

The manner in which collective and institutional trust helps or hinders the changing environment is discussed in this section.

A deficiency of the book is endemic to its construction. As a book compiling a group of like-minded researches, repetition of shared basic principles and definitions are presented in many of the papers, which after a while becomes irritating. In addition, the primary empirical research consists in surveys of entrepreneurs. This results in the some insight but has some limitations for the researchers' conceptual understanding of the dynamics involved because it does not necessarily coincide with the responses given. Inferences have to be made.

If one seeks to peek at the manner in which the emerging economies of central and Eastern Europe have progressed a decade or so after the fall of the Wall, this book would be a good start. In addition, it can demonstrate the importance of people and the respect of people for the success of these economies. What at times may be ignored and hidden in the developed economies can be seen in these economies, due to the absence of, or their as-yet, inadequate development. That itself is extremely important for the developed economies so that they can maintain and preserve the humanist necessities of their cultures.

—Keith P. McMillan, S.J.

*London School of Economics and Political Science, London*

## Political Economy and Christian Theology Since the Enlightenment: Essays in Intellectual History

**A. M. C. Waterman**

New York: Palgrave, Macmillan, 2004 (330 pages)

[Editor's Note: *Francis Woerhling will present an extended treatment and critique of the work of A. M. C. Waterman in the 10.1 issue of this journal.*]

Anthony Waterman's *Political Economy and Christian Theology Since the Enlightenment* (henceforth *Enlightenment*) is a highly interesting and complicated book. It is a collection of articles written over many years and put together in response to the encouragement of long-term friends' inciting Waterman to elaborate on the grand thesis of his life (ix). In key sections of this book, Waterman restates an earlier (sub)thesis concerning the history of the Enlightenment and Christianity, which he worked out in his excellent *Revolution, Economics, and Religion* (1991) (henceforth *Revolution*).

J. C. D. Clark (editor of the series in which Waterman's book appears), Waterman, Knud Haakonssen (*Enlightenment and Religion* [1996]), D. Winch (who just published *The Cambridge Companion to Adam Smith* [2006]), and many others have together produced a revisionist British intellectual history from 1660 to the mid-nineteenth century (i.e., "the long eighteenth century") that emphasizes the impact of religion on the growth of the Enlightenment. This intellectual history thus sketches the evolution of the worldview (or *Weltanschauung*) that shaped the intellectual environment of (1) Adam

Smith, Thomas Malthus, David Ricardo, and even J. S. Mill (viz., the foundations of today's economics) and of (2) the rise of the "British World System," whose growth markedly slowed down at the end of the long eighteenth century—something that intuitively invites comparisons with the "U.S. World System" during the "long American twentieth century." *Enlightenment* provides an extended introductory bibliography of this British intellectual history.

*Enlightenment* is useful to economists not only as a summary of Waterman's work on the long eighteenth century but also as a sketch of his ideas concerning the impact of that century on today's political culture and economics. Waterman furthermore raises questions that are central to contemporary discussions concerning the foundations of economics of particular interest to readers of this journal. First, Waterman's intellectual history approach to political economy leads him to emphasize that economics is deeply imbedded in a given worldview of "man and society." His terminology is correspondingly complex and evolving. Second, Waterman discusses and criticizes the Christian impact on economics and the market system.

Waterman's main theses are crucial for economists and Christians. They first underline that during the long English eighteenth century a continuous back and forth between economic and political ideas and Christian theology enriched both fields. This process was nurtured by the Anglican alliance of church and society, which naturally resulted in an ideological alliance (chapters 2–6 of *Enlightenment*). Waterman uses the term *ideology* in the neutral academic sense of mobilization of a worldview in defense of a social system.

He then shows how this ideological alliance sustained this worldview, slowed its demise between 1798 and 1833, and even led to the gradual emergence of a new worldview, some kind of positivist utilitarianism (a thesis broached in *Revolution* and completed in chapters 7–9 of *Enlightenment*). In the introduction to *Enlightenment*, he furthermore suggests that neoclassical economics is the theology of the new "utilitarian economic religion" of the twentieth century as Robert Nelson (whom Waterman mentions several times) has extensively shown (*Economics as Religion* [2001]).

In conclusion (chapters 13 and 14 of *Enlightenment*), he applies the lessons he drew from his historical studies to the future of the global culture in the twenty-first century, namely, that Christianity will have no impact on economics and that we will come to realize more than ever that the invisible hand is the ultimate explanation of societal evolution. These two chapters thus present a very rough sketch of his coming grand thesis. Waterman's discussions—including his ignoring major Christian input into contemporary Western intellectual history—will be dealt with in a forthcoming article in this journal.

The preceding sketch of *Enlightenment* does not mention chapters 10–12 in which Waterman criticizes Catholic social doctrine because they do not directly affect the preliminary sketch of his coming grand thesis but rather provide a basis for this author's extended discussion of the more fundamental ideas that are underlying Waterman's

entire enterprise. His view of Catholic social teaching and discussion of his more fundamental views will also appear in the forthcoming article.

As emphasized by Waterman (*Enlightenment*, 8–10), he is keen to present an intellectual history and to differentiate it from a history of economic analysis, (as well as from economic history, viz., the usual description of facts such as changes in technology, labor, capital, and economic knowledge). Waterman correctly notes (13) that economists have become historically illiterate and that, at best, they have an inkling of the history of economic analysis, illustrated, for example, by Samuelson’s “translation of the work of premathematical forerunners into (his) own theoretical idiom” (“A Modern Theorist’s Vindication of Adam Smith,” *American Economic Review* [1977]).

Taking intellectual history into account entices economists to place their approach into the larger context of the evolution of the global culture of an integrated society, which in the eighteenth century was national and subject to a particular religion. To understand the intellectual history of economics during the long eighteenth century, it is therefore indispensable to take the theology of the Church of England (and of the Kirk) into account.

I will now try to clarify Waterman’s terminology, especially the concept *political economy*. From chapter 1 of *Revolution* (all references in this paragraph are to this chapter), in which he discusses the emergence of the social science of the Enlightenment out of the then socially embedded Christian theology, we can cull the following definitions. Waterman starts from the fact that originally “all social theory” emerged from ecclesiology, namely, the “social chapter” of theology (9). “Social theory, social thought, social teaching were therefore blurred together in what Troeltsch called Soziallehre” (10). It is in this context that “classical political economy was conceived through the insemination of ‘Smith on the Wealth of Nations’ by ‘Malthus on Population’ ...” (11). He uses “political economy in Samuelson’s ‘canonical sense’” (11–12). He then discusses how Bishop Whately (in the 1830s) showed that the new “social theory was based upon (classical) political economy and hardly at all upon the traditional ontology of society that Troeltsch [called] Christian sociology” (11). Waterman can thus conclude that Whately (1) sustained the ideological alliance by emphasizing the respective autonomy of theology and social science, but, in doing this, he (2) laid the foundation of the coming positivist exclusion of Christianity from economics and thus contributed to the emergence of the new utilitarian religion.

From these quotes, we can conclude that Waterman uses the terms: (1) *political* or *social doctrine* to connote the fundamental understanding a society has of its sociopolitical character; (2) *political economy* as that part of this social doctrine that describes how society solves the economic problem, specifically scarcity—first in Adams Smith’s optimistic view as well as later with the Malthusian tendency to overpopulation; (3) *Christian political economy* as a label for two (or three) concepts Waterman does not distinguish well because they were historically intertwined: the *intellectual enterprise* “combining classical political economy with Anglican theology in normative social

theory,” the *ideological defense* of this process, and “the mainstream of Anglo-Scottish social theory” (13).

From the methodological perspective adopted here, we must conclude that Waterman does not consider economics or even political economy as social scientists understand it today but rather as the basic concept of society and its organization, specifically as the market system and its political dimensions. In effect, he discusses what I shall call the paradigm of classical liberalism, its bases, and evolution. His discussion of classical liberalism is indeed made difficult by the methodological necessity to assess this paradigm through its historical evolution, specifically the interaction between the fundamental social problematic and Anglican theology.

As a result of this approach, he is led to consider how the new utilitarian religion (Nelson) increasingly dominates the global social problem since the Enlightenment. However, Waterman is so imbued with British intellectual history that he finds it difficult to translate his original English approach to the global culture of the larger Western world. For example, he finds it impossible, in practice, to distinguish British Christendom from Christianity, thus obfuscating the fundamental problem of Christian social theory.

Once we clearly differentiate between social theory and economics on one hand and Christianity and old regime Christendom on the other, we can follow more easily his investigation of the interactions between the constitution of classical liberalism and political economy. The motor of this interaction (excellently discussed in *Revolution* and well touched on in *Enlightenment*) was Malthus’ discovery that society was doomed to overpopulation and declining wages, which severely impinged on Adam Smith’s optimistic conclusions that the market system and classical liberalism led to the best possible control of scarcity via the invisible hand. Today, the impact of ecological concerns on globalization raises analogous questions. The Anglican contribution consisted in showing that these developments were compatible with God’s goodness, that is, in modern (secular theoretic) terms, are compatible with a positive global explanation of the development inherent in classical liberalism and of the efficiency of Smith’s invisible hand.

Readers of *Markets and Morality*, who are interested in the philosophico-political aspects of the market system and of classical liberalism as well as in their Christian foundations will have realized that Waterman’s approach requires an extensive discussion. Economists more generally will be interested in the explication of an approach that concentrates on the fundamentals of economics and helps them place the day-to-day technicalities of neoclassical theory in a proper perspective.

—Francis Woehrling  
*Monetary Directorate, Commission of the  
European Communities, Brussels (retired)*