in American economics ends with the so-called new institutional economics, which is paradoxically founded on rational actor methodological individualism. As always with this and other “new” schools in economics, each claims to go beyond the limits of their predecessors yet only forward neoclassical assumptions and thereby relay the same doctrine as that of the eighteenth and nineteenth centuries. As Nelson writes, putting itself into question and making its normative foundations, contents and projects explicit would mean abandoning the positivistic principles of value-free economics that has allowed for the “religion of economics” to function implicitly and therefore probably more efficiently, legitimated by a gloss of “science”: “in short, economists would not have much to lose in turning back in their methods of inquiry to the approaches of the old historical and institutional school. They may think they would be losing their scientific virtue, but it would be more correct to say that they would be abandoning their scientific hypocrisy” (2014, 229).

This book certainly is a most recommendable read for sociologists and scholars of religion who often ignore much about economics. It is undeniably well researched, well written and readily understandable, if too lengthy. One critique would be that it is exasperatingly US-centric.
in focus as well as in its references. The argumentation is at its most interesting when Nelson ties it to wider developments in Western thought, Modernity and the development of Western societies. While adding important elements related to economics to the wider discussion, Nelson neglects the political side of the tale of the modern religion of progress, which fuelled theories of social contract, the republican ideal of the state (including the American one) and the liberal and utilitarian theories of the “artificial harmonization” through the judiciary. All of these were constantly opposed to, complementary to and/or enmeshed with the utopia of the free market. Widening the scope from the US would readily nuance Nelson’s focus on economics and show how the portrait he paints is certainly true, yet that it can only be understood with respect to a wider, post-theological modern project of autonomous social regulation. Also, American economics developed in an international environment: British Keynesianism and the neoliberal circles around the Mount Pelerin Society, for instance. These currents were in turn born in contexts that were international, even global: the ideological clashes of the late nineteenth and twentieth centuries, the rise of nationalisms, two World Wars, etc. Nelson’s book gives the unfortunate impression that these economic schools evolved as isolates, as their positivism implicitly claims. Nelson’s argument is powerful when he links the rise of the Chicago school to the moral and cultural revolution of the post-War years, and this thread could have been developed throughout, in a less US-centric manner. Finally, the rise of the US to super-power status in the twentieth century probably had something to do with the fact that American economics became the hegemonic voice in world economics, so that the story told by Nelson had international effects that are neglected. Some of the impacts were also political and more: I have already mentioned the cases of Indonesia and Chile, but Chicago-school inspired American interventionism went far beyond these countries. This current was also powerful in setting the deregulation and financiarization agenda for 1980s—global economics, through the emergence of supra-national and non-democratic institutions such as the International Monetary Fund, the World Bank and the World Trade Organization, whose impact have been extremely important in the major reconfigurations brought by globalization. If there is a “religion of economics,” it is certainly not limited to the US. Unfortunately, Nelson’s latest work on the emergence of a counter-religion of environmentalism seems as US-bound as this and earlier work.
Similarly, non-US or non-English sources are absent from the references, which I continue to find unacceptable even though it is the norm. This is particularly sad as Nelson's argument could have benefitted from a large array of non-English European works. The argument according to which economists are the keepers of a new religion has been made in German scholarship by a few sources to my knowledge, including as early as the 1920s. Also absent is a reference to Karl Polanyi's *The Great Transformation*, published in English in 1944 and in which the famous historian and economist made the argument that free-market economics were supported by a liberal creed and a “religion of the market.” To keep to the scholarship I know best, a landmass of French works has endeavoured to show the implicit normative foundations and highly ideological nature of economic theory (to name a few: Louis Dumont, Alain Caille, Paul Jorion, Philippe Steiner, André Orléan and many others). Among these voices, that of Emile Durkheim, founder of French sociology over a century ago, is fatally missing. In its intellectual battle against Herbert Spencer and the economists of the late nineteenth century, the Durkheinian school had already laid down the core of the critical arguments rediscovered by Nelson concerning the morality of the market and its cultural “embeddedment” (to use Polanyi’s terminology, who also made these arguments). Hence one can only agree with Nelson and his critique of the implicit normative (or “theological”) assumptions of economics, but his argument would be much stronger in my view if he would have referred to these prior works, some of which are well known classics, rather than reinventing the wheel.

Certainly what is missing here is a sociological input. This brings us back to the question of the definition of religion already mentioned above. The definitions of religion as relating to truth or individual ultimate concerns are largely irrelevant to the discussion, and certainly insufficient. Nelson's model of religion is extremely Christianity-centric, and individualistic. His analysis has little to do with these conceptions and rather unfolds with respect to 1) the implicit moral system underlying economic theory and its 2) normative project, namely a type of economic inner-worldly salvation, which are sociological issues. Nelson would therefore have considerably strengthened his argument if he would have turned to a sociological definition of religion and given this important issue the discussion it deserves. Nelson does evoke that economics perform the “function” of religion, yet what this means—which functions? how? are these universal religious functions?—is not discussed. Hence Nelson's mostly implicit working definition of religion remains much more substantive than...
functional. What does it mean, then, that we consider “economics” as a “religion” that has replaced Christianity? Can one really define religion solely as a value-system, or that everything metaphysical is religious? What is the validity of such a concept? Can one apply it to Aztec religion, or the Ancient Egyptians? In the end, then, Nelson’s argument is essentially analogical, which his argument that the economic profession acts as the new priesthood blatantly illustrates. Just as in Harvey Cox’s argument on the market as religion, what does this actually say? Does it suffice to draw a “grocery list” of characteristics of both “religion” (in fact: a certain type of Christianity) and “economics” and check the correspondences: the economist is like the priest, Adam Smith’s treatise is like the Bible, material abundance is like Heaven etc. Can one not make the exact same argument for a potentially infinite array of phenomena, from sports to culture, even law? In the end then, Nelson’s argument is purely metaphorical, precisely what he criticizes economics to be, rather than “scientific.” I am not saying that economics do not have religious dimensions nor play out religious functions, on the contrary. In fact, my own work over the years has been devoted to the analysis of the religious dimensions of a large spectrum of non-explicitly religious phenomena. Yet I argue that analogies are largely insufficient and do not go beyond common sense. I have written on the religious dimensions of economics by insisting: 1) that religion, just like politics, economics etc. is just a concept, and 2) that a functional rather than substantive approach can provide more than an analogical and therefore undecidable analysis. The “religion of economics” is most powerful when seized from a functional perspective that can truly highlight the foundational, legitimizing, naturalizing, totalizing and eschatological functions of economics as a discipline, but also of capitalism more widely. Nelson’s book is precious since it adds to other analyses which have aimed at showing the implicit normativity of economics, yet the critiques he objects to economics can be applied to his own effort as concerns the conceptual ground from which he deploys his analysis regarding religion. In short, resorting to sociology and anthropology rather than theology and philosophy would have provided a better analytical template.

Robert Nelson’s Religion as Economics remains an impressive, rich and worthy contribution. There would be many other issues raised by the book that would deserve attention, as well as other questions that could merit discussion with the author, namely the significance of the progressive evacuation of God from economic theory, from Adam Smith to the present-day economics. A last issue I would like to take up in this review has to
do with the fact that, contrary to other authors who have criticized the unexamined and false assumptions of economics, Nelson’s critique remains limited and does not naturally flow into a critique of capitalism (in the sense of the actual economic system we live in, based on “free markets”). As he writes in the epilogue, his analysis has not shaken the belief that liberal economics are, in the words of Churchill, the worse system, “except for all the others” (2014, 346). Nelson is therefore still a believer in the religion of economics he has unearthed, and despairingly American in the way he sees the world. One could certainly imagine a more radical outcome. Economics are the only “discipline” which have not questioned its founding assumptions while these have been repeatedly torn to pieces and shown to shun empirical evidence for over a century. In English, one may suggest Steve Keen’s *Debunking Economics* for a compilation of these critiques, as well as the works of Keith Hart, Don Slater and David Graeber. What is left of economic theory, past and present? Smoking ruins. Yet Nelson would be content with economics assuming their normative assumptions. Reading the book, I noticed that the tone was most critical in the sections dealing with Samuelson, which repeatedly underline the lack of scientific grounding and the “theological assumptions”. The tone appears different in the Milton Friedman section (2014, 147), even though the scientific “crimes” of the latter are at least as bad as that of the former and lack the excuse of the naïveté of early twentieth economics. This poses the questions of the very real effects of economic theory, which Nelson unfortunately leaves out. One can denounce the lack of scientificity of economics as a whole, but certainly the vertiginous rise of inequalities since Friedman’s policies were enacted worldwide are a testament to the scandalous nature of the claim that markets provide better wealth redistribution than welfare states. To whom does this religion of economics profit? If Nelson has shaken parts of the conditioning he received during his economics training as he elaborated his critique of the religion of economics, the exorcism remains incomplete. Such conditioned near-sightedness is the only reason I can think of to explain the amazing lack of mention and discussion of the 2008 financial crisis in this 2014 re-edition, as well as the failure to link the argument of this book to the fact that economists have failed to (finally!) review their copy since. Some religions, indeed, are more fundamentalist than others.