

## “Free Trade and Religion: A Necessary Connection”\*

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I am pleased to be here to give the Lou Church Memorial Lecture on religion and economics at the Mises Institute. I first became interested in the subject of religion and economics in the mid 1980s when I was working at the U.S. Department of the Interior. As I observed the policy conflicts that surrounded the Department – often involving clashes between the ideas of economists and environmentalists -- they increasingly appeared to me as a form of modern religious warfare (fortunately fought in words and symbols rather than guns).<sup>1</sup> At the time, I recall Richard Stroup, the director of the Office of Policy Analysis, where I was a staff economist, suggesting that I read Murray Rothbard who had interesting things to say on this subject, like so many others. Later, I read Rothbard's massive intellectual history of economics in which he assigned a much greater role to religion than most other historians of economic thought.<sup>2</sup>

Rothbard thought that Adam Smith should be understood as a Calvinist economist. Smith's turn away from marginalism and towards an undue emphasis on the role of labor in determining the value of goods and services, as Rothbard argued, reflected his strong Calvinist tendencies of thought. In Calvinism, the act of labor is good for the soul, and consumption can easily become excessive and a temptation to sin. In my own writings, I had earlier similarly argued that Smith was heavily influenced by the Calvinism of his native Scotland.<sup>3</sup> However, I also thought that Rothbard underplayed a more favorable side of this Calvinism. The roots of modern individualism lie in Christianity, this individualism is emphasized most in Protestantism, and it is found above all in Calvinism. It was after all the Puritans – the English branch of Calvinism – who cut off the head of King Charles I, during the first great modern political revolution and in some respects the precedent for the American Revolution. In fact, the origins of modern libertarianism lie in the theology of the English Puritans.

Twenty years ago, Rothbard was unusual in seeing any important connections between religion and economics. But interest in this subject has now become more common. The Templeton Foundation this year will announce grants of about \$3 million for the study of “spiritual capital,” an offshoot of “social capital.” The Pew foundation recently supported the writing of a new book on *Is the Market Moral?* (the answer is yes).<sup>4</sup> The authors are Rebecca Blank, a Ph.D. economist from MIT, and now dean of the University of Michigan public policy school, and William McGurn, the chief editorial writer for the *Wall Street Journal*. They were selected by the Brookings Institution to collaborate on this book not only because of their high professional standing but because both are devout Christians -- Blank a Protestant and McGurn a Catholic. I would suggest that even as few as ten years ago Brookings would never have considered sponsoring and publishing such a book.

Among professional economists, increasing efforts are being made to incorporate religion into an economic framework. Joining a church, and believing in a religion, are seen as a form of utility maximizing behavior. Economists then can analyze the relationship between economic variables such as price and income and religious variables such as the degree of religious participation and types of belief.

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Such research is basically an application of the Gary Becker approach to economics, now applied to individual religious choice. The George Mason economist Larry Iannaccone has been a pioneer in this area.<sup>5</sup>

Another approach to economics and religion is to study the effects of religion on macro-economic variables. Max Weber pioneered this form of study with his famous exploration of *The Protestant Ethic and the Spirit of Capitalism*.<sup>6</sup> More recently, Harvard economists Robert Barro and Rachel McCleary have included religious variables among the explanatory factors for the different income levels of the nations of the world. They find that, other things equal, some religious beliefs tend to increase economic growth.<sup>7</sup> Still another approach to religion and economics has been to treat religion as a form of business activity in which priests and ministers are the “owners” and churches are “firms.” Economists can then analyze the interactions among competing branches of religion and among individual churches in a private market for religion. In this framework, the Roman Catholic Church was successful for centuries in maintaining a religious monopoly but the Protestant Reformation then succeeded in introducing market competition in many countries.<sup>8</sup>

I have myself been a small part of this trend to greater study of religion and economics. My own approach, however, has been considerably different from those above. I am interested in incorporating economics within a theological framework of thought. As I argue, mainstream American economics – a “progressive” form of economics, since at least the middle of the twentieth century – is a religion. It is a secular religion as in the progressive “gospel of efficiency” -- as some historians of the progressive era have labelled its guiding faith. There is nothing in economic religion about a God or the hereafter. My viewpoint on economics is developed in various articles and at greatest length in two books. The first, *Reaching for Heaven on Earth: The Theological Meaning of Economics*, is largely about economic religion before World War II.<sup>9</sup> My second book on this subject, *Economics as Religion: From Samuelson to Chicago and Beyond*, covers mostly developments in “economic theology” since World War II.<sup>10</sup>

The new interest in religion and economics has also reached the study of the history of economic thought. Several economists have recently argued that Adam Smith’s *The Wealth of Nations* expresses an underlying theology. Lisa Hill commented in 2001 that Smith’s “social and economic philosophy is inherently theological and ... its Providentialist underpinnings cannot be removed without impairing his theory of social order.”<sup>11</sup> Hill was following in the footsteps of the leading 20<sup>th</sup> century economist Jacob Viner who had also argued that Smith was unintelligible without understanding the theological presuppositions.<sup>12</sup> Still more recently, another historian of economic thought, Anthony Waterman, wrote in 2002 in the *Southern Economic Journal* on the subject of “Economics as Theology: Adam Smith’s *Wealth of Nations*.” As Waterman finds, in many cases in the *Wealth of Nations*, the use of the term “‘nature’ is nearly synonymous with the God referred to ... as the Deity.”<sup>13</sup> Waterman notes that the term “nature” can be found 149 times in the book, “natural” comes up 232 times, and “naturally” is used 272 times.<sup>14</sup> In a large number of these cases, the real meaning is equivalent to a following of the rules of a divine being. There is an invisible hand in *The Wealth of Nations* and it is out of sight because it is really the hand of God.

The commands of this God, however, are not mainly found in the Bible. The divine commands are instead found in the scientific workings of nature. Society follows the natural laws of self-interest, much as the solar system is ruled by the workings of the natural laws of gravity. Smith in fact saw himself as the Newton of

society who had now revealed the true underlying physics of the social order, based on the workings of the natural “force” of self-interest. Since this is part of God’s design for the world – God’s manner of converting sinful and unruly human impulses to a beneficial overall result – Smith became in effect the new Messiah and his economics the true gospel. Thus, as Peter Minowitz argues in an excellent 1993 book on Smith’s economic philosophy, *The Wealth of Nations* is basically non-Christian or even anti-Christian.<sup>15</sup> It is the new economic bible, successor to the now outdated Christian version.

Smith illustrated a common formula for intellectual success in the modern age; he borrowed Christian ideas and recast them in secular – sometimes even nominally anti-Christian – terms. In a western culture suffused with Christian assumptions, the results of such efforts often succeeded very well. The 18<sup>th</sup> century thus saw the emergence of secular religion as a challenger to and eventually even a victor in many cases over traditional Christianity. Jean-Jacques Rousseau was one of the first and tremendously influential, setting the stage for the French Revolution. Smith came a little later and was perhaps even more influential, providing a moral grounding for the Industrial Revolution.

Karl Marx came a century later and produced yet another immensely powerful secular faith that reflected an implicit Christianity, even as it was outwardly hostile. The distinguished American theologian Paul Tillich once said of Marx that he was the most influential theologian in western civilization since Martin Luther and the Reformation.<sup>16</sup> He meant that literally, that Marx had a real theology. Its impact was not because of its brilliant economic analysis (which was often confused and misguided) but because its message stirred such powerful religious emotions. Marxism resonated in a Christian world that was already very familiar with the main themes.

Another recent book, by an Israeli historian Igal Halfin, thus interprets the history of communism in Russia as literally the working out of a misguided religious revolution. It was nominally atheistic and anti-Christian but the underlying messages were historically Christian through and through. Marxism is a story of the fall of man into sin and corruption (“alienation”), and then the arrival of heaven on earth in a cataclysmic burst. In other words, Marxism is a heretical form of Christianity without a God. As Halfin explained in his 2000 book, “the Marxist concept of universal History was essentially inspired by the Judeo-Christian bracketing of historical time between the fall of Adam and the Apocalypse.” He adds that “Marxist eschatology described history as moral progression from the darkness of class society to the light of Communism.”<sup>17</sup> Indeed, Halfin carries the argument further but the basic idea of seeing Marxism as a modern form of religion has by now become rather conventional.

And it is not just Marx. A large body of scholarship in the second half of the 20<sup>th</sup> century was devoted to showing the underlying Christian and Judaic roots of much secular religion.<sup>18</sup> Socialism was “Catholicism minus God,” and more recently environmentalism is a “Calvinism minus God.” You might almost say that Christianity was transformed to a new religion that became its historical successor. Secular religion in the West is to Christianity as say Islam – also a biblical religion -- was to Christianity in the Middle East. Admittedly, traditional Christianity has recently been fighting back and secular religion is now facing growing challenge.

My own small contribution to this line of thinking is to try to show how much of modern American mainstream economics is a secular religion that once again follows in a Judeo-Christian path. In *Reaching for Heaven on Earth*, I did not write much about Adam Smith but did devote a few pages.<sup>19</sup> While agreeing with Rothbard

that there were strong Calvinist elements, I also argued that other parts of the book could be traced to Thomas Aquinas and the scholastics. Indeed, that was Smith's magic formula; he synthesized Calvin and Aquinas and presented the resulting explanation of the world in a new setting of economic metaphors that proved immensely attractive to an increasingly secular age.

To be sure, such an interpretation of Smith may today be of mainly historical interest. Even if Smith really was theological, perhaps his arguments can just as well be made without the underlying theology. God or no God, the free market is still the most efficient way of organizing a modern economy. However, I disagree. The full argument is developed in my book on *Economics as Religion*. Here, I will illustrate the argument with respect to my assigned topic, the relationship of belief in free trade and religion.

I will argue that it requires some theological arguments – it is necessary to begin with some articles of faith – in order to make a full case for free trade. That is to say, belief in free trade has to rest on a normative foundation. There are elements of science in the analysis of the market workings of free trade but the final bottom line depends on key value assumptions that must remain tenets of faith.

To begin my argument, a first observation about free trade is that it represents a universal vision. The whole world is to be converted to free trade. And then free trade will bring everyone together into an economic community of common bonds. In this respect, free trade is much like Christianity. Unlike many religions, Christianity also seeks to convert the whole world. The Japanese would find it difficult to conceive of sending missionaries to persuade the world of the merits of the Japanese set of values. And they are probably typical. But in the Christian nations of the West – and I might add in Islam – there is constant missionary activity. This is true not only of free trade but of other western economic belief systems. Marx said it was necessary to convert the whole world. Today, when the World Bank sends out teams to less developed countries, interestingly enough, these groups are called “missions.”

The idea that free trade will promote bonds of friendship and community is critical. Adam Smith argued just that. Indeed, matters have to go beyond simple good feeling. The long history of tribes and nations is one of fierce wars and other harmful conflicts. In advocating free trade, the assumption is that economic progress will somehow cure nations of this very bad behavior. As nations become part of the free trading system, commerce will take the place of war. If people are richer and happier, they will want to fight less, and hopefully not at all in the long run.

The importance of this assumption about the redeeming qualities of economic progress can be illustrated with respect to current foreign policy thinking about China. Most free traders today celebrate the widening of trade relations between the United States and China. It is not simply the benefit from less expensive imported goods in this country. The assumption is that China is being drawn into the world community of nations. As China trades more and more, we think that China will become more democratic. We assume that China will become more rational and cooperative as a nation. We assume that the China of Mao was an aberration that could never happen again in the new, free trading, and much richer China. In other words, the spreading of free trade to China is a part of a process in the world escaping from past wars and other mutually destructive behavior. All this, I would suggest, is getting rather religious.

It is also making assumptions about the effects of economic progress that go well beyond the sum of total individual utilities in society. The assumption is that growing material wealth will mean growing human happiness and better behavior,

individually and collectively. It does not have to be that way, however. Consider an alternative scenario. Let us say that free trade makes China rich but China still thinks of itself as the center of the earth, and as superior to all other nations. China might then build up a big army and navy and become aggressive internationally. If that happened, the advocacy of free trade might have boomeranged. Free trade would have built China up economically in order to threaten the West more powerfully and effectively. Marxists used to say that a capitalist will sell you the rope with which to hang him.

Thus, it is necessary to have certain articles of faith, if we are to promote free trade with China with full enthusiasm. It will be necessary to believe that economic progress is not only materially but also morally uplifting. We have to assume that the new bigger and richer China will also enter into a world of nations that show ethical behavior towards one another. In Christian terms, a richer China will be a “good” China, and much less likely to be an “evil” China.

My discussion here of China illustrates a main theme of my past writings on economic religion.<sup>20</sup> In Christianity, the source of evil in the world is the Fall in the Garden of Eden. In the Bible, evil results from original sin. In economic religion, by contrast, original sin is found in economic deprivation. Why do people lie, cheat and steal? They do it, economic religion preaches, because they are driven by material necessities – by dire poverty and the physical demands of mere survival. Nations similarly go to war over access to material resources. This, of course, greatly raises the stakes in economic progress and opens up the possibility of an economic salvation here on earth. If human beings can eliminate economic scarcity, and achieve universal full abundance, it will be possible to eliminate the real motives for past evil actions in the world. And it will not be necessary to look to any God in the skies to achieve this result; human beings can accomplish it by their own skills and intelligence here on earth, led by their economic advisors.

That is where free trade comes in. Free trade is, it seems rather obvious to me – and probably to most of you in this audience -- the best route of rapid economic progress on earth. So it follows that free trade is more than about economics; it is also about saving the world. A system of free trade among nations is the way to banish material scarcities and thus to eliminate the presence of sin in the world. Although I used China as an example, there are many other examples that could be offered of the application of this main tenet of economic faith. In the United States, as many people have believed, crime and other social maladies in the inner city result from poverty. Hence, if we cure the poverty, we eliminate the crimes (and other bad actions). We can save the inner city by the application of economic theology.

I want to switch gears a bit now and address the other side of the equation of U.S.-China trade. What about the effects of free trade internally in the United States? I am not talking about whether a richer United States will be a more peaceful and cooperative member of the world community of nations -- although I recognize that events in Iraq have made this a particular area of concern for some people in other nations around the world these days. Instead, I simply want to ask: Is the United States better off from trade with China in terms of the welfare of its own citizens?

I will suggest that the answer is less obvious than many economists and other free traders have suggested. It only becomes certain if you accept certain articles of faith. It is necessary to be a follower in economic religion to know unambiguously whether free trade is good or bad for the United States internally. And just to clarify, I am not questioning that the clothing, televisions, and other imported goods from China will be less expensive. I shop in Wal-Mart too. And I am not questioning

whether free trade will increase the overall level of consumption for Americans as a whole. I believe free trade will accomplish this.

My concern instead is with what you might call the costs of transition. There will be many jobs lost in the United States; whole communities may be disrupted. Even people who do not lose their jobs may experience considerable anxiety about the possibility. There is increasing evidence that people do not like change, perhaps because Americans are already extremely rich by all historical standards of past human existence, and it is even conceivable that they do not need much more materially. As compared with a king or queen of a few centuries ago, an American today with simply an average income is better off in terms of food, transportation, communications, health care, and quite a few other items of consumption than past royalty.

There is a new field in economics called "happiness studies." It stems from Richard Easterlin's classic paper of the 1970s.<sup>21</sup> As Easterlin found, individuals who are richer within countries are happier, but across countries a higher level of national income does not correlate very well with a higher level of national happiness. If this is really true, it is a disconcerting result for free trade arguments, since the whole point of free trade is to raise income levels across all nations. More recent happiness surveys are also finding that a change in a life situation such as a loss of a job may be very damaging to happiness. Other things equal, as a 2004 article in the *Journal of Public Economics* reported, it requires \$60,000 in additional personal income on average to compensate for losing a job and the related loss of self-esteem and other unpleasant consequences of unemployment.<sup>22</sup> In other words, a gain of \$60,000 in income has about the same effect on statistical happiness measures as the avoidance of the loss of a job. In terms of national welfare, there will have to be large savings in cheaper imported goods in order to make up for \$60,000 per job lost due to foreign trade. (And illustrating the potentially large negative consequences for individual happiness of changes in life situation, the same 2004 study estimated that a failed marriage resulting in a divorce had on average about the same impact on happiness measures as a gain of \$100,000 in individual income.)

This literature on the determinants of happiness is growing rapidly and offers a challenge to core economic assumptions of the past.<sup>23</sup> If someone loses a job, the damage to happiness is likely to be even greater when a person has to pick up and move to a new community. Many old friendships and neighborhood ties will be disrupted. The key point is that these potentially large costs – both materially and psychologically – of economic transition and adjustment have not been counted in most free trade calculations. Economists have counted the benefits – less expensive imported goods and higher total domestic consumption – but in essence ignored the down side of transitional adjustments to free trade. If these costs were added in, it would no longer be possible to make a definite case that free trade will increase total national welfare.<sup>24</sup> Just as other people are agnostic about the existence of God, it would be necessary to become agnostic about the benefits of free trade.

As a result, it will require a normative argument to reach an unambiguous free trade conclusion. If rapid economic progress is the road to an earthly paradise, the reasons for pursuing progress will then transcend mere pragmatic considerations. Economics is not simply about raising total current and future happiness of Americans. Economic growth and development are the path of saving Americans -- and ultimately the whole world. Hence, it is clear that we will want to move as rapidly as possible.

Moreover, those who resist progress are standing in the way of a looming heaven on earth. From this perspective, it is an act of civic malfeasance to complain about temporary individual burdens, when a glorious and heavenly future soon lies in store for all mankind. And free trade, I fully agree, is the most rapid way for the whole world to make rapid economic progress. If progress is truly redemptive, it is only crass politicians and other men and women of little faith who will complain about their personal transitional costs and the other burdens of free trade.

Once again, it is possible to draw parallels with Christianity. In the Middle Ages, the religious purpose of the Roman Catholic Church was show the way to a heaven in the hereafter. Yet, many ordinary people were tempted by the pleasures of daily life; it was easy enough to follow a path of sin today. Kings and other political leaders sometimes ignored their Christian responsibilities. The priesthood had to remind them of their duties – their obligations to serve God. No one would reasonably sacrifice a heavenly future for a few short run pleasures of the moment.

Like past Christianity, the economics of today is also about the long run. If progress is a transcendent value, then a few lost jobs and other transitional adjustments in the short run can simply be ignored. If the arrival at heaven soon lies in store, it is not necessary to dwell on the temporary stresses and strains along the path to this wonderful outcome.

However, if the benefits of economic progress are not all that has been advertised, the case for free trade becomes more complicated. This was not much of an issue for much of the 20<sup>th</sup> century because few people questioned progress.<sup>25</sup> By the end of the century, however, matters had changed. The many terrible events in the history of the 20<sup>th</sup> century had confounded the great confidence in the redeeming benefits of modern progress.<sup>26</sup> Many people – environmentalists especially – now challenge the desirability of further rapid growth and development. It is not a coincidence that environmentalists are at the forefront today in questioning the merits of globalization.

I am not arguing one way or another here about globalization. But environmentalists have a legitimate point. They simply do not believe any more in the religion of progress and thus no longer see free trade as the savior of the world. And an event such as the 9/11 terrorist attacks on the World Trade Center and the Pentagon adds to the doubts about progress. With modern science and its economic products, it is now possible for a few deranged people to kill thousands of fellow human beings. Before airplanes and globalization, Osama bin Laden would have had difficulty doing any major damage to the United States. Nuclear weapons in the wrong hands could have even more disastrous consequences. And then, if a person does not believe fully in progress, globalization looks less attractive – especially for the richer parts of the world that have already achieved very high standards of living.

I want to shift direction one more time – the last time. The connection between religion and free trade can take still another form. In fact, I would say that there are three main connections. First, as discussed above, a religion can provide an overall social legitimacy to a system of free trade. Every economic system requires a priestly blessing and free trade is no exception.

Second – and related – it is necessary to have a normative explanation to justify the transitional burdens of free trade, especially for the many individuals negatively affected (even as the whole group may gain). Economic religion can provide this moral justification. As I have been describing, economic religion establishes a moral obligation for everyone to do his or her part in the march of progress.

My third point is somewhat narrower, and draws on another recent body of economic study concerning the importance of “social capital.” Even a system of free trade requires some global oversight and guidance. Property rights must be enforced across national borders. Trade agreements may need to be established. Then, cheating on these agreements may have to be policed. Recall that the architect of the system of free trade after World War II was John Maynard Keynes. He was of course not a libertarian or Austrian economist but was seeking to harness and manage a common economic system of free exchange of goods and services across the whole world.<sup>27</sup>

Still, hopefully, there will be widespread voluntary compliance and most of the participation in the system of free trade will be based on mutual consent, rather than on any enforcement by some kind of world governing authority. If there is not enough voluntary commitment to follow a system of fair and honest trading rules, and everyone tries to cheat whenever it is in his or her private interest, the whole trading regime might well collapse. Domestically or internationally, private markets characterized by rampant opportunism are likely to function poorly. Another way to put this is that a free trade regime requires a considerable sum of worldwide social trust and cooperation – of worldwide social capital. Domestic economies within nations also need social capital to establish bonds of internal trust and cooperation. Robert Putnam famously argued that northern Italy works much better economically than southern Italy because the North has higher levels of social capital.<sup>28</sup>

Similarly, like southern Italy, the world economy could suffer from free riding and rampant opportunism. The best means of building and sustaining social capital is often a religion. In the international arena today, I submit, the only viable candidate is a religion of economic progress. It can have a worldwide scope that an explicitly Christian religion could not hope to achieve in countries with little Christian heritage.

To conclude, a system of free trade is not simply a mechanical system of economic interaction. It must rest on a normative foundation of shared beliefs across the whole world. The winners from free trade may be more numerous but the many losers will still have considerable political power and whole nations may lose out from free trade in the short run. It is desirable and probably necessary that they accept their losses voluntarily on the basis of a perception of their moral legitimacy and a greater public benefit of the largest group.

Yet, this willing acceptance by the losers is not necessarily self-interested behavior for an individual. The free trading regime favored by Adam Smith paradoxically requires a certain amount of selfless behavior. In the case of Smith, implicitly if not explicitly, the presence of God stood behind the workings of a system of free trade. Free trade was “natural” – the code word in *The Wealth of Nations* for a plan of God. We can thus be confident that a richer and stronger free trading China is part of God’s design for the world. As Smith would have stated the matter, China will “naturally” be drawn into the world of commerce and material development and therefore will also “naturally” turn away from any plans for world domination in the future.

Hence, there is some choice. The necessary normative foundation for free trade may reflect, in the manner of Smith, a sure conviction that free trade is the will of naturalistic divinity, if not precisely a Christian God. The pursuit of self-interest domestically and internationally is this god’s way of ensuring a rational and harmonious world order. Or a system of free trade may serve the purposes of a secular divinity here on earth -- the god of economic progress. According to this progressive economic god, and with the help of the technical knowledge provided by

economic science, human beings are capable of bringing a new heaven on earth by their own actions.

Finally, yet another possible ethical foundation for free trade would simply find that exchange relationships among human beings must necessarily be grounded in voluntary consent. The exercise of coercion is morally offensive – and also in practice dangerous to the future peace of the world. The resulting social order may not be a full heaven on earth but it is likely to be better than the alternatives. After seeing the disastrous history of the 20<sup>th</sup> century, it may be time to forget about the search for earthly utopias and concentrate simply on getting along with fellow human beings without doing too much damage.

Thus, the imperative of voluntary consent – reflecting its own powerful normative assumptions – may be the key article of faith to bless free trade. Indeed, this seems to me the best case for free trade. Absent world government and world economic planning, what would be the alternative to free trade among nations and individual – short of a return to autarky?

So I guess you could say that I have a libertarian God. But whether it is a Christian, economic, libertarian or whatever divinity, it will be necessary to defend free trade in terms of some powerful normative principle. That will be the central question for free trade – and many other economic issues – of the 21<sup>st</sup> century. What God will it be?

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### Endnotes

- <sup>1</sup> On environmental religion, see Robert H. Nelson, "Environmental Religion: A Theological Perspective," *Case Western Reserve Law Review* (Fall 2004)
- <sup>2</sup> Murray N. Rothbard, *Economic Thought Before Adam Smith: An Austrian Perspective on the History of Economic Thought*, Volume I (Brookfield, VT: Edward Elgar, 1995); and Murray N. Rothbard, *Classical Economics: An Austrian Perspective on the History of Economic Thought*, Volume II (Brookfield, VT: Edward Elgar, 1995). See also Leland B. Yeager, Book Review of Murray N. Rothbard, *Economic Thought Before Adam Smith and Classical Economics*, *The Review of Austrian Economics*, Vol. 9, No. 1 (1996); and Robert H. Nelson, "Rothbard's Final Testament," *Liberty* (March 1997) – book review of Murray N. Rothbard, *Economic Thought Before Adam Smith and Classical Economics*.
- <sup>3</sup> Robert H. Nelson, *Reaching for Heaven on Earth: The Theological Meaning of Economics* (Lanham, MD: Rowman & Littlefield, 1991), pp. 99-105.
- <sup>4</sup> Rebecca M. Blank and William McGurn, *Is the Market Moral? A Dialogue on Religion, Economics & Justice* (Washington, DC: Brookings Institution Press, 2004).
- <sup>5</sup> Laurence R. Iannaccone, "Introduction to the Economics of Religion," *Journal of Economic Literature* (September 1998).
- <sup>6</sup> Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (New York: Charles Scribner, 1958 – first ed. 1905).
- <sup>7</sup> Robert J. Barro and Rachel M. McCleary. *Religion and Economic Growth*, Working Paper 9682 (Cambridge, MA: National Bureau of Economic Research, May 2003).
- <sup>8</sup> Robert B. Ekelund, et. al., *Sacred Trust: The Medieval Church as an Economic Firm* (New York: Oxford University Press, 1996).
- <sup>9</sup> Nelson, *Reaching for Heaven on Earth*.
- <sup>10</sup> Robert H. Nelson, *Economics as Religion: From Samuelson to Chicago and Beyond* (University Park, PA: Penn State University Press, 2001).
- <sup>11</sup> Lisa Hill, "The Hidden Theology of Adam Smith," *European Journal of the History of Economic Thought* (Spring 2001), reprinted in Paul Oslington, ed., *Economics and Religion, Volume I* (Northampton, MA: Edward Elgar, 2003), p. 292.
- <sup>12</sup> Jacob Viner, *The Role of Providence in the Social Order: An Essay in Intellectual History* (Princeton, NJ: Princeton University Press, 1976 – first ed. 1972).
- <sup>13</sup> A. M. C. Waterman, "Economics as Theology: Adam Smith's *Wealth of Nations*," *Southern Economic Journal*, Vol. 68, No. 4 (2002), reprinted in Oslington, *Economics and Religion*, Volume I, p. 323.
- <sup>14</sup> *Ibid.*
- <sup>15</sup> Peter Minowitz, *Profits, Priests, and Princes: Adam Smith's Emancipation of Economics from Politics and Religion* (Stanford, CA: Stanford University Press, 1993), p. 139.
- <sup>16</sup> Paul Tillich, *A History of Christian Thought: From Its Judaic and Hellenistic Origins to Existentialism* (New York: Simon and Schuster, 1967), p. 476.
- <sup>17</sup> Igal Halfin, *From Darkness to Light: Class, Consciousness, and Salvation in Revolutionary Russia* (Pittsburgh, PA: University of Pittsburgh Press, 2000), p. 40.
- <sup>18</sup> See, for example, Willis B. Glover, *Biblical Origins of Modern Secular Culture: An Essay in the Interpretation of Western History* (Macon, GA: Mercer University Press, 1984).
- <sup>19</sup> Nelson, *Reaching for Heaven on Earth*, pp. 95-106

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<sup>20</sup> See Robert H. Nelson, “What is ‘Economic Theology,’” *The Princeton Seminary Bulletin* (February 2004); Robert H. Nelson, “Frank Knight and Original Sin,” *The Independent Review* (Summer 2001); and Robert H. Nelson, “Economic Religion versus Christian Values,” *Journal of Markets and Morality* (October 1998).

<sup>21</sup> Richard A. Easterlin, “Does Economic Growth Improve the Human Lot? Some Empirical Evidence,” in Paul A. David and Melvin W. Reder, eds., *Nations and Households in Economic Growth* (New York: Academic Press, 1974).

<sup>22</sup> David G. Blanchflower and Andrew Oswald, “Well-Being over Time in Britain and the USA,” *Journal of Public Economics* (July 2004).

<sup>23</sup> Most recently, a distinguished British economist, Lord Richard Layard, has published a 2005 book on *Happiness: Lessons from a New Science*.

<sup>24</sup> Rachel McCulloch, “The Optimality of Free Trade: Science or Religion?” *American Economic Review* (May 1993).

<sup>25</sup> J. B. Bury, *The Idea of Progress: An Inquiry Into Its Origin and Growth* (University Press of the Pacific, 2004 – first ed. 1921).

<sup>26</sup> Paul Johnson, *Modern Times: The World from the Twenties to the Nineties* (New York: HarperCollins, 1991).

<sup>27</sup> Kenneth R. Hoover, *Economics as Ideology: Keynes, Laski, Hayek, and the Creation of Contemporary Politics* (Lanham, MD: Rowman & Littlefield, 2003).

<sup>28</sup> Robert D. Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton, NJ: Princeton University Press, 1993).