

these aims, she broadly succeeded. By contrast, the Church of England's aims obviously have not been fulfilled, but that is what happens whenever clerics confuse constructing Utopia with building up God's kingdom. There is a lesson here.

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## The Economic Ethics of World Religions and Their Laws: An Introduction to Max Weber's Comparative Sociology

**Andreas Buss**

Baden-Baden, Germany: Nomos, 2015 (219 pages)

This new book restates for contemporary readers Max Weber's thesis on the Protestant ethic, stressing how it compares against other world religions. Because almost a century has elapsed since the death of Max Weber in 1920, even though the title of his 1904 essay is still familiar, the contents are fading into memory. Andreas Buss now brings this fascinating period piece back to life for us.

In brief, this book is a summary of Max Weber's views of the social structure of European and Asian societies and of what that meant for the status of wealth. The Protestant ethic famously encouraged the accumulation of wealth while at the same time shunning frivolous consumption or flashy display of riches. The focus was always on saving, or what the author calls "asceticism."

*The Protestant Ethic*, in the thinking of Max Weber, is his stirring defense of capitalism in the face of Marx's *Das Kapital*, which was shaking Europe to its roots. It was not enough for the purpose to make clear the rectitude of capital; Weber had to argue that it is a moral imperative of sorts on a par with or superior to the great religious beliefs of the world. Capital is not Marxian "Das Kapital"; to twist a phrase, it is for Protestant Europe "Der Kapital," the paternal guide and reward—as it were, the wise father-figure bequeathed to the West in the Protestant Reformation. In pursuing that line of argument, Weber took great care to make the case that the Protestant ethic was the logical precursor of modern capitalism—of the choices that follow from the prescribed moral way of life. Hence, it is not only the Protestant way of life; it is the Protestant *ethic*. Capital is for this purpose both a culture and a divine command. It is a culture of saving—of deferred gratification that Weber calls ascetic—and dedication to the highest level of productivity at work. Economically, capitalism is the logic of intermediate production in the creation of intermediate goods (tools) that facilitate production of final goods. As a commandment, it confirms the sanctity of private property in the biblical Decalogue.

Historically, capitalism seems almost synonymous with indirect production methods that evolved into ever more ingenious technologies and rising productivity, an entire cornucopia of scientific knowledge and practical know-how that transformed lives. We recognize that capital in this sense is a produced good, but it is entirely possible that our capital would instead be a natural endowment, as for example the lush waters around

a tropical paradise, teeming with fish and watering the explosion of sugary fruits and vegetables. In that case, the capitalist ethic would place greater stress on conservation (asceticism) than we do, but the logic of capitalism would be unchanged. The fantastic achievements of technologically driven productivity have instead diminished the role of conservation in our lives, but Weber's attention is drawn not to us but to the rest of the world and how its plethora of moral and economic cultures evolved differently.

Weber's survey of world religions covers Confucianism, Hinduism (Vedantism), Buddhism, Ancient Judaism, Islam, Oriental Christianity (Russian Orthodoxy), Occidental Christianity (Catholicism), and Ascetic Christianity (Protestantism). The focus is on the social basis of adherents' practices, based on Weber's extensive studies of these societies. Andreas Buss reproduces much of this thinking. This material is not an easy read for an American economist given that the focus is not the doctrines and beliefs but the social organization. Buss's summary of Islam, however, is representative of the text, if a bit politically incorrect today. He traces the roots of Islam to nomadic warrior bands of Arabia who, with the help of imported mercenary warriors from central Asia, prospered by exploiting the settled city-dwellers. As a result of the cultural separation between the warriors and the commercial interests, the law remained attached to the religious tenets of Islam, while the legal needs of society were relegated to commerce. Society remains split in two—between Sharia and secular law—permanently locked in hostile competition.

The book concludes with a survey of Weber's historical comments on civil law across the places that his analysis of religion touches. Weber's study of the sociology of the law—he was trained in legal theory in the Continental tradition—led him to ponder the roots of law and in particular commercial law as they evolved to serve the needs of European practice. He focuses on the way this evolution tended, or in many cases did not tend, to adapt law to serve the needs of capitalist and merchant classes. Two species especially caught Weber's attention: English Common Law and Natural Law.

Common Law is an almost ideal example of his point. The Common Law has evolved from the national (i.e., held "in common" across the kingdom) law created by the early system of royal-law courts presided over by the sheriffs who were local administrators of royal law. A sheriff was initially a royal tax collector who became involved in settling legal disputes because the resolution frequently involved transfers of money (e.g., fines). Because the sheriff was also the royal tax collector, this seemed a natural sideline for them. On the continent, law developed very differently as a study in the university and retained a greater emphasis on abstract principles of justice and law. On the continent, the guiding principles were informed by the Natural Law, which had been endorsed by the Church in the Middle Ages. Considering the law as a body of principles by which to judge right action, the mundane and unquestionably secular evolution of Western law is entirely consistent with Weber's thesis of a Protestant ethos for virtuous laymen—citizens of this new secular moral world, who are guided by wise self-interest in the management of the commonweal.

The Natural Law always brings us back to the divine architect of nature and thus to theology and religion. To quote William Carroll, professor of theology at Oxford University,

“We might distinguish the natural sciences from philosophy and theology, but it is a mistake to see them as extrinsic to one another, each existing in its own neat epistemological and ontological compartment. Although at first it might seem counterintuitive, the proper autonomy of these areas of inquiry depends upon their interdependence.” (“Science, Philosophy, and God,” *Public Discourse*, January 29, 2016)

—Joel C. Gibbons

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## Hayek’s Modern Family: Classical Liberalism and the Evolution of Social Institutions

**Steven Horwitz**

New York: Palgrave Macmillan, 2015 (313 pages)

Friedrich von Hayek has inspired economists, particularly economists from the Austrian tradition, to better understand the importance of coordination within a modern market system. However, these Austrian economists have left a glaring hole in their scholarship: There has been little written about the family. Steven Horwitz seeks to rectify this oversight in his *Hayek’s Modern Family: Classical Liberalism and the Evolution of Social Institutions*.

Horwitz uses Hayek’s *The Fatal Conceit* to represent the core of Hayek’s approach to societal change. Hayek there distinguishes between micro-orders and macro-order. Micro-orders reflect humanity’s history of face-to-face interaction, whereas the macro-order reflects the Great Society. (Hayek’s concept of Great Society, which allows micro-societies to interact without state interference, has nothing to do with the better-known Great Society of Lyndon Johnson.) The micro-societies’ emphasis on personal interaction works well with small groups akin to the family, but the Great Society requires an anonymous system that allows for spontaneous-order creation. Hayek’s description of spontaneous order is well known. The Great Society’s focus on means allows individuals to choose different ends. In so doing, the Great Society allows the market’s pricing system to discover information that would otherwise remain unknown.

Hayek understood that traditions were the repository of generational knowledge. Austrian economists believe that knowledge is dispersed, contextual, and tacit. Traditions help communities pass on this tacit knowledge to each new generation. However, these are living traditions that continuously observe which ways of living best interact with the evolving marketplace. Tradition is required for the market economy, which in turn affects those traditions.

The family is, of course, one of the most important traditional micro-societies. Horwitz distinguishes between the family’s form and function. He relies heavily on research by Deirdre McCloskey and Stephanie Coontz in arguing that the history of the family is the history of an evolving institution. As market conditions have changed, so have the family’s functions changed. Similarly, the family’s form has changed along with its function.