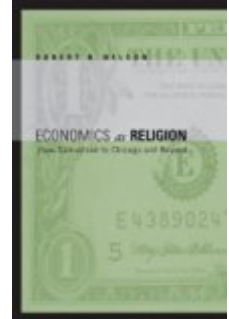


Robert H. Nelson. *Economics as Religion: From Samuelson to Chicago and Beyond.*

University Park: Pennsylvania State University Press, 2001. xxvi + 378 pp. \$35.00, cloth, ISBN 978-0-271-02095-2.



Reviewed by Robert D. Tollison

Published on EH.Net (April, 2002)

Nelson's basic thesis is that economics is more like a religion than a science. In fact, he argues that economics in the twentieth century has virtually supplanted organized religion with a creed of material progress. Within economics Nelson analogizes Samuelson and company as being more like Roman Catholics who adhere to natural law doctrine, such as the efficacy of market institutions with a strong overlay of government regulation. Chicago economists are more like Calvinists in that they are radical revolutionaries in the pursuit of a more libertarian approach to economic life in general.

The half of me that wants to like the book reflects an admiration for Nelson's scholarship. His thesis is new and novel; he has written a strong brief for it, and to say the least, he has interesting ideas. Stylistically, he wins me over.

The other half resists the extremity of the argument. There is no doubt that modern economics is full of value judgments, both implicit and explicit, and that one must use care in separating positive from normative arguments. Where the argument is normative, one must be as explicit as

possible about what the value judgments are and whether individuals are in general agreement with respect to these judgments. In most cases, the normative aspects of economic analysis are benign and easily accepted—for example, more wealth or utility is better than less, material progress is a good thing, market institutions stimulate economic growth (this is also a positive prediction), and so on. Of course, there will be dissenters; we do not live in a Pareto-optimal world. But for the most part, the normative assumptions of modern economics are not controversial. So while Nelson is right that there is a "religious" sub-text to economics, I do not think it is such a big deal. Most of these value judgments are just common sense writ large.

At times Nelson seems to deny the prospect of a value-free analysis. Here, I think he goes too far. Positive economics is alive and well in academia, and the economic paradigm of choice within constraints is being pushed steadily forward to new frontiers of explanation (including religion). There are no hidden values here; there is no sub-text. There is a simple desire to explain the world

as it is in a more understandable way. The relevant question to these scholars is not how but why? Most of the work that Nelson discusses in the modern Chicago approach and in the New Institutional Economics is this type of analysis. And while understanding the world per se may actually lead to social change, I do not think this correlation is thought about or stressed very much by these analysts. Their focus is on understanding, not changing, the world.

Still, on net, I give Nelson high marks for making an interesting and useful argument. It is always good to take stock of what we are about as professional economists.

One final note is that Nelson may be right about the demise of economics in universities. One way to look at the issue is to note that the great economic debate is over. Capitalism won, so that the demand for the "religious" services of economists is on the wane.

If there is additional discussion of this review, you may access it through the network, at <http://eh.net/>

Citation: Robert D. Tollison. Review of Nelson, Robert H. *Economics as Religion: From Samuelson to Chicago and Beyond*. EH.Net, H-Net Reviews. April, 2002.

URL: <https://www.h-net.org/reviews/showrev.php?id=6161>



This work is licensed under a Creative Commons Attribution-NonCommercial-No Derivative Works 3.0 United States License.