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# PROPHECY, PIETY, AND PROFITS

A Conceptual and  
Comparative History  
of Islamic Economic  
Thought

AYMAN REDA



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Ayman Reda

# Prophecy, Piety, and Profits

A Conceptual and Comparative History  
of Islamic Economic Thought

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*To my parents,  
who prove, every day,  
that theory and practice can be one.*

## PREFACE

This is a book about prophets and prophecy. It is a humble attempt at reconnecting with a tradition that is gradually losing its intellectual and practical relevance in a world that refuses to have a past. This tradition is one of “knowledge and wisdom,” as the Prophet’s *hadith* tells us, and not of “gold, silver, or property.” By *prophecy*, therefore, we mean revelation and scripture, or a direct testimony of divine will. *Prophets*, as such, refer to the long lineage that extends from Adam to Muhammad. Though the secondary meaning of prophecy, defined as the ability to predict the future, is of little relevance to our inquiry, one can easily invoke the term to describe the ambitious agendas of the secular prophets of modernity. This is also a book about faith and piety. If prophecy signifies the theoretical dimension of religion, piety represents its practical element; neither part is feasible without the other. Finally, this book is about profits, profits in this world and the next. It is a modest call to reconsider what is truly profitable, what is of real value and worthy of our sacrifice.

With regard to methodology, this book is a study in the history of ideas, or more specifically, in intellectual history. According to Warren Samuels, “economic thought is a branch of intellectual history,” and it is in this spirit that we approach our subject matter. We do believe, however, that this work represents a rare attempt at examining the position of *Islamic* economic thought within this broader intellectual discourse. Our choice of concepts, therefore, was intended to provide a rather broad and thorough view of Islamic economic thought in comparison to the views of other traditions and schools of thought.

In Part 1, we present an Islamic response to the predominant paradigm of scarcity. This response is based on the Islamic “first principle” of human vicegerency. This forms the basis for the Islamic view of wealth and poverty discussed in Part 2, where the nature of the relationship between wealth and poverty is thoroughly examined. The Islamic solution to poverty, embodied in a life of piety and charity, is examined in Part 3, with a special emphasis on the Quranic contrast between charity and usury. This contrast is predicated on a more fundamental distinction, that of justice and self-interest, which represents the topic of Part 4. In this chapter, we offer an Islamic critique of economic rationality and the Rational Choice paradigm, by appealing to the Islamic notion of rationality and justice. Finally, we examine the practical considerations of these conceptual distinctions in Part 5, in the context of markets and utopias. We present an Islamic case for *ideal* markets, where compassion and justice can naturally thrive.

A major issue that this book grapples with concerns the intellectual’s constant effort to bridge the elusive gap between theory and practice. But this never seemed to be a problem for my parents, Mohamed and Wafaa, to whom this book is respectfully dedicated. Their lives have epitomized a remarkable union of theory and practice, a union that continues to inspire my work and ideas. As such, this book is as much a dedication to them as it is an attempt at expressing my love and gratitude.

My love and gratitude are also due to my wife and best friend, Malak, and our children Zeina, Mohamed, and Ali for their support and patience over the last few years. Malak’s faith in this book never wavered, despite the many distractions and difficulties I faced along the way, insisting on being the “invisible hand” that brings this book to fruition. In this endeavour, as with everything else, she never ceased to give, expecting nothing in return. In addition, my children’s excitement for the book was always invigorating, and often reminded me of the joys of writing when the task seemed almost insurmountable.

I have also enjoyed the support of several colleagues along the way. I am especially indebted to Ross Emmett for his efforts at organizing an informal discussion of the book in the summer of 2016, at James Madison College, Michigan State University. I am thankful to the many comments and suggestions of the participants: Jeff Biddle, Jordan Ballor, Dylan Pahman, and Waseem El-Rayyes. I am also thankful to the comments I received from several participants at two sessions of the 2017 History of Economic Society Conference in Toronto. I am also thankful to the support and encouragement

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Finally, my gratitude, though utterly finite and weak, is to Him who is Infinite in His love and bounty. If it were not for His mercy, this book would never be.

Dearborn, MI, USA

Ayman Reda

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PART I

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Abundance and Scarcity

## Abundance and Scarcity: Introduction

There is much disagreement among historians of economic thought on the precise origins of economics as a distinct intellectual discipline, and even more disparity on the question of the genesis of economic analysis. While the majority of economists recognize the seventeenth century as a legitimate point of departure, some believe, “[t]he roots of modern economic analysis extend much further back in time” (Gordon 1975, xi). The specification of such dating, argues Spengler (1954, 6), depends on the precise definition of “economics.”<sup>1</sup> Such definition, however, is itself derivative of what is believed to fall under the purview of “economic analysis” or “economic phenomena,” theoretical boundaries that, especially with the rational choice paradigm of the last few decades, have proven to be highly elastic. What is more commonly agreed upon, however, is that “intellectual efforts that men have made in order to understand economic phenomena” are almost universal; that human discourse on the nature and substance of economic issues is nearly ubiquitous across time and place (Schumpeter 1986, 3).<sup>2</sup> A principal and consistent object of such efforts is what has been commonly referred to as “the economic problem.”

Although “one finds [records of] sophisticated economic relationships” in the ancient civilizations of Mesopotamia and Egypt, there is a notable “lack [of] treatises” that convey a profound level of inquiry into economic matters. The situation was quite different, however, in the case of Athens and Greece, for which we have evidence of substantial intellectual activity

(Spengler 1954, 30). In Athens, the “earliest stirrings of economic analysis” to provide an “exposition of the ‘economic problem’” was in the poetry of Hesiod, in his *Works and Days*. Hesiod begins his economic analysis with the question of why man is destined to a lifetime of labor, and not one of ease and peace. The answer, Hesiod believes, is in the scarcity of the “means of life [that the] gods keep hidden from men” (Gordon, *Economic Analysis Before Adam Smith: Hesiod to Lessius* 1975, 2–4). With the passing of the Golden Age of Eden, a paradise of boundless abundance, man is henceforth destined to an enduring and difficult coexistence with the economic problem of scarcity (Rothbard 2006, 8–9). It is a remarkable intellectual phenomenon, to say the least, that Hesiod’s analysis of the economic problem, and regardless of its theoretical or empirical validity, codifies the *modern* essence of the economic problem, as stipulated by the dominant paradigm of the neoclassical school of economic thought.<sup>3</sup> More than two millennia after the *Works and Days*, in 1930, John Maynard Keynes put forth his bold prediction that barring major wars or extreme population growth, “the *economic problem* may be solved, or be at least within sight of solution, within a hundred years.” The economic problem, which Keynes defines as the “struggle for subsistence,” will cease to be “*the permanent problem of the human race*” (Skidelsky 2015, 81). A little less than a century later, a few years shy of the hundred years promised by Skidelsky and Skidelsky (2013, 6), and in a convincing and unabashed manner, pronounced Keynes’s prophecy a “failure.” Hesiod, or so it seems, has been validated; the economic problem is here to stay. However, a more careful and thorough survey of economic thought, from Hesiod to Keynes and beyond, reveals an immensely more complicated story to be told, one that may not be as progressive or reassuring as some would fancy it to be.

To begin with, the identity of the economic problem has not always been synonymous with scarcity. To Thomas Hobbes, the problem was more political than economic, and consisted in “how to construct a viable order out of a group of isolated individuals who are motivated only by their self-interest” (Campbell 1971, 28). While the problem of social order was of significant concern to economists, and to Adam Smith, in particular, in his discussion of self-interest and the invisible hand, the direction taken by economists was clearly different from that of political philosophers and scientists.<sup>4</sup> Adam Smith, considered by many as the father of modern economics, believed wealth to be the essential requirement for the general welfare of society, with the expansion of wealth made possible due to higher levels of specialization. This expansion will ultimately

give occasion to the “general opulence” of the members of society, both rich and poor. If anything, the “economy he envisioned was clearly an economy of abundance, not an economy of scarcity.” Almost two centuries later, John Kenneth Galbraith endorsed such a view, and believed abundance to have already been achieved, a fact easily overlooked as a result of our excessive lifestyles (Clark 2002, 415–16; Peach and Dugger 2006, 694–95). Furthermore, Smith and his close acquaintance David Hume, while overly optimistic about the prospects of overcoming the “natural scarcity” of resources, were particularly concerned with a more stubborn form, namely “social scarcity,” that is derivative of social norms and preferences (Xenos 1989, 46–7; Clark 2002, 416). And yet others, such as Henry George, saw in the wealth “engendered by progress” the “common cause” for the poverty of nations and societies (George, *Progress and Poverty* 1992, 6–8).

Notwithstanding this range of opinions on the economic problem, these views are markedly different from those of other scholars, whose philosophy and interests directed them to distinct paths of inquiry. The greatest of Greek philosophers, Plato and Aristotle, were chiefly concerned with “the nature of the good life,” and gave scant attention to the problem of scarcity. Poverty, according to Plato, “results from increase of man’s desires, not from diminution of his property,” while to Aristotle, the “economic problem is primarily a problem of selection among competing ends” (Gordon 1975, 34). According to William F. Campbell (1987, 32), “[c]lassical political philosophy is the exact opposite of the modern formulation. There is no generic problem of scarcity defined in an engineering sense. The man of infinite wants is the problem, and it is a moral problem, not an amoral engineering problem.” The views of medieval scholastics, building upon the philosophical tradition of the Greeks and especially Aristotle, believed all of creation to be a gift from God, and to be treated as such. After the Fall, humanity is delegated the role of stewardship, managing creation as a trust common to all. Such conceptions tended more toward an abundance, rather than a scarcity, view of the world, and emphasized the functions of faith, worship, and charity (Clark 2006, 33; Kennedy 2006, 59; Gordon 1989, ix). Deviations away from this stewardship role will manifest in economic and social problems. As such, the “economic problem has its origins in the enticements of worldly wealth ... [and] is the social corollary of a corrupted human nature” (Gotsis n.d., 47).

Clearly, these views do question the presumed universality of any one identity of the economic problem, or even any particular definition of scarcity, and inevitably introduce uncertainty and confusion into any

attempted inquiry. Is the economic problem that of scarcity or abundance? Is it a corollary of the Aristotelian notion of the “good life,” or the Hobbesian idea of social order? Is it an individual problem of means-to-ends allocation, or a social problem of achieving the common good? Is it a problem of means only, ends only, or both? Is it surmounted via the expansive powers of capitalism, or the supposed emancipatory potential of communism? Is it a problem of the world, or of us; that is, is it an exogenous or given quality of the natural and physical world we happen to be part of, or a social product of our beliefs, choices, and institutions? Moreover, this sample of variations on the identity of the economic problem suggests a deeper and more profound query: is this even the right question to ask? In other words, is the problem, assuming one does exist, an *economic* problem? Or is it of a more holistic nature, and theoretical divisions or classifications are merely artificial constructs of little practical relevance? And finally, on an even more reflective level, the use of the term “problem” automatically suggests that a solution is to be sought for a particular human predicament, that mere existence exposes one to a problem and the subsequent need for a solution. I am not sure that such a worldview is self-evident, which is not to say that it is wrong.

The next few chapters will seek to address some of the questions raised in this section, with the hope that some of the uncertainty or confusion will be somewhat alleviated. The chapters will provide a thorough, and loosely chronological, survey of the intellectual economic discourse on the subject of abundance and scarcity, highlighting the changing nature of the conversation over time. But mainly, we seek to introduce a somewhat general view of Islamic economic thought on the topic, granted that the view presented here is not necessarily representative of all Islamic opinions on the subject.

## NOTES

1. According to Spengler (1954, 23), “‘scientific economics’ did not really begin to emerge until the Renaissance when science began to flourish, but not to the exclusion of elements of Graeco-Roman and ‘medieval economic’ thought that often were reflected in later writings about economic transactions and issues.”
2. “By History of Economic Analysis I mean the history of the intellectual efforts that men have made in order to *understand* economic phenomena or, which comes to the same thing, the history of the analytical or scientific

aspects of economic thought” (Schumpeter 1986, 3). Interestingly, this definition does allow, on the one hand, for a liberal use of the label of “economic analysis” on economic thought extending back to antiquity, as in the case of Barry Gordon (1975), while on the other hand, it may be applied selectively to “efforts” that fit some preconceived notion of what qualifies as modern scientific inquiry.

3. “In fact, there are strong affinities between Hesiod’s account of the [economic problem] and that provided by Lord Robbins in his influential, *An Essay on the Nature and Significance of Economic Science* (1932)” (Gordon, *Economic Analysis Before Adam Smith: Hesiod to Lessius* 1975, 3).
4. For a comprehensive study and analysis of the “invisible hand,” and its relation to the question of order in society, see the groundbreaking work by Warren Samuels (2011).

## Abundance and Scarcity: Greek Economic Thought

Any intellectual attempt at surveying the history of ideas will inevitably raise some serious methodological complications, central among which is the question of interpretation. This difficulty facing the historian of economic thought, or any other historian for that matter, is akin to what Soren Kierkegaard, in his usual eloquence, described as an “isolating fixation on oneself, in which world history, human life, society – in short everything – disappears and, in an egoistic circle ..., one constantly sees only one’s own navel” (Cappelorn et al. 2007, 237). Granted that such a “fixation” is unavoidable, the historian can strive, as much as possible, to mitigate the controlling effect one’s particular framework has on dictating one’s reading of another historical context; in short, to be as sincere as possible. For that reason, and given the fact that interesting parallels can always be highlighted between premodern and modern economic thought, several scholars have cautioned against modern attempts at stretching such parallels beyond their interpretive bounds. In the case of Greek economic thought, Rothbard (2006, 8) criticizes “‘presentist’ seizing” upon certain statements in ancient Greek texts as early anticipations of modern economic theory. It is intellectually prudent, as such, that any examination of earlier economic thought, Greek or otherwise, is undertaken with a keen view to the respective historical and social contexts. One must deferentially concede to the fact that such texts were, first and foremost, intended for the societies wherein they transpired. Nevertheless, one must also

consider the possibility that such texts may have also been written with a bold view to posterity—as is especially the case with religious scripture. It is in this methodological spirit that we approach this study.

As mentioned earlier, the first explicit treatment of the economic problem in Greek economic thought has been traced back to Hesiod, in his great poem, *Works and Days*. Dubbed as the “first ‘economist’” by Rothbard, Hesiod’s poem “centered on the fundamental economic problem of scarce resources for the pursuit of numerous and abundant human needs and desires.” Humans were believed to have lived in an earlier state of material abundance, where wants and desires are easily satisfied and the economic problem is virtually nonexistent. But as a result of “man’s ejection from Paradise,” humans have been subjected to physical and psychological manifestations of scarcity, in the form of “labor” and “sorrow” (Rothbard 2006, 8–9). From an early Golden Age, when men “lived like gods without sorrow of heart [and] remote and free from toil and grief,” to an age of niggardliness, where “the gods keep hidden from men the means of life,” humans have been transferred from a state of abundance to one of scarcity. In this new and enduring age, “choices are to be made, and labor, time and materials need to be allocated efficiently.” Far from being a cause for social disapprobation, work thus assumes an exalted position in society, while sloth and idleness become targets of social censure (Gordon 1975, 4–5; 2005). This is especially so if humans share the tendency to emulate one another, resulting in the “healthy development of a spirit of competition, which he calls ‘good conflict,’ a vital force in relieving the basic problem of scarcity.” Such tendencies, however, must be constantly restrained to avoid excessive behavior such as robbery and fraud that would prevent the formation of a “just and harmonious” society (Rothbard 2006, 9). Democritus, a contemporary of Socrates, shared Hesiod’s view of work, by saying that “[t]oil is sweeter than idleness when men gain what they toil for or know that they will use it.” In addition to offering a “supply side” solution, Democritus also sought to “tackle the economic problem of scarcity by operating on the demand side,” where the desire for goods must constantly be restrained (Spiegel 2004, 13–14).

In the opposed material state, that of abundance, the psychological and social anxiety of securing “basic material need” is virtually nonexistent, which in turn renders allocative behavior largely irrelevant. The implication, argues Gordon, is that only in a state of scarcity and the multiplicity of ends is the need for economizing, and consequently the “science” of

economics itself, of practical relevance. This particular insight, believed by Gordon to be implicit in Hesiod's poem, is "seen to agree" with modern views of the economic problem, and most notably, it bears striking resemblance to the well-known definition of economics put forward by Lionel Robbins in 1932. In addition, Hesiod's ideas are believed to "embrace two of the fundamental features of Adam Smith's scheme, ... the establishment of order and harmony in society ... [and] hard work spurred on by a competitive struggle" (Gordon 1975, 3–5; 2005).

Hesiod's views however, and despite their supposed "affinities" with modern proclamations of the "economic problem," differed substantially from those of Plato and Aristotle, whose influence on subsequent intellectual activity was undoubtedly of a much greater degree. The two great philosophers, while conscious of the *means* necessary to achieve material sustenance, were mainly preoccupied with examining the *ends* of all human activity, economic or otherwise. Adopting a more holistic approach than that of Hesiod, Plato, and to a larger extent Aristotle, believed all problems, whether economic, social, or political, to be the outward manifestations of improper human values and conduct, and not an inevitable consequence of material insufficiency. Accordingly, the solution lies primarily in addressing human behavior and the "disposition of ends," and not in the incessant human toil aimed at the expansion of material wealth. This is reflected in Plato's negative view of work, in which he "linked 'mean employments' and the 'manual arts' and stated that both are debasing and involve disgrace." It also explains much of his views on wealth, which he believed will "produce luxury and idleness." As part of his social blueprint for an ideal state of justice and harmony, he also advocated that property and women be held in common by members of the upper classes, lest they serve as corrupting distractions that will "bring out the worst of human qualities" (Spiegel 2004, 17–22). It is clear that Plato's views on economic matters would not fall within the modern category of the "economics of growth" and must therefore be precluded from the tradition of thought believed to have anticipated the scarcity paradigm. To Barry Gordon (1975, 25–28), Plato is an advocate of a "relatively stationary state of economic activity" that is conducive to his view of the "good life," and that his elaborate analysis of the division of labor was only to the "extent that the quality of an individual's life is improved by his being able to perform that function for which he is best fitted by his natural endowments." To Plato, "specialization is grounded in basic human nature, in

particular its diversity and inequality” (Rothbard 2006, 11). This is a far cry from Adam Smith’s view of the division of labor as an essential prerequisite for the wealth of nations.

Plato’s student, Aristotle, had much more to say on matters of economic significance, and much of that was in disagreement with the views of his teacher. He is believed to have been less dogmatic, but more analytical, than his tutor. The former is reflected in the fact that his “solution of the economic problem places more emphasis on moral improvement than on regimentation,” while the latter is evidenced by his more extensive study of money, exchange, and economic justice. Another variation concerns their respective positions on the issue of property, with Aristotle making the case that a system of private property is superior to Plato’s system of communal property (Spiegel 2004, 24–25). But despite these differences of opinion, both teacher and student considered the “nature of the good life [as] their chief concern,” and the “allocation of scarce means ... is pushed to the margin of their schema” (Gordon 1975, 34).

Inquiry into the management and expansion of scarce means was not entirely omitted from Aristotle’s account, but was treated with much lesser concern. The purpose of economic analysis, as would be viewed by Aristotle, is in its capacity to serve the greater purpose of seeking life’s proper end—namely, the “happy life” (Gordon 1975). This lifelong quest, however, is not an open-ended exercise where the structure and the substance of the “happy life” are mostly relative to objective circumstances or subjective preferences. On the contrary, Aristotle defines the happy life as the “virtuous life,” where the “virtuous is a sort of ‘mean’ between immoral extremes.” It follows that the “virtuous life,” as one imbued with clearly-defined virtues, is neither compatible with moral relativism, nor reducible to a one-dimensional exercise in subjective utilitarianism (Alvey 2011, 90–97). It is within this philosophical and ethical framework that we can truly understand Aristotle’s position on economic phenomena, even as we must always keep in mind that such categories of academic specialization (economic, political, social etc.) would have been alien to the intellectual discourse of his day. To speak of Aristotle’s economics is to utter an “anachronism,” for Aristotle “knew of no such thing as economics.” To him, “there was no economics ... because there was no *economy*—no distinct social sphere with its autonomous laws of motion” (Skidelsky and Skidelsky 2013, 71–72). Therefore, his views on economic questions, whose form and content are largely shaped by the language and outlook

of modern economic discourse, must be inferred rather than affirmed; they are to be regarded as interpretations and not convictions.

In this spirit, one would expect Aristotle's view of the "economic problem [as] primarily a problem of selection among competing ends," and that the role of the economist is in the "establishment of priorities with respect to aims, rather than the ordering of means to achieve a set of [given] aims."<sup>1</sup> But if the proper end "among competing ends" is that of the "virtuous life," itself expressed as the "'mean' between immoral extremes," the Aristotelian solution to the problem of scarcity would likely focus more on the "readjustment of human attitudes and ends," and less on the "reallocation or multiplication of available means" (Gordon 1975, 34). S. Todd Lowry shares a similar interpretation, commenting that Aristotle's "emphasis upon the necessity of a limit may also be viewed as a rational response to the scarcity of resources." In his *Rhetoric*, Aristotle remarked that "men become richer not only by increasing their existing wealth but also by reducing their expenditures," and in *Politics*, he states that "it is more necessary to equalize men's desire than their properties" (quoted in Lowry 1987, 20).

Within the rather limiting perimeters of modern intellectual thought, increasingly inundated with academic boundaries and categories, we can characterize Aristotle's solution to the economic problem as a *moral* remedy, aimed at the moderation of desire on the path to achieving the virtuous life. Aristotle invokes the tale of Midas to express his disdain for uncontrollable desire: "But how can that be wealth of which a man may have a great abundance and yet perish with hunger, like Midas in the fable, whose insatiable prayer turned everything that was set before him into gold?" (quoted in Robbins 1998, 21) Desire, according to Aristotle, is neither a morally neutral category whose satiation is automatically warranted by its mere existence, nor should it be limited only by the availability of scarce means. Instead, it must be cultivated and directed to what is truly desirable, and that is the crucial role of "moral education" (Skidelsky and Skidelsky 2013, 73). The purpose of such education is to "teach people voluntarily to curb their rampant desires and thus lead them to limit their own accumulations of wealth" (Rothbard 2006, 14).

To conclude this section, it is clear that modern attempts to limit economic inquiry to "technical resource allocation," an approach that is believed to be reminiscent of Hesiod's economic reasoning, would be regarded by Aristotle as a fundamental misrepresentation of humanity's

true nature and purpose. If a society were to face a state of acute economic and social inequality, an Aristotelian standpoint would be quick to fault human transgressions that diverge from the “mean” of virtuous economic behavior. It seems inconceivable, at least to this author, that Aristotle would even hint at the inadequacy of means as the root of poverty. This view is, for the most part, consistent with Plato’s view of wealth and poverty, where both are “seen as two evils but as different sides to the same evil.” The wealth of the few is a cause of the poverty of many (Clark 2002, 415). This intellectual tradition, largely shaped by the views of Plato and Aristotle, was to exert considerable influence on the religious and social thought of subsequent centuries, and especially on medieval Christian thought.

#### NOTE

1. Barry Gordon (1975, 34–35) compares Aristotle’s view of economic behavior to what Max Weber referred to as “economic action,” in his distinction between “economic action” and “technology”: “Economic action is primarily oriented to the problem of choosing the end to which a thing shall be applied; technology, to the problem, given the end, of choosing the appropriate means.”

## Abundance and Scarcity: Christian Economic Thought

In a world of piety, inhabited by beings whose hearts and minds freely gravitate toward the words thus spoken, and their Speaker, the idea of scarcity would be no more than a lapse of faith. For then, one would be clearly at a loss to reconcile a worldview of scarcity with that of Jesus. But in our world, where faith commands the hearts and minds of only a few, the words of the Gospel of Matthew would hardly suffice, of their own accord, to exercise the requisite authority to direct opinions and actions. In our world, it takes much more than preaching to gain attention, and even more to influence minds. But these obstacles are only the beginning, once we realize that faith itself is no longer as discernible as before, and that the Gospel of Matthew, as a case in point, has received one too many readings to leave any prospective scholar confused and dispirited. Granted that leaps of faith are no longer admitted into the realm of intellectual enterprise, one is thus bound to adhere to the new rules and undertake as thorough an examination as possible of Christian views on the topic of abundance and scarcity. And to do just that, we must go back to the beginning, to the first chapter of the story of man as told in the Old Testament.

The Garden of Eden, created following the creation of man, was a land of abundance, intended as a state of peace and well-being. The inhabitants of Eden, Adam and Eve, had their “consumption needs met directly by the Creator’s providence (Gen. 2:9, 16).” But they were still expected “to work [the garden] and keep it,” while abstaining from eating “of the tree of the knowledge of good and evil” (Gen. 2:15–17). By breaking this

condition, the Fall was ordained, and humanity was to start a new chapter of its story, albeit one that is quite unlike its sequel. The Fall, argues Barry Gordon, represents the “nature and origin of the problem of scarcity,” from a state of abundance in the Garden of Eden to one of “toil, trouble [and] sweat.” In the Garden, man was expected to work, and thus, to make “choices that evoke opportunity costs, i.e., a foregoing of the benefits of the outcomes of the possibilities discarded.” After the Fall, “‘real’ costs” associated with the problem of scarcity are added, and man “takes on the problem of scarcity in addition to the problem of work” (Gordon 1987, 44–45). This story does share some similarities with that invoked by Hesiod in his *Works and Days*; both speak of an existential transformation from a state of abundance to one of scarcity, and the corresponding material and psychological manifestations. Lionel Robbins, a proponent of the scarcity paradigm, adopts a similar reasoning in his analysis: “We have been turned out of Paradise. We have neither eternal life nor unlimited means of gratification” (Robbins 1952, 15).

Yet, humanity was not to be left alone, with the “promise of Yahweh to lead his people [back] to a land of abundance, the ‘land flowing with milk and honey.’” This promise to restore “God’s friendship with, and the abundance that He intended for, humanity” was offered “from the Fall through the call of Abraham to the Covenant on Sinai” (Kennedy 2006, 59). And until such a promise comes into effect, humans were endowed with many blessings to allow them to manage their new existence. Among these are the “power to innovate (Gen. 2:19–20) ... , the provision of clothing (Gen. 3:7–21); the introduction of the division of labor (Gen. 4:2–22); conduct of agriculture (Gen. 3:17; 5:29; 8:21–22); and the attempt at large-scale, joint enterprises (Gen. 11:1–9).” But despite the plenitude and generosity of such “endowments,” mankind was unable to “cope independently” and continued committing “mistakes and misdeeds” (Gordon 1987, 45). It is at this point that a distinct form of divine intervention occurred, to offer solutions to the problem of scarcity amidst the bountiful blessings of means. Thus entered the era of prophecy. Prophets, and their “solutions” offered through revelation, were to forever shape the course of history. The first of the prophets that we consider, the father of the great monotheistic faiths, is Abraham.

Many verses in the Old Testament (Gen. 12:1–4; 13:2; 22:2; 24:35) recount the trials of Abraham, from God’s command to him to migrate to the order to sacrifice his son. By overcoming these immense ordeals, Abraham’s faith was repeatedly tested and proven to be worthy of being

rewarded with “greater prosperity.” Thus Abraham’s solution to scarcity, argues Barry Gordon, is “by faith.” This was to change, however, in the case of Jacob and his son Joseph (Gen. 30:32–43; 41:33–36, 53–57; 47:13–26). Joseph, rising in ranks among Egypt’s ruling class, was to become the “consultant administrator without peer, manipul[at]ing the tools of scarcity to deal with the onset of scarcity on a grand scale, and much to the profit of his ruler.” The solution in this case was the “celebration of economic policymaking as an exercise in Wisdom.” The condition of Moses and his people, however, was of greater hardship and misfortune. Given their many tribulations through the desert, it was through Moses’ “faith that his people are rescued and sustained.” Like Abraham, Moses managed, through faith, to survive the torments of scarcity. Later, as the “people of God cease[d] to be sojourners, guest workers, or wanderers [and] having gained possession of the Land, faith and wisdom gave way to the Law.” The people were now to appeal to the “Law of Moses rather than through his Faith,” and adherence to the Law would serve as their solution to scarcity and necessary path to prosperity. This message is especially emphasized in the book of Deuteronomy:

And because you listen to these rules and keep and do them, the Lord your God will keep with you the covenant and the steadfast love that he swore to your fathers. He will love you, bless you, and multiply you. He will also bless the fruit of your womb and the fruit of your ground, your grain and your wine and your oil, the increase of your herds and the young of your flock, in the land that he swore to your fathers to give you. You shall be blessed above all peoples. There shall not be male or female barren among you or among your livestock. (Dt. 7:12–14)

As “Observance of the Law” constituted the “solution” to the economic problem, several law codes were introduced to serve as guides for economic activity: the use of free labor (Ex. 20:9; 20:10–11; 23:12; Dt. 5:13; Lv. 19:13; 19:19–20; 19:34; 23:22; 25:35), the use of arable land (Ex. 23:10–11; Lv. 25:1–7; 11–12), the use of slaves (Ex. 21:1–27; Dt. 15:12–18; Lv. 25:39–46), the use of seeds and trees (Dt. 22:9–10; 25:4; Lv. 19:19; 23–25; Dt. 20:19–20), the use of money (Ex. 21:33–34; 22: 16–17; Dt. 14:24–26), the levying of interest on loans (Ex. 22:25–26; Dt. 23:20–21; Lv. 25:35–37), and the treatment of the underprivileged (Ex. 22:21–24; Ex. 23:9; Dt. 14:28–29; 26:12–13; 24:19–21; Dt. 15:3–4; Dt. 15:7–9; 24:14–15) (Gordon 1987, 45–53). Notwithstanding the considerable influence these Laws had on Jewish and Christian history, they were not the last of solutions to be adopted in the course of this history.

At the time of the Third Isaiah, it was believed that the prosperity of a nation can be achieved if the people of Israel were to accept the “role of mediator between Yahweh and the peoples of the surrounding nations,” in addition to the preconditions of social justice and the Sabbath. By becoming a “priestly nation, ... the wealth of other nations will be bestowed on the people of Israel in return for the ministry it exercises (Is. 61:5–6).” Other prophets who followed a similar path of prayer and mediation were Jeremiah (Jr. 29) and Job (Jb. 42:10). The solutions considered so far embody an active and at-this-moment approach to the problem of scarcity. Another approach, reflected in the books of Joel and Daniel, adopt a more apocalyptic tone, cautioning people of the “Day of Yahweh,” when a “massive and decisive intervention by God” will forever alter the course of history in favor of the “righteous.” Then, the “reign of scarcity” will come to an end, and the “Land itself will be filled with abundance (Jl. 4:18)” (Gordon 1987, 53–55).

From this brief survey of the treatment of the problem of scarcity in the Old Testament, it is clear that several solutions were made available to societies over time, through the leadership role of prophets and their disciples. These solutions attest to a reading of the Old Testament that does *not* consider the problem of scarcity to be inevitable or impenetrable. Rather, it supports the view that abundance is always possible, provided that certain conditions are consistently met. The principal condition is “fidelity to the Covenant, [which] entails worship as well as upright personal and social conduct.” If the people were to fail in fidelity, “Yahweh eventually withdraws His support and protection” (Kennedy 2006, 60).<sup>1</sup> In Isaiah 66:10–13, abundance is promised to those who follow in His ways:

Rejoice with Jerusalem, and be glad for her, all you who love her; rejoice with her in joy, all you who mourn over her; that you may nurse and be satisfied from her consoling breast; that you may drink deeply with delight from her glorious abundance. For thus says the LORD: Behold, I will extend peace to her like a river, and the glory of the nations like an overflowing stream; and you shall nurse, you shall be carried upon her hip, and bounced upon her knees. As one whom his mother comforts, so I will comfort you; you shall be comforted in Jerusalem.

The “glory of nations” is elsewhere translated as the “wealth of nations,” the short title to Adam Smith’s enduring classic. The message of Smith’s book is that “if countries follow the economic laws depicted in his book, they will experience material prosperity.” Clark (2006, 53) believes this

also to be “one of the messages of Isaiah.” Granted that the comparison holds, it is very suggestive of the course that humanity has chosen to take, that “the message” is no longer sought in Isaiah, but in Smith and beyond. If anything, it is suggestive of what mankind believed was more worthy of gaining its trust, a trust that Jesus hoped would be extended to him after his immortal Sermon on the Mount.

In the early phase of the Jewish-Christian community in Jerusalem, the predominant model for dealing with scarcity was that of mediation, as “proposed by Isaiah.” Later, as the community expanded, the “Isaiah model was not seen as relevant to Christians in general,” and was gradually replaced by Jesus’ call to believers to seek the Kingdom, a message that is especially epitomized in the Gospel of Matthew (Gordon 1987, 55). In the fourth chapter of Matthew, and after fasting for “forty days and forty nights,” Jesus was confronted by the devil, urging him to transform stones into bread. Jesus’ response was that “Man shall not live by bread alone, but by every word that comes from the mouth of God” (Mt. 2–11). This arduous ordeal of fasting, a ritual believed to have also been practiced by Moses on two occasions, would serve as an opportune timing for the devil to attempt his temptation, the result of which, as in other occasions, was a complete failure. But it provides a penetrating insight into the biblical view of abundance and scarcity, where the latter is depicted as representing the antithesis view of divine abundance and benevolence. In other words, one may well interpret the verses to mean that a Christian view of the economic problem easily transcends the finite and the material to encompass the infinite and the spiritual, demonstrated by Jesus’ answer that “bread alone” does not suffice, but also “every word that comes from the mouth of God.” With his prolonged fasting, in the most extreme form of “scarcity” imaginable, Jesus provides us with the quintessential model of conduct, where words and deeds are one and the same, and faith in the Kingdom is all that is needed.

In the following chapters of Matthew, Jesus presents his Sermon on the Mount, and in it, provides a perennial solution to mankind’s perceived problem of scarcity. Stressing that he has not come to “abolish the Law or the Prophets” but to “fulfill them,” he outlines the necessary path to the “kingdom of heaven” (Mt. 5:17–20). Such a path entails guidelines for righteous conduct (Mt. 5:21–32), for oath-taking (Mt. 5:33–37), for retaliation (Mt. 5:38–42), for social relationships and assistance to the needy (Mt. 5:43–48; 6:1–4), and for prayer and fasting (Mt. 6:5–18). On this path, a believer should care less about the fleeting “treasures on earth,” and instead, care for the “treasures in heaven” that last forever (Mt. 6:19–21). Jesus’ “solution,” addressed to his followers, is this simple:

Therefore I tell you, do not be anxious about your life, what you will eat or what you will drink, nor about your body, what you will put on. Is not life more than food, and the body more than clothing? (Mt. 6:25–26)<sup>2</sup>

But seek first the kingdom of God and his righteousness, and all these things will be added to you. Therefore do not be anxious about tomorrow, for tomorrow will be anxious for itself. Sufficient for the day is its own trouble. (Mt. 6:33–34)

All that is required is trust in the Kingdom, a trust considered to be the natural corollary of genuine faith; the conviction that He Who Has created such an abundance of blessings can easily be entrusted with providing the daily sustenance of His creatures. But alas, the anxiety of mankind, as evidenced by the ubiquitous impact of the scarcity assumption on intellectual discourse and economic action, was to trump the piety the prophets so passionately urged. Given this triumph of anxiety over piety, and in light of the view of scarcity in Matthew and the Sermon on the Mount, an important question is raised, and that is: what is the role of work in the life of a believer, and how is such a role to be reconciled with a message that clearly urges believers to “not be anxious about tomorrow”?

In the New Testament, the position of work in the life of a believer, and that of a community of believers, is directly addressed in the Pauline epistles. According to Barry Gordon, Paul’s “letters are characterized by the expression of a very strong work ethic, and he is absolutely opposed to the idea of the right to a share in the output of the community for the voluntarily unemployed (2 Th. 3:6; 10).” Leading by example, Paul advocated a life of hard work, where each member of the community is to exert effort at earning a living and not be dependent on the contributions of others. Any surplus on the part of members of the community are to be shared with the needy and the underprivileged (1 Th. 4:10–12; 2 Th. 3:11–12; Ep. 4:28). The community, according to Paul, is akin to a household whose “head” or “administrator” or “steward” is “God the Father,” who is the “final arbiter of the manner in which these activities [of work] have served the Father’s intentions.” Therefore, for Paul, “all economic activity should be undertaken as an exercise on behalf of an obligation to Jesus the Steward (Ep. 6:7; Col. 3:17–24).” Interpreted in conjunction with the Sermon on the Mount, the “individual’s economic problem is solved as a byproduct,” and not as an end to which all activity, economic or otherwise, is aimed (Gordon 1987, 57–58). The implication is that work must be understood as a service performed “for the sake of the Lord and not for the sake of

men” (Ep. 6:7). This interpretation is reiterated by Alan Richardson in his book, *The Biblical Doctrine of Work*: “The sanction of the Christian ethic of work is not any natural law, such as the Stoic might recognize, nor even any divine ordinance which the Old Testament might enshrine, but the obedience which the Christian owes to his heavenly Master” (Richardson 1958, 42–43). Such an obedience is only logical if coupled with a complete and utter trust in such a Master, for the former presupposes the latter, and vice versa. In other words, while believers are urged to engage in hard, dignified work, they are enjoined to let go of any anxieties regarding consequences or outcomes, for these are to be entrusted to the Master. It does seem clear, therefore, that there is no inherent contradiction between the Pauline view of work on the one hand, and the call for trust in the Sermon on the Mount, an inference similar to that of Gordon (1989, 56). This positive attitude toward work, complemented with a strong faith in the “promise of abundance,” will allow believers to direct their “efforts to more important pursuits,” pursuits that are believed to be more worthy of the original purpose for which all creation was intended (Clark 2006, 33). In the subsequent centuries, the scriptures of the Old and New Testaments were expanded upon by the Fathers of the Church, with distinct directions in interpretations and varying degrees of emphases.

Saint Clement of Alexandria, writing in the second century, attempted a synthesis between the “Christian ‘way’ and post-Socratic intellectualism,” which he believed can counter a “Tertullian-like withdrawal from contemporary culture.” His writings also contributed to developing the Christian view of the “stewardship theory of property”:

But we say that the goods of this earth are the property of another, not as an absurdity, or as if they were not things of God, the Lord of all, but since we do not remain in them for all eternity. By possession they are other peoples, and become theirs by possession; by use they are the property of each one of us, through whom they come into being, but only in so far it is necessary to be one with us. (Quoted in Gordon 1989, 85)

This position is somewhat similar to that of Tertullian, who advocated a “communal approach to the use of possessions,” but was more permissible of the “use of capital” in entrepreneurial affairs, affairs of which Tertullian was deeply suspicious. Clement’s standpoint, however, “finds no room for the rentiers of his world,”

For each of us he gave his life-the equivalent for all. This he demands of us in return, to give our lives for one another. And if we owe our lives to the brethren and have made such a mutual compact with the Saviour, why should we any more hoard and shut up worldly goods, which are beggarly, foreign to us, and transitory. (Quoted in Gordon 1989, 85)

Several themes run through these lines, key among them is the example of Jesus and the obligations that his sacrifices impose on all believers. By giving up everything for the sake of all, the minimum level of loyalty and decency, dictated by the rules of reciprocal treatment, requires that we treat one another as if nothing of this world mattered. And the truth, argues Clement, is that nothing of this world really matters, for all that we may possess is but a fleeting moment of an eternal life. From this, it is lucid that Clement's "main strategy in contesting scarcity is rational adjustment of consumption." "The best wealth", according to him, "is to have few desires." In no way endorsing voluntary poverty, Clement states that the "possession of the necessaries of life keep the soul free and independent if it knows how to use earthly goods wisely ... We must be busy with material concerns nor for themselves, but for the body, the care of which is required by the very care of the soul, to which all things must tend" (quoted in Gordon 1989, 85). By caring for the body, one acknowledges that wealth is a "gift from God, furnished to promote human welfare." As "a tool," wealth can be used "rightly or wrongly," and the "Christian duty [is] to free minds of the rich from futile despair and to show them the way to their salvation" (Spiegel 2004, 44). Similar sentiments on wealth and poverty were expressed by Saint Basil the Great in the fourth century.

The rich, argues Basil, "create the problem of scarcity for themselves by continually expanding their consumption horizons, and by anxiously hoarding wealth against the threat of future need." The poor, on the other hand, "have the problem thrust upon them by institutionalized economic inequality." The problem of scarcity, therefore, is caused by the acquisitive mindset of a rich class and the supporting institution of private property. In admonishing the rich class, Basil states,

You say you are poor, and I agree with you; for anyone who needs a great many things is poor, and you have a great many needs because your desires are many and insatiable ... When they ought to rejoice and give thanks that they are wealthier than so many others, they are troubled and sad because some one is richer than they. When they have equaled his wealth at once they try to reach the fortune of one still richer. When they attain a wealth equal to his, they transfer this emulation to a third. (Quoted in Gordon 1989, 105)

Reacting against such covetousness and inequality, Basil was a champion of egalitarian ideals: “whoever loves his neighbor as himself, will possess no more than his neighbor” (quoted in Spiegel 2004, 44). This egalitarian ideal and a corresponding rejection of private property were especially advocated by another notable Father of the Church, Saint Ambrose of Milan. According to Homes Dudden, “Ambrose denies altogether the right to own private property. He holds that private property is contrary alike to the ordinance of God and the law of nature, and is a deplorable abuse originating in human avarice” (Dudden 1935, 545). In his *De officiis*, Ambrose writes,

Nature has poured forth all things for the common use of all men. And God has ordained that all things should be produced that there might be food in common for all, and that the earth should be the common possession of all. Nature created common rights, but usurpation has transformed them into private rights. (Quoted in Gordon 1989, 113)

This praise of the “common possession” of all property by Ambrose did not fit perfectly, however, with his personal experience and the practical advice he offered to others. Himself an owner of property, his advice to the wealthy centered on “how they might best use their wealth to serve the needs of others.” Ambrose’s ability to fervently defend a “communistic ideal,” while at the same time, to “treat that ideal as practically irrelevant is thoroughly consistent with his Stoic background,” argues Gordon (1989, 114). Hence, private property was justified as a necessary evil. Ambrose’s approach to dealing with the economic problem of scarcity, similar to that of Clement and Basil, is to correct the improper *use* of wealth and possessions, and not necessarily an eradication of the whole system of private property. Given its positive attributes, such a system was to be tolerated as an inevitable evil, while directing its energy to relieve those in need of help. Saint John Chrysostom, the greatest of the Greek Fathers, was markedly more vigorous in his condemnation of private property than the other Church Fathers, refusing to tolerate what he believed to be an avertable evil.

Chrysostom believed that the “world is meant to be like a household, wherein all the servants receive equal allowances, for all men are equal, since they are brothers.” This “household” view, the biblical basis of which can be found in Genesis 1:28–30, considers the bounties of the world to be abundant, “rather than niggardly,” a view also shared by Saint Gregory of Nyssa, “... God, the perfect Host, having prepared everything, ushers

man his guest into the world” (quoted in Gordon 1989, 102). A system of private property, contends Chrysostom, would be in clear opposition to a “household” view of the world where all are considered to be “brothers.” Responsible for much contention and strife, this system reflects a “defective nature of man,” whose covetous desire renders any wealth acquired as “injustice, either on the part of the owner or of those from whom he inherited it.” This opinion was shared by Saint Jerome, who believed that “the rich man is either unjust himself or the heir of an unjust person” (Spiegel 2004, 44). Chrysostom’s apprehensive view of wealth is also captured by his observation that, “did everyone look on gold as so much straw, evil would have disappeared from the world long ago” (quoted in Gordon 1989, 105). Elsewhere, however, he offers a neutral view of wealth, stating that, “It is not as absolutely bringing an accusation against those who are wealthy that I say all this; nor as praising the poor without reference to circumstances: for neither is wealth an evil, but the having made a bad use of wealth; nor is poverty a virtue, but the having made a virtuous use of poverty” (Chrysostom, “Against Publishing the Errors of the Brethren” 382). Regardless of the differences of opinions among the Church Fathers, differences that were not fundamental in nature, they all shared a deep concern with the issues of wealth and poverty, a concern exacerbated by the fact that much of the societies they were part of exhibited extreme concentrations of wealth and power in the hands of a few, with much of the rest barely providing for life’s necessities. As such, their overriding solution to the problem of scarcity, and a logical corollary of their views on wealth and poverty, is charity.

To the Fathers, scarcity was a man-made phenomenon, and the solution must therefore be “engendered by behavior relating to consumption and distribution.” While the rich may be expected to solve the problem of scarcity by their “purely personal means” and by striving to control any excessive desires on their part, the poor, on the other hand, clearly lack such opportunities (Gordon 1989, 104–6). As a result, the Fathers were strongly disposed to appeal to charity as the key solution to the predicament of the poor. Basil states,

For if each one, after having taken from his wealth whatever would satisfy his personal needs, left what was superfluous to him who lacks every necessity, there would be neither rich nor poor. (Quoted in Gordon 1989, 106)

Chrysostom, who considered charity to be the “supreme virtue,” conveys similar sentiments,

For you are steward of your own possessions, not less than he who dispenses the alms of the church. As then he has not a right to squander at random and at hazard the things given by you for the poor, since they were given for the maintenance of the poor; even so neither may you squander your own. For even though you have received an inheritance from your father, and have in this way all you possess: even thus, all are God’s. (Quoted in Gordon 1989, 106–7)

The obligation of charity on the part of those who possess wealth is a natural consequence of the “stewardship theory of property rights that was common to the Fathers” (Gordon 1989, 106). If all property and possessions are God’s, then charity is simply a fulfillment of one’s duties to dispense of such possessions in the proper manner; we are but trustees of all wealth, which ultimately belongs to God. And if He so commands that it be shared with the poor, then one is merely executing an assigned task. It follows, that “charity is not a gift but may be claimed as a matter of right, . . . [and the] poor receive what really is their own; the rich discharge a debt” (Spiegel 2004, 45). Chrysostom, never one to assent to compromises, extended the logic of the stewardship theory of property to argue for a “communal ownership of property.” Convinced that property was the source of conflict, he advocated that Christians emulate the early community of Jerusalem where none “come to be in need” (Gordon 1989, 110). While his historical account of the Jerusalem community may not be entirely accurate, Chrysostom’s push for communism as a final solution to the problem of scarcity does reflect a bold attempt at countering what he considered to be a fundamental flaw in the system of private property.<sup>3</sup> His rejection of private property, although more severe relative to similar positions of some of the Fathers, is nonetheless symptomatic of a general distrust toward wealth and property that was shared by them all. More importantly, this viewpoint reflects a unifying theme among the Fathers that all wealth and property is a trust from God, and mankind is the appointed steward or trustee. This worldview is to be expanded upon by the greatest of the Church Fathers, Saint Augustine.

Augustine believed that God was the source of all power, be it rulership, wealth, or property. If God provides rulers with power over their kingdoms, then it is “by the law of kings are possessions possessed” (quoted in Wood 2002, 20). In *In Iohan*, Augustine states,

It is, however, by human right that someone says, this estate is mine, this house is mine, this servant is mine. Human right, therefore, means the right of the emperors. Why so? Because God has distributed these very rights to mankind through the emperors and kings of this world . . . It is by rights derived from kings that possessions are enjoyed. (Quoted in Gordon 1989, 124)

But while allowing for the acquisition of private property, Augustine, like the earlier Church Fathers, was deeply suspicious of its temptations and outcomes, believing it to be responsible for many evils, such as “dissension, war [and] injustice” (Spiegel 2004, 45). As such, he distinguished between the right to acquiring property, and that of having property. While the former is based on natural law, the latter is primarily derived from divine law. And divine law, argues Augustine, is “according to which everything belongs to the just.” It follows that the “licit acquisition and possession of property must always remain conditional upon and subordinate to its just use.” By creating a necessary link between the states of “having” and “using”, Augustine lays the foundation for his particular understanding of the human predicament, or to use modern terminology, “the economic problem.”

Charles Mathewes, commenting on Augustine’s understanding of the concept of “using” and its practical relevance, contends,

The world cannot be simply avoided or easily managed. But Augustine meant also to *trouble* that involvement, to ensure that anyone’s confidence in his or her own more of participation would be troubled by questions about the character of that participation. Augustine knew that, were human persons given warrant to love things of the world *tout court*, the very character of their loves—their source and ultimate end in a transcendent and infinite good—would trap them in the finite, contingent, and all-too-mutable realm. (Mathewes 2004, 205)

Instead of loving the world for its own sake, we should aim to love it “*because* God loves it, and *in the way that* God loves it . . .” This love, however, is “not a scarce resource we parcel out parsimoniously, and ethics is not finally a zero-sum game concerned with matters of *justice*, with the fair distribution of limited resources.” It follows that the “problems we face are not about scarcity but about excess, about plenitudes, the excess of emotion and passion, of violence and desire, of goods and evils” (Mathewes 2004, 207–8). If it is through God that we come to love the world, and to Him that we are grateful for the world, then our relationship to the

world should not be one of acquiring or grasping, but of gratitude and charity; we should act in this world as pilgrims passing on to the next, and not as settlers staying forever. But even as pilgrims, Augustine was well aware of our need for the “necessaries of life,” and believed that this formed one of the “basis of civil society.” His solution, similar to that of the Greek philosophers, was not through the “application of a science devoted to the multiplication and allocation of resources, [but in a] restriction and reorientation of wants” (Gordon 1975, 104). In his *Epistula*, Augustine states,

For as for riches and high rank, and all other things in which men who are strangers to true felicity imagine that happiness exists, what comfort do they bring, seeing that it is better to be independent of such things than to enjoy abundance of them, because, when possessed, they occasion, through our fear of losing them, more vexation than was caused by the strength of desire with which their possession was coveted? Men are not made good by possessing these so-called good things, but, if men have become good otherwise, they make these things to be really good by using them well. (Quoted in Gordon 1975, 104)

And in “using them well,” Augustine, like the earlier Fathers, believed the sharing of one’s possessions as an integral part of being “good.” He considered charity to be “central to Christian morality,” and as a gift from God, it “is more than the fugitive expression of human good nature; it is a form of justice” (quoted in Gordon 1989, 128).

It is clear that much of Augustine’s ideas were developed with an aim to call to mind the solution by seeking the Kingdom which Jesus had introduced in the Sermon on the Mount. This solution depends on developing a personal and communal sense of piety that overcomes the temptations of anxiety that this world is keen to suggest. Such piety consists of believing that His love is infinite, and to expect the same of His generosity and benevolence. It leads us to trust that He is a God of abundance, and not scarcity. The views of Augustine and the Church Fathers laid much of the foundations for intellectual activity in medieval Christianity, at the center of which is the greatest of the scholastics, Saint Thomas Aquinas.

One of the many legacies of Aquinas is his monumental effort to effect a “synthesis of Christian doctrine as it emerged after more than a thousand years and of Aristotelianism.” As a case in point, his views on property attempt to reconcile the position of the Church Fathers—in the context of a broader tradition extending back to the Old Testament—on the one hand,

and that of Aristotle and his Greek intellectual heritage on the other. Aquinas argued that private property is in “accord with the law of nature,” but that “it may be regulated by the government, [and] the owner is under duty to share the use of his possessions with others, ...” Adopting Aristotle’s defense of private property, he integrates it with the consensus view among the Fathers that property was provided by nature “in common to all men,” and to be shared with all men. This integration of two intellectual traditions on the subject of property rights allowed Aquinas to develop a more nuanced version of the stewardship theory of property and wealth, one that can present a theological case for the system of private property. The stewardship theory also formed the theological and practical basis for charity, which emerged “most conspicuously as the method of coping with the economic problem commended in medieval thought” (Spiegel 2004, 57–58). Aquinas’s position on charity echoed that of the biblical and patristic tradition,

According to natural law goods that are held in superabundance by some people should be used for the maintenance of the poor. This is the principle enunciated by Ambrose ... It is the bread of the poor which you are holding back; it is the clothes of the naked which you are hoarding; it is the relief and liberation of the wretched which you are thwarting by burying your money away. (Quoted in Wood 2002, 54)

Charity is an obligation, and not a voluntary act; by “refusing to share his goods with others in need, he covets what actually belongs to them” (Long 2000, 237). While his views on property, wealth, and charity would seem to place Aquinas in an identical theological stance as that of the Fathers, some interpretations of his thought present him in a slightly different light. An example is the impressive effort by Albino Barrera in his *God and the Evil of Scarcity*.

Primarily an attempt to engage with the theology and economics of Thomas Robert Malthus, Barrera adopts a Thomistic perspective that seeks an alternative theodicy of scarcity as an evil. In his view, humans are called to “participate” in the goodness of God as a reaction to a state of material scarcity. Even though God is self-sufficient and generous, the constant reality of want and poverty must mean that such an abundance or sufficiency is conditional “on the proper exercise of human reason and freedom.” Thus, scarcity is only an evil when the conditions for righteous participation are violated, that is, mankind fails in its stewardship role. According to Aquinas,

Divine providence extends to men in two ways: first, in so far as men are provided for; second, in so far as they themselves become providers ... [M]en are provided for in different ways according to the different ways they have of providing for themselves. For, if they keep the right order in their own providence, God's providence in their regard will keep an ordering that is congruent with their human dignity ... However, if in their own men do not keep that order which is congruent with their dignity as rational creatures, but provide after the manner of brute animals, then God's providence will dispose of them according to the order that belongs to brutes ... God's providence governs the good in a higher way than it governs the evil. For, when the evil leave one order of providence, that is, by not doing the will of God, they fall into another order, an order in which the will of God is done to them. (Quoted in Barrera 2005, 37–38)

Commenting on the above, Barrera states that “chronic material destitution is a condition that human beings bring upon themselves in deviating from God's providence.” While much of Barrera's analysis and conclusions on Aquinas suggest parallels with the biblical solutions to scarcity examined by Barry Gordon, such as that of wisdom, faith, or charity, potential differences can be identified. To begin with, there is a subtle ambiguity to his notions of scarcity and sufficiency. In some parts of his discussion, while God is considered to be infinite in his generosity, scarcity is perceived as a regular state of the world, and the management of such scarcity is an occasion to participate in divine providence; people are expected to overcome the adversity of scarcity by remaining true to the Covenant, or their role as stewards. And yet, elsewhere, it is depicted as the state of being resulting from a failure on the part of humans to fulfill their divinely ordained task; mankind had fallen from a state of material sufficiency to one of scarcity. In the former, humanity hopes to escape from scarcity as an existential state, while in the latter, it seeks to avoid falling into scarcity as punishment for failure. While the difference between the two can be too easily explained away, as when Barrera states that “God wills a state of material sufficiency, rather than Malthusian scarcity,” one is still left with a lingering feeling that his view of scarcity comes much too close to that of Malthus, in which scarcity is considered a permanent state of being. This issue may well be an unnecessary ambiguity caused by a particular use of language and terminology. Nevertheless, our critique is similar to the position taken by Jeitschko and Pecchenino (2008) in their review of Barrera's book,

Thus, in *God and the Evil of Scarcity*, Barrera takes as given Malthusian scarcity, which can be interpreted as a fundamental imbalance between human needs and the economy's ability to fulfill those needs. That is, there is not and cannot be enough to go around. (Jeitschko and Pecchenino 2008, 402)

What is more problematic about Barrera's analysis and conclusions is that scarcity, in the Malthusian sense, is granted a theological, and specifically, a Christian justification. A benevolent and generous God is depicted as allowing a "world of material want in order to imbue humans with even greater perfections, ... scarcity brings with it the possibility of an even more profound participation in God's goodness" (Barrera 2005, 35). The positive aspects attributed to scarcity do raise the question as to whether such a state can be considered evil, and what an alternative state, say of abundance, really looks like. Moreover, a justified scarcity, and on theological grounds, proposes a particular theory of history where the destination, supposedly one of abundance, can only be realized after passing through a necessary phase of scarcity; this is akin to the embryonic view of communism that considers capitalism to be an inevitable precondition for the final state of abundance, where class conflict ceases and equality prevails.<sup>4</sup> This view also serves, perhaps inadvertently, to overlook social forms of scarcity, brought about by concentrations of power and wealth, a point well made by Jeitschko and Pecchenino (2008, 402), "[M]aterial destitution as a result of Malthusian scarcity need not be a given. Rather, such scarcity is the work of man, not God." A final note on Barrera's work, and one that will be highlighted later in the chapter, is that material scarcity is not a requirement for the exercise of reason, freedom, or charity; the story of the Garden of Eden is a case in point, where Adam and Eve committed a sin amidst material abundance. Human faith and wisdom may be tested in a state of scarcity or abundance, since in both states, the temptations of the heart and mind are not limited to the material, but also the spiritual.

In concluding this chapter, we examine papal views on abundance and scarcity as they constitute a continuity of the biblical and patristic traditions, while at the same time, reacting to the changes brought on by modernity. In modernity, understood as an epoch spanning several centuries since the end of the Middle Ages, and an age increasingly dominated by the logic of wealth and property, the Church, for the most part, maintained the theological structure it inherited from the tradition that extends from the Old Testament to the end of medieval Christianity. The papal encyclicals, constituting the general position of the Church on matters of contemporary

relevance, reiterated much of the views surveyed earlier. On the subject of property, the encyclicals sustained the stewardship theory of property and wealth, and the critical distinction between possession and use. In the case of the former, that of the stewardship view of property, the biblical basis was reiterated, and often in an attempt to extend the role of stewardship exclusively to the popes. This religious justification is elucidated by Diana Woods, in her *Medieval Economic Thought*,

God retained lordship of property, but for practical purposes Christians administered it, or had the use of it. It belonged to the whole Christian society, the Church. . . [But] because Christ was not present on earth in physical terms any more . . . He therefore had to be re-presented, given physical embodiment, by an earthly vicar, in this case the pope. This meant that for practical purposes the pope had dominion of the property of the Church on behalf of Christ. (Wood 2002, 31)

As for the distinction between possession and use, John XXIII argues that it is justified “to assert that man has from nature the right of privately possessing goods as his own, including those of [a] productive character, *unless*, at the same time, a continuing effort is made to spread the *use* of this right through all ranks of the citizenry” (*Mater et Magistra*, 113, emphasis added). In *Rerum novarum*, Leo XIII shares a similar position on the use of money: “[I]t is one thing to have a right to the possession of money, and another to have a right to use money as one pleases” (*Rerum novarum*, 19). An integral part of what constitutes the proper use of money is the duty of charity, a duty that falls primarily on the shoulders of the rich, for whom the letter has a grave message:

Those whom fortune favors are warned that freedom from sorrow and abundance of earthly riches are no guarantee of the beatitude that shall never end, but rather the contrary; that the rich should tremble at the threatening of Jesus Christ—threatening so strange in the mouth of the Lord; and that a most strict account must be given to the Supreme Judge for all that we possess. (*Rerum novarum*, 18)

This “strict account” is a forewarning to the rich about the potential distractions of their wealth from their duty. These distractions, argues John Paul II in *Sollicitudo rei socialis*, have multiplied in this troubled age of consumerism:

A disconcerting conclusion about the most recent period should serve to enlighten us: side-by-side with the miseries of underdevelopment, themselves unacceptable, we find ourselves up against a form of superdevelopment, equally inadmissible. because like the former it is contrary to what is good and to true happiness. This superdevelopment, which consists in an excessive availability of every kind of material goods for the benefit of certain social groups, easily makes people slaves of “possession” and of immediate gratification, with no other horizon than the multiplication or continual replacement of the things already owned with others still better. This is the so-called civilization of “consumption” or “consumerism”, which involves so much “throwing-away” and “waste.” An object already owned but now superseded by something better is discarded, with no thought of its possible lasting value in itself, nor of some other human being who is poorer. (*Sollicitudo rei socialis*, 28)

The message of the encyclicals, argues Clark (2006, 36), is that the “greed of the affluent promotes scarcity for the poor, thus contributing to the problem of poverty,” a view very much in line with the tradition of the Church Fathers and the medieval Schoolmen. The solution to poverty, argued John Paul, lies in interdependence or solidarity, which in turn, is “based on the principle that the goods of creation are meant for all. That which human industry produces. . . must serve equally for the good of all” (quoted in Haughey 2006, 99).

Notwithstanding these parallels, several variations exist between the positions of the papal letters and those of the inherited tradition. With respect to property, while the stewardship theory continued to influence the Church’s outlook, the right to possess property was “consistently and emphatically defended” as a “natural inclination and a natural right” (Kennedy 2006, 73). Though sanctifying such possession, the Church Fathers had maintained a reserved attitude to the system of private property, regarding it as a necessary evil, and hardly expressing such enthusiasm in its defense. On the *use* of property, while both traditions conformed to the distinction between possession and use, that of the Fathers and the Schoolmen appears to demand a broader conception and application of charity. To them, what surplus that remained after one’s needs are met must be shared with others; in the papal letters, the definition of needs was expanded to encompass the broader conception of vocational needs, such as education, social participation, retirement, and so on. Yet another variation, argues Kennedy (2006, 73–75), lies in the “idea of progress inherent in the popes’ discussions of work.” To Kennedy, this idea is “relatively

new; it is not evident in patristic or medieval discussions about wealth and property. The idea is that progress can be made through human labor to increase the general level of prosperity in the community and to unfold the rich resources for addressing human needs that are embedded in the created order.” In other words, humans possess an evolving capacity to “wrestle nature’s secrets from her and find[ing] a better application for her riches” (Paul VI, *Populorum progressio*, 25). While it is evident that the onset of modernity, and its intense secular quality, often did pressure the Church into a reactionary stance, at other times, it helped stimulate a proactive bearing on the resolution of contemporary problems. The deviations from tradition highlighted above do not amount to a fundamental transformation in the theological composition of the Church, but they do reflect a concerted and pragmatic effort to address the major changes in human society and morality. It is our contention that such efforts did not alter the general view of this whole tradition, of which the Church is only a part of, on the subject of abundance and scarcity. This view, summarized by Kennedy (2006, 76), is as follows:

The whole of creation is good and intended by the Creator to serve the needs of the entire human family. This creation has an abundant capacity to satisfy these needs. Human persons quite properly and nobly seek to care for themselves and their families by applying their labor and ingenuity to the task of making use of the created order for this purpose, in collaboration with God and His plan. This activity may often go awry when men and women lose their confidence in God’s Providence and keep more of the world’s goods for themselves than they truly need, when they selfishly satisfy wants in the face of others’ unmet needs, and when human sinfulness intrudes in countless other ways.

This view, however, was to face its first formidable opponent with the advent of a new intellectual calling, that of the field of political economy. In the next chapter, we examine the positions of some of the early pioneers in the field, otherwise known as the Classical school of economics.

## NOTES

1. See Lv. 26:3–12; Dt. 6:3; 7:12–15; 28:1–14; 30:1–20; Am. 8:4–12; Jr. 34:12–22.
2. Other translations of Matthew, such as the Authorized King James Version, adopt a stronger tone, substituting “do not be anxious” with “take no thought.”

3. While Chrysostom's ideal of communism does remind us of Plato's ideal city-state, it is important to note that "Plato's principle has a philosophical basis rather than a religious one, unlike Chrysostom's, and its extent is narrow [city-state], not worldwide as Chrysostom's" (Karayiannis 1994, 61).
4. See Cohen (2000) for a remarkable critique of the scientific theory of socialism.

## Abundance and Scarcity: Classical Economic Thought

Adam Smith's classic text on political economy, *The Wealth of Nations*, though primarily concerned with "the nature and causes" of such wealth, can also be construed as an inquiry into the social and economic problem of scarcity. Defining "real wealth" as "the annual produce of the land and labor of society," which includes "all the necessaries and conveniences of life," Smith examined what he believed to be the fundamental factor responsible for the creation and expansion of wealth, namely, the division of labor (Smith 1981, 10–12). Division of labor, as the first principle of his general theory, signifies the primary means by which the creation of wealth can satisfy the material well-being of society:

It is the great multiplication of the production of all the different arts, in consequence of the division of labor, which occasions, in a well-governed society, that universal opulence which extends itself to the lowest ranks of the people. (Smith 1981, 22)

Production, powered by the expansive propensities of specialization, serves as the potential remedy to the problem of scarcity, as society steadily progresses toward a state of "opulence." But production, though a necessary factor in the creation of "opulence," is insufficient to ensure the universality of such prosperity, an outcome that Smith believed can only be achieved in a "well-governed society":

No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable. It is but equity, besides, that they who feed, cloath and lodge the whole body of the people, should have a share of their own labor as to be themselves tolerably well fed, clothed and lodged ... [T]he liberal reward of labor, therefore, as it is the effect of increasing wealth, so it is the cause of increasing population. To complain of it is to lament over the necessary effect and cause of the greatest publick prosperity. (Smith 1981, 96–99)

Thus, according to Smith, the practical progression from specialization to production, wealth, and opulence is by no means straightforward. Along with equity concerns, Smith was careful to delineate the intrinsic and extrinsic factors conducive to the realization of a country's productive potential. At the individual level, the essential factor providing the impetus for specialization and production is a natural—but exclusively human—"propensity to truck, barter and exchange," a propensity that originates from a conscious regard to our self-interest (Smith 1981, 25). Such individual propensities, however, can only materialize into public benefits if the requisite extrinsic factors are existent, in the form of a competitive market and a supportive government. Smith is therefore keen to declare his opposition to all forms of monopolies, and allocates to the government a noticeable role in the economy. Abetted by the regulatory role of the government, "the 'invisible hand' of competition would, for the most part, prevent wealth from being too concentrated and would therefore protect the tendency of wealth toward uses that would best promote further production for the common good" (Clark 2006, 39).<sup>1</sup> In addition to his concern regarding wealth concentration at the social level, Smith was equally apprehensive toward similar tendencies at the personal level. This is especially patent in his classic on moral philosophy, *The Theory of Moral Sentiments*:

This disposition to admire, and almost to worship, the rich and the powerful, and to despise, or, at least, to neglect persons of poor and mean condition, though necessary both to establish and to maintain the distinction of ranks and the order of society, is, at the same time, the great and most universal cause of the corruption of our moral sentiments. That wealth and greatness are often regarded with the respect and admiration which are due only to wisdom and virtue; and that the contempt, of which vice and folly are the only proper objects, is often most unjustly bestowed upon poverty and weakness, has been the complaint of moralists in all ages. (Smith 1982, 61–62)

On the one hand, while he firmly believed that the solution to scarcity was to be sought in the expansive potential of production, on the other hand, he was equally critical of the alienating nature of increasing specialization that rendered “man as stupid and ignorant as it is possible for a human creature to become” (Smith 1981, 782). Moreover, while he believed consumption to be the “sole end and purpose of production,” he repeatedly emphasized the virtue of prudence, where one forgoes the “ease and enjoyment of the present moment for the probable expectation of the still greater ease and enjoyment of a more distant but more lasting period of time” (Smith 1982, 215). It is clear that Smith’s appreciation for the unintended consequences of competitive self-interest is insofar as such consequences positively serve the common good, and not for their tendencies toward “the corruption of our moral sentiments.” The common good is best served when the productive potential of the society is efficiently realized and broadly distributed, thereby transforming all of society from a state of scarcity to one of abundance. But the possibility of attaining a state of abundance, an optimism that Smith earnestly envisioned, differentiates him from his heirs of the classical school, who were more inclined toward pessimistic views of present and future well-being. This classic view of Smith, however, overlooks some crucial aspects of his thought that, when accounted for, may deviate from our conventional understanding of Smith’s precise position on scarcity.

Smith and his friend, David Hume, and in their effort to develop a complete theory of civil society, had overturned “an older tradition of associating luxury with corruption.” Consistent with a growing intellectual trend of the eighteenth century that saw “no significant difference between human needs and desires,” they believed that this made it “difficult to separate, morally or conceptually, needs and luxuries” (Xenos 1989, 11). Smith, in his *Lectures on Jurisprudence*, observes that,

[T]he whole industry of human life is employed not in procuring the supply of our three humble necessities, food, cloaths, and lodging, but in procuring the conveniences of it according to the nicety and delicacy of our taste. To improve and multiply the materials which are the principal objects of our necessities, gives occasion to all the variety of the arts. (Smith 1978, 488)

The march of production toward general opulence, or in Smith’s terms, “the whole industry of life,” is not confined to a given set of needs, but encompasses an evolving array of desires. This marked a significant turning

point in the intellectual history of scarcity, argues Nicholas Xenos, as it shifted interest from a “static natural scarcity” to a “dynamic social scarcity” (Xenos 1989, 20). It is no longer the case that production is chasing a fixed bundle of the “necessaries of life,” but that “old luxuries will become new needs as desire, ever dissatisfied, shifts its focus to new luxuries.” The expansion of wealth, now defined as “all goods,” has become a “measure of the degree of refinement achieved by a society – the wealthiest societies will be the most refined because they will have provided the greatest range for the exercise of desire.” This also explains why commerce, increasingly believed to be a catalyst for such growth, is an integral part of the civil society that Smith and Hume envision. On the benefits of trade, Hume argues,

And this is perhaps the chief advantage which arises from a commerce with strangers. It rouses men from their indolence; and presenting the gayer and more opulent part of the nation with objects of desire, which they never before dreamed of, raises in them a desire of a more splendid way of life than what their ancestor enjoyed. (quoted in Xenos 1989, 11–12)

The desire for a “more splendid way of life,” stimulated by wealth and luxury, is clearly reminiscent of the opinions of the infamous Bernard Mandeville, whose satiric *The Fable of the Bees* had presented a similar case, albeit in a more colorful form:

Thus Vice nurs'd Ingenuity,  
Which join'd with Time and Industry,  
Had carry'd Life's Conveniencies,  
It's real Pleasures, Comforts, Ease,  
To such a Height, the very Poor  
Liv'd better than the Rich before,  
And nothing could be added more. (Mandeville 2003, 210)

If luxury exerts a stimulating effect as it “rouses men from their indolence,” this means that humans have an “innate sense of refinement” that is in constant need of an external impulse. According to Xenos (1989, 12), Hume’s “conception of wealth is based on a theory of taste as a natural human attribute ... as well [as] a social dimension ...” This social dimension, the source of the impulse, was believed to be the notion of sympathy:

There is certainly an original satisfaction in riches derived from that power, which they bestow, of enjoying all the pleasures of life; and as this is their very nature and essence, it must be the first source of all the passions, which arise from them. One of the most considerable of these passions is that of love or esteem in others, which therefore proceeds from a sympathy with the pleasure of the possessor. But the possessor has also a secondary satisfaction in riches arising from the love and esteem he acquires by them, and this satisfaction is nothing but a second reflexion of that original pleasure, which proceeded from himself. This secondary satisfaction or vanity becomes one of the principal recommendations of riches, and is the chief reason, why we either desire them for ourselves, or esteem them in others. (Hume 1978, 365)

Smith's use of the concept of sympathy, not unlike Hume's, was in his formulation of the social role of an "impartial spectator," who embodies the norms and morals of society. Such a spectator, constantly perceptive of the general mood of society, will afford to wealth and luxury an opinion reflective of current social dispositions. More importantly, even if such wealth and the material happiness it provides are "anything more than an illusion, the illusion itself plays an important role" in society,

The pleasures of wealth and greatness, when considered in this complex view, strike the imagination as something grand and beautiful and noble, of which the attainment is well worth all the toil and anxiety which we are so apt to bestow upon it. And it is well that nature imposes upon us in this manner. It is this deception which rouses and keeps in continual motion the industry of mankind. (Smith 1982, 183)

The civil society that Smith and Hume envision is *not* one where all activity is aimed at attaining the virtuous life, or seeking the Kingdom of God. Instead, it is a society predicated on a morality of its own choosing, or as Smith would say, on the principles of social approbation and disapprobation. It is a society whose final ends are derivative of its current interests, all of which are ultimately judged with respect to their practical expediency. It is also the case that such a society, based on the "system of emulative competition, ... presupposes a context of material inequality" (Xenos 1989, 16). Interestingly, Smith, and in his argument for equity in *The Wealth of Nations*, argues for workers to receive "a share of their own labor as to be themselves tolerably well *fed, clothed and lodged*" (Smith 1981, 96–99, emphasis added). In his *Lectures on Jurisprudence*, he remarks that the "whole industry of human life is employed not in

procuring the supply of our three humble necessities, *food, cloaths, and lodging*, but in procuring the conveniences of it according to the nicety and delicacy of our taste” (Smith 1978, 488, emphasis added). Smith’s case for equity, it would seem, is limited to the “three humble necessities,” beyond which free rein is given to “our taste” in setting the norms for social distinctions and in mapping the contours of economic inequality. The possibility of distinguishing oneself from others is the requisite incentive that “keeps in continual motion the industry of mankind.” Absent this incentive, or even the mere “illusion” of it, the engine of economic growth will come to a standstill and the promise of abundance will be lost. In other words, we are mainly driven to hard work by the urge to differentiate ourselves from our peers. Though the endpoint of material satisfaction may fall short of our prior expectations, that is of little relevance, because ultimately, the society we happen to belong to does not subscribe to an alternative morality, one that is different from Hume’s notion of sympathy, or Smith’s model of the spectator. In other words, if our morality is dictated by the rules of social approbation and disapprobation, whatever succeeds in securing the sympathy of others or the approval of the impartial spectator’ will qualify to be the norm. Had the morality been different, say a predefined notion of the virtuous life, such purposeless emulation would be regarded as moral iniquity.

What all this amounts to is rather paradoxical: in its quest to find a solution to the economic problem of scarcity, society ends up creating another type of scarcity, one that is radically harder to resolve. The promise of abundance, originally sought as a solution to the problem of “natural scarcity,” is now merely a mirage, as we realize that “social scarcity” stretches as far as the eye can see.<sup>2</sup> It is this insight of Hume, and Smith to a lesser extent, that led Xenos to declare Hume as the “inventor of scarcity”; Hume had essentially “universalized” scarcity as an inevitable and ubiquitous phenomenon (Xenos 1989, 20–21). But Hume’s analysis of scarcity is not limited to the mature stages of the development of civil society, where (social) scarcity becomes an existential aspect of reality. In the context of the early development of human society, Hume also examines the “place of scarcity in the foundations of justice” (Xenos 1989, 20). It is best to let Hume, in his usual clarity, state his case:

Let us suppose, that nature has bestowed on the human race such profuse abundance of all external conveniences, that, without any uncertainty in the event, without any care or industry on our part, every individual finds himself fully provided with whatever his most voracious appetites can want, or luxurious imagination wish or desire.

It seems evident, that, in such a happy state, every other social virtue would flourish, and receive tenfold increase; but the cautious, jealous virtue of justice would never once have been dreamed of. For what purpose make a partition of goods, where every one has already more than enough? Why give rise to property, where there cannot possibly be any injury? Why call this object mine, when, upon seizing of it by another, I need but stretch out my hand to possess myself of what is equally valuable? Justice, in that case, being totally useless, would be an idle ceremonial.

Thus, the rules of equity or justice depend entirely on the particular state and condition in which men are placed, and owe their origin and existence to that utility, which results to the public from their strict and regular observance. Reverse, in any considerable circumstance, the condition of men: Produce extreme abundance or extreme necessity: Implant in the human breast perfect moderation and humanity, or perfect rapaciousness and malice: By rendering justice totally *useless*, you thereby totally destroy its essence, and suspend its obligation upon mankind. (Hume 1975, 183–88)

Justice, argues Hume, becomes “useless” in the absence of scarcity, or has no “utility” in a state of abundance. The same can be said of property, which he believes to be an empty concept amidst abundance. Thus, Hume can lay claim not only to a theory of civil society, but of justice and property as well. But his theory of justice or property, akin to his theory of morality, is totally contingent “on the particular state and condition in which men are placed,” and not a given code of rules, norms, and customs. Moreover, the foundations of such justice “owe their origin and existence to that utility, which results to the public from their strict and regular observance”; that is, their expediency in relation to the rules of approbation and disapprobation.

The legacy of Smith and Hume, as part of the broader intellectual history of scarcity, is not so much with regard to their particular predilections on the subject, much of which is debatable in the context of earlier and subsequent traditions, but is in their ability to describe and explain the major transformations ushered by the early stages of modernity, a key indicator of which is the modern notion of scarcity. But although Smith and Hume can perhaps be considered as the progenitors of the social conception of scarcity, they are considered to be far less pessimistic about the future possibilities of human societies than their intellectual descendants of the classical school of economics, to whom we now turn our attention; some have even labeled Smith, along with Marx, Veblen and Keynes, as the “abundance economists” (Peach and Dugger 2006, 693).

The pessimistic view is nowhere more evident than in the writings of Thomas Robert Malthus, whose views have occupied a significant place within the general discourse on scarcity and abundance. While Smith was hopeful of the potential for realizing “general opulence,” an optimism tempered by his dismal views on social scarcity, Malthus “countered Smith’s optimism with the specter of overpopulation,” which he believed would eventually counterweigh any expansion in the production of essential goods (Peach and Dugger 2006, 695). Malthus’ views, although an attempt to amend the general direction of political economy since Smith, were especially directed at two of his contemporaries, considered to be the “prophets of progress,” William Godwin and the Marquis de Condorcet, who were hopeful of realizing the propertyless and stateless utopia of abundance that Hume had hypothetically envisioned (Xenos 1989, 38). According to Spiegel (2004, 271), “[w]here they had preached optimism, Malthus insists on pessimism,” which was mainly reflected in his principle of population.

Malthus’ principle of (over)population rested on two claims: “that food is necessary to man’s existence, and second, that the passion between the sexes is necessary and will remain nearly in its present state.” Based on these claims, he conjectured that “the power of population is indefinitely greater than the power in the earth to produce subsistence for man”; while the former grows at a geometrical ratio, the latter only grows at an arithmetical ratio.<sup>3</sup> In his *Essay on the Principle of Population*, he argues,

This natural inequality of the two great powers of population, and of production in the earth, and that great law of our nature which must constantly keep their effects equal, form the great difficulty that to me appears insurmountable in the way to the perfectibility of society.... I see no way by which man can escape from the weight of this law which pervades all animated nature. No fancied equality, no agrarian regulations in their utmost extent, could remove the pressure of it even for a single century. And it appears, therefore, to be decisive against the possible existence of a society all the members of which should live in ease, happiness and comparative leisure; and feel no anxiety about providing the means of subsistence for themselves and families. (quoted in Spiegel 2004, 271)

The respite, if ever possible, lies in countervailing the “specter of overpopulation,” which Malthus believed can “only be kept down to the level of the means of subsistence by the constant operation of the strong law of necessity, acting as a check upon the greater power” (Malthus 1826, 15).

In addition to subsistence acting as the “ultimate check on population growth,” the two other checks are vice and misery, “these two bitter ingredients in the cup of human life” (Spiegel 2004, 273). These are more “immediate” checks, that can either act as “preventive” measures, such as those normally supplied by custom, norms, and morality (emphasized in his second edition of the *Essay*), or “positive” measures, as fortuitous consequences of diseases, epidemics, wars, and famine (Daoud 2010, 1209). One implication of his principle, which Malthus was not hesitant to draw, was that “public relief to the poor defeats its own purpose, ... as it encourages sloth and waste” (Spiegel 2004, 273). As such, “all ameliorative schemes of redistribution to the poor were doomed to failure” (Peach and Dugger 2006, 695). In this regard, while Malthus “showed evident sympathies with the mass of the suffering poor, he reflected the position of the landowning class and agricultural system with which he always identified.” His sympathy with the plight of the poor is apparent in some of his writing, as when he says that the misery “falls chiefly, as it always *must do*, upon that part whose condition is lowest in the scale of society ... Where there is any inequality of conditions ... the distress arising from a scarcity of provisions, *must* fall hardest upon the least fortunate members of the society”; or elsewhere, when he says that “this difficulty of living ... will *naturally* fall on the least fortunate members” (quoted in Samuels and Henderson 1986, 19, emphasis added). Despite these statements, his thought has “become part of the selective conservative defense of the status quo,” which utilizes an embroidered perception of scarcity and population to legitimize “the distribution of misery” to the disadvantage of the poor (Ibid., 19–20). This leads us to a more crucial implication of Malthus’ thought, which is that he basically presented an ominous view of the world in which mankind is unable to overcome what he believed to be the imminent and permanent problem of scarcity.

In his view, “[t]o prevent the recurrence of misery is, alas, beyond the power of man.” While Godwin and Condorcet believed such misery to be the outcome of social institutions, Malthus considered such evils to be “the condition of man, which is given and cannot be changed.” Cognizant of the fact that such an opinion will generate significant controversy, and especially in religious circles, Malthus was keen to defend this position in the last two chapters of his first *Essay*. He attempts to develop a particular theodicy that can accommodate this grim view of the world amidst a “providentially ordered universe.” His argument is that the existence of scarcity or want stimulates exertion and hard work, without which man

would be “inert, sluggish, and averse from labor.” The specter of overpopulation is therefore a blessing in disguise, as it helps avert “the vices of mankind ... from obstructing the high purpose of the creation” (Speigel 2004, 274). As mentioned in the previous section, this argument bears some resemblance to that developed by Albino Barrera in his book, *God and the Evil of Scarcity*, albeit with significant differences.

Barrera argues that the condition of material scarcity is an occasion for human participation in divine providence. While “metaphysical arguments make the case for a divine creation that endows creatures with material sufficiency to attain their ends, ... [such] sufficiency is merely conditional”; it is conditional on “fidelity to the Covenant, ... or partaking of God’s righteousness” (Barrera 2005, 15). This material sufficiency, argues Barrera, “is embedded within creation, but it can be impeded by moral and natural evils” (Ibid, 174). In contrasting Barrera’s argument with that of Malthus, several similarities and differences can be highlighted. Both happen to “employ natural theologies to shed light on the conceptual problem brought about by scarcity”; Barrera, in contrast to Malthus, complements the use of natural theology with “insights from revelation.”<sup>4</sup> Also, while both arguments allocate a significant role for moral excellence and self-actualization, Malthus attributes all change to “human effort alone,” while Barrera believes such effort to be only a “secondary cause viewed within the larger backdrop of the First Cause [God].”<sup>5</sup> More importantly, the two arguments have “diametrically opposed cosmological starting points: the principle of population for the Malthusian theodicies and existential material sufficiency for participative theodicy.” In the case of Malthus, human misery and distress resulting from scarcity are “set within the order of creation, by God’s design,” while in the case of participative theodicy, God has endowed humanity with material sufficiency, albeit a conditional one. It follows, that if scarcity, in the Malthusian sense, is an inevitable and permanent state, the evil of such scarcity is practically irreversible. Anthony Waterman suitably describes Malthus’ theodicy as a “non-solution of the problem of evil.” In fact, as part of his theodicy, Malthus proposes an “instrumental view of evil,” where scarcity is depicted as the necessary impulse for human effort.<sup>6</sup> Such a representation of evil can easily conflate moral categories, and obscure the categorical differences between good and evil. Finally, the worldview presented by Malthus considers any effort to ameliorate the conditions of poverty as pointless and beside the point, while that of participative theodicy believes such

conditions of “material want as a failure of moral agency,” and can be rectified through “economic transfers” (Barrera 2005, 181–92).

Notwithstanding the above, it is the case that both theodicies assign an instrumental role to scarcity, even if they do differ on the precise nature and implications of such scarcity. Both arguments consider scarcity to be a ubiquitous state of being, and a vital part of human history. Moreover, and regardless of their theological differences, both theodicies believe the condition of scarcity to be an integral part of God’s plan for humanity; in other words, scarcity is divinely ordained for a divine purpose. And yet, it is especially odd that Malthus “constructed a theodicy without even mentioning Jesus”; even more so, he “espoused a Christianity which equivocated on Original sin, neglected Jesus, and denied Hell” (LeMahieu 1979, 470). LeMahieu explains Malthus’ neglect of Jesus as “perhaps because Christ saved men from sin, not laziness.” Such an explanation is highly doubtful, considering that Christian scripture is replete with verses that praise hard work, while reproaching sloth and idleness. Moreover, given the bleak and cynical tendencies in his thought, it is not at all obvious that Malthus could be considered the prophet of optimism and hope, and Jesus as the bearer of bad tidings. In fact, a careful reading of Malthus in contrast to Jesus’ Sermon on the Mount reveals a rather different, if not opposed, viewpoint.

In his *Essay*, after explaining his population principle, Malthus argues that this “appears, therefore, to be decisive against the possible existence of a society all the members of which should live in ease, happiness and comparative leisure; and feel no *anxiety* about providing the means of subsistence for themselves and families” (quoted in Spiegel 2004, 271, emphasis added). He is arguing against the possibility of a state of being that is devoid of anxiety; anxiety is thus believed to be an existential condition of man. This message is diametrically opposed to that of the Sermon on the Mount, that urges us to “not be anxious about tomorrow, for tomorrow will be anxious for itself” (Mt. 6:24–34). To be sure, Malthus’ worldview leaves no room for faith, at least of the type commended by Jesus in the Sermon, because it considers scarcity to be an inevitable and permanent condition of man. To Malthus, Jesus’ call to believers would be incompatible with a world of scarcity, an idealistic call fit for a utopia that is not of this world. More importantly, it sends out the wrong message regarding work, one that fails to stimulate human energies in their perennial struggle to overcome scarcity. Jesus’ call for a leap of faith, a Malthusian would argue, is a leap into the unknown, a blind faith in the intentions of

the Creator, an utter and complete submission to His will. But this is precisely Jesus' definition of faith, and one that cannot possibly survive in a world enchanted by scarcity. In a Malthusian world, we are to believe that He is generous in theory, but stingy in practice; that He created the world, but left us to our fate; that abundance is contingent, but scarcity is perennial; that there is no Hell in another world, because it is of this world. Our choice, our only choice, is to survive by maximizing our work and effort, competing for our share of this world, never to worry about the next. Such is the world of scarcity, and the fate it promises. To stimulate our efforts, it does so by projecting a finite space within which we are destined to compete and accumulate, thus exacerbating our anxiety. The possibility that such a reality may bring out our worst qualities is hardly of concern to this worldview; as Malthus declares, "moral evil is absolutely necessary for the production of moral excellence." In light of all this, one can fully appreciate LeMahieu's remark that, with Malthus, "[h]ere at last was the Protestant ethic and the spirit of capitalism" (1979, 471–74).<sup>7</sup> With scarcity, the foundations were set for an economy forever released from the care of morality and religion.

The worldview of the Sermon, however, is that of faith in an abundance or sufficiency, despite all the outwardly evidence to the contrary; evidence that, to a true believer, obscures a deeper and richer reality. The dissemination of such abundance is entrusted to us individually, resulting in a collective sense of compassion and cooperation that nullifies any potential anxiety. It is not surprising, therefore, that Malthus saw little or no utility in charity; that such charity intensifies the population problem is itself predicated on the assumption of scarcity. It may also be explained as an attempt to release the rich of future obligations to the poor, in the spirit of the power relations inherent in Malthus' theory, as interpreted by Samuels and Henderson (1986). The reason Malthus neglects Jesus is simply because his view of the world is different from that of Jesus; the route of natural theology proved to be far more pragmatic. To invoke revelation, even selectively, would have rendered his assumptions and arguments vulnerable to theological complications, if not contradictions—a prospect that Malthus preferred to avoid. Prophecy and revelation would have exposed his doctrine for what it really is "a secular, human, empirical matter" (Samuels and Henderson 1986, 18). No better characterization of political economy could be offered, the discipline that was to continue with David Ricardo, John Stuart Mill, and others.

The theoretical arguments initiated by Malthus were extended and reinforced by the Classical economist, David Ricardo. According to Ricardo, the “specter of overpopulation” combined with a limited supply of fertile land will increase food prices, thereby stimulating a demand for higher wages beyond the subsistence level. If output is assumed to be constant at any given point, any rise in wages will have a downward pressure on profits, and subsequently, capital accumulation and investment. The economy will therefore “enter the stationary state and there would be no possibility of an economy of abundance.” Ricardo’s view, while pessimistic, believed “the stationary state to be ‘far distant.’” John Stuart Mill, however, while maintaining much of the analytical structure of Ricardo, was more hopeful of future human prospects. He believed that the “unlimited growth of man’s power over nature” and the “continual growth of the principle and practice of cooperation” would, in theory, ensure an “indefinite increase of capital and production.” Moreover, Mill employed a broader notion of the stationary state, arguing that “it is scarcely necessary to remark that a stationary condition of capital and population implies no stationary state of human improvement” (Peach and Dugger 2006, 696). As such, his evaluation of such a stationary state, if ever reached, was rather favorable:

I cannot ... regard the stationary state of capital and wealth with the unaffected aversion so generally manifested towards it by political economists of the old school. I am inclined to believe that it would be, on the whole, a very considerable improvement on our present condition. I confess I am not charmed with the ideal of life held out by those who think the normal state of human beings is that of struggling to get on; that the trampling, crushing, elbowing, and treading on other’s heels, which form the existing type of social life, are the most desirable lot of human kind, or anything but the disagreeable symptoms of one of the phases of industrial progress. (Mill 1965, 753–54)

While it would seem that Mill is arguing against the views of Malthus, he is keen to highlight Malthus’ contributions, and exonerate him of the notoriety attached to his population principle.<sup>8</sup> But despite his apparent optimism, Mill would commit the theoretical misstep, common to intellectuals before and after him, of regarding the “existing type of social life” as a “necessary stage in the progress of civilization” (Xenos 1989, 40). In a manner to be replicated later on by the likes of Marx and Keynes, Mill posits economic progress, with all its negative qualities, as a crucial precondition to the advancement of human civilization:

It is scarcely necessary to remark that a stationary condition of capital and population implies no stationary state of human improvement. There would be as much scope as ever for all kinds of mental culture, and moral and social progress; as much room for improving the Art of Living, and much more likelihood of its being improved, when minds ceased to be engrossed by the art of getting on. Even the industrial arts might be as earnestly and as successfully cultivated, with this sole difference, that instead of serving no purpose but the increase of wealth, industrial improvements would produce their legitimate effect, that of abridging labour. Hitherto it is questionable if all the mechanical inventions yet made have lightened the day's toil of any human being. They have enabled a greater population to live the same life of drudgery and imprisonment, and an increased number of manufacturers and others to make fortunes. They have increased the comforts of the middle classes. But they have not yet begun to effect those great changes in human destiny, which it is in their nature and in their futurity to accomplish. Only when, in addition to just institutions, the increase of mankind shall be under the deliberate guidance of judicious foresight, can the conquests made from the powers of nature by the intellect and energy of scientific discoverers become the common property of the species, and the means of improving and elevating the universal lot. (Mill 1965, 756–57)

What Mill presents is a “post-scarcity utopia.” It is “a vision of abundance wrought by a redefinition of life’s needs, ... [a] redefinition [that] would not be possible were it not for the prior exhaustion of a natural process” (Xenos 1989, 44). Once again, we are presented with a contingent theory of abundance, with the condition varying from one theory to another. But a common denominator in all such theories is an inevitable and existential state of scarcity characterized by constant struggle and misery. A necessary and agonizing scarcity, however, was not a generally accepted opinion of the age; several intellectuals, critical of the emergent field of political economy, were highly critical of its scarcity assumption.

Refusing to believe in the notion of a “justified scarcity in the present in the hope of abundance in the future,” Romantic radicals, such as Ruskin and Carlyle, urged immediate solutions to the problem of poverty, which they considered to be primarily an outcome of social injustices (Xenos 1989, 54). Thomas Carlyle, in *Past and Present*, remarks that “instead of noble thrift and plenty, there is idle luxury alternating with mean scarcity and inability. We have sumptuous garnitures for our Life, but have forgotten to *live* in the middle of them.” Ruskin, the most critical of the Romantics, argues that:

[T]he world is so regulated by the laws of Providence, that a man's labour, well applied, is always amply sufficient to provide him during his life with all things needful to him, and not only with those, but with many pleasant objects of luxury; and yet farther, to procure him large intervals of healthful rest and serviceable leisure. And a nation's labour, well applied, is in like manner, amply sufficient to provide its whole population with good food and comfortable habituation; and not with those only, but with good education besides, and objects of luxury, art treasures.... But by those same laws of nature and Providence, if the labour of the nations or of the individual be misapplied, and much more if it be insufficient, – if the nation or man indolent and unwise, – suffering and want result. (Ruskin 1903, vol. 16, 18)

To these Romantics, abundance—and not scarcity—is the condition of man; such opinions are particularly reminiscent of medieval views on the subject, whose influence is especially discernible in Ruskin's writings. But the views of the Romantics were intellectually unpopular to pose any significant challenge to the onward march of political economy. Their unpopularity was reinforced by the gradual transformation of political economy into scientific economics, a field increasingly created in the image of science and mathematics. This was to mark the dawn of a new era in the history of the field, that of neoclassical economics, the predominant school of thought in modern economics.

## NOTES

1. It is important to note that Charles Clark invokes one of several candidates for the identity of the invisible hand. See Samuels (2011) for an almost exhaustive list of such identities.
2. Joyce Appleby, quoted by Xenos (1989, 28–29), presents a similar opinion:

[T]he new scarcity is an abstraction – a hypothetical condition created when people's desires outdistance actual goods. The real scarcity of a subsistence economy with population pressing upon its productive resources had now been replaced by the psychological scarcities of imagined wants heightened by a commerce rapidly extending in size and diversity of goods.

Xenos remarks by arguing that “only the ‘abstract’ condition of scarcity is ‘real.’”

3. “While the law of diminishing returns is an important part of population doctrine for Malthus, the law was to be overcome, at least in the developed

countries, by technological progress” (Samuels and Henderson 1986, 14). While the empirical evidence of developed countries has refuted Malthus’s conjecture, Samuels and Henderson believe that of developing countries to have confirmed it.

4. According to LeMahieu (1979, 467–68), Malthus “felt compelled to include a theodicy in his polemic” as part of his broader attempt to follow the “new science” of his day, and to fit within the intellectual tradition of the Scottish Enlightenment.
5. According to Samuels and Henderson (1986, 10), Malthus believed that:

[T]he population-pressure based problems of man evidence of neither divine impotence, lack of divine goodness or goodwill toward man, nor a state of human trial. These problems are rather the evidence of a creative process for man, a process which is a divine product and one acting through general laws. Its principal feature is the awakening of matter into mind, the improvement of the mind.

6. “God allowed moral and physical flaws in his Universe because ‘the constant effort to dispel this darkness, even it fail of success, invigorates and improves the mind’” (LeMahieu 1979, 470).
7. “Malthus’s blueprint for genuine social progress was founded upon an ethic which was radically individualistic, and yet wholly determined by a benevolent Deity” (LeMahieu 1979, 471).
8. According to Mill:

The doctrine that, to however distant a time incessant struggling may put off our doom, the progress of society must ‘end in shallows and in miseries,’ far from being, as many people still believe, a wicked invention of Mr. Malthus, was either expressly or tacitly affirmed by his most distinguished predecessors, and can only be successfully combated on his principles. Before attention had been directed to the principle of population as the active force in determining the remuneration of labor, the increase of mankind was virtually treated as a constant quantity; it was, at all events, assumed that in the natural and normal state of human affairs population must constantly increase, from which it followed that a constant increase of the means of support was essential to the physical comfort of the mass of mankind. The publication of Mr. Malthus’ Essay is the era from which better views of this subject must be dated; and notwithstanding the acknowledged errors of his first edition, few writers have done more than himself, in the subsequent editions, to promote these juster and more hopeful anticipations (Quoted in Xenos 1989, 60).

## Abundance and Scarcity: Neoclassical Economic Thought

It is with the advent of neoclassical economics, the mainstream school of economic thought, that scarcity finally assumes a “monopoly position” in intellectual discourse (Daoud 2010, 1216; Peach and Dugger 2006, 693; Clark 2002, 416; Clark 2006, 42; Xenos 1989, 68; Zinam 1982, 61). Only a handful of concepts share a similar status within the discipline, examples of which are utility, efficiency, incentives, and optimization. The rise of the scarcity hypothesis to this status, however, was neither simple nor smooth, as our discussion so far has clearly demonstrated. More importantly, such an ascent to prominence is by no means inevitable, the demonstration of which will have to incorporate insights from all the chapters in this work. But regardless of theories that seek to explain or evaluate such predominance, it remains a fact that the scarcity hypothesis “lies at the heart of economic science” (Zinam 1982, 61). Perhaps no other economist has articulated this development in the field better than Lionel Robbins, who argues:

We have been turned out of Paradise. We have neither eternal life nor unlimited means of gratification. Everywhere we turn, if we choose one thing we must relinquish others which, in different circumstances, we would not wish to have relinquished. Scarcity of means to satisfy given ends is an almost ubiquitous condition of human behavior. Here, then, is the unity of the subject of Economic Science, the forms assumed by human behavior in disposing of scarce means. (Robbins 1952, 15)

On this basis, Robbins was to provide his classic definition of economics which, to this day, remains a good approximation of the field's outlook: "Economics is the science which studies human behavior as a relationship between given ends and scarce means which have alternative uses" (Robbins 1952, 16). Scarcity is *the* economic problem. But, as we have observed, this is a far cry from earlier traditions in economic thought, where the central concern of intellectual discourse was set upon different types of problems. As a case in point, wealth, considered in terms of material well-being and prosperity, was the primary focus of economic analysis by Smith and the classical school. This was gradually replaced by the neo-classical view of wealth, where anything can be considered as such if, and only if, it is scarce (Clark 2002, 416–17; 2006, 41–42). This scarcity view of wealth can be surmised from the following definitions:

Wealth is not such for economic purposes, unless it is scarce and transferable, and so desirable that some one is anxious to give something for it. (Bagehot 1973, 132)

[Wealth] ... These sources of human welfare which are material, transferable and limited in quantity. (Clark 1965, 1)

Wealth is not wealth because of its substantial qualities. It is wealth because it is scarce. (Robbins 1952, 47)

[B]y social wealth I mean all things, material or immaterial (it does not matter which in the context), that are scarce, that is to say, on the one hand, useful to us and, on the other hand, only available to us in limited quantity. (Walras 1954, 65)

Given its place within mainstream economics, it is therefore imperative that we commence our discussion with a survey of the key definitions of scarcity (and accordingly abundance) that have been presented in the literature, as a brief overture into the current state of the debate.

According to Daoud (2010, 1207), there are two types of scarcity—absolute and relative—with the former associated mainly with the views of Malthus, and the latter with those of Robbins. Absolute scarcity refers to a situation where human requirements quantitatively exceed available quantities, and is commonly applied to supplies of foodstuffs and natural resources. Employing a similar logic, Kenneth Boulding (1973) argues that the world has become a closed system, having reached its resource capacity. Georgescu-Roegen (1971, 6) presents a parallel case, arguing

that were it not for the law of entropy, “scarcity would hardly exist in man’s life.” Relative scarcity, on the other hand, is in the context of allocating scarce means among alternative uses, in line with Robbins’ famous definition of economics. It presupposes the exercise of choice, with the possible ends to be chosen ordered based on preferences. Relative scarcity can therefore be defined as a situation where the available quantities or means, with alternative uses, are quantitatively fewer than the set of human requirements. To choose among such ends or requirements, is to *economize*. To Robbins, however, while every situation of relative scarcity is essentially one of choice, not all instances of choice are necessarily of relative scarcity, as is the case with “free” goods, such as air, where no economizing is necessary (Daoud 2010, 1210–15).

More importantly, argues Daoud (2010), the categories of absolute and relative scarcities are not mutually exclusive; for example, a resource may be absolutely abundant, but relatively scarce, or relatively abundant and absolutely scarce. An example of the former is when sufficient arable land is available for food requirements, but becomes relatively scarce when more of it is applied to housing or industry. In the case of the latter, land may be sufficient for all three uses—food, housing, and industry—but the majority of it is used for housing and industry, thus creating absolute scarcity of food. It follows that a resource is only considered scarce when examined in relation to a particular need or requirement. In other words, a limited supply of a resource is a necessary, but not a sufficient, condition for the resource to be considered scarce; it is only scarce in relation to a want or requirement. This argument is evident in the following remark by Robbins:

the mere limitation of means *by itself* [is not] sufficient to give rise to economic phenomena. If means of satisfaction have no alternative use, then they may be scarce, but they cannot be economised. The Manna which fell from heaven may have been scarce, but, if it was impossible to exchange it for something else or to postpone its use, it was not the object of any activity with an economic aspect. (Robbins 1952, 13)

Therefore, what distinguishes absolute and relative scarcity is the potential for economizing, which in turn hinges on the availability of alternative uses. If no alternative use for a resource exists, no relative scarcity exists, and no economizing is meaningful. In the Malthusian sense, however, no alternative use is required for (absolute) scarcity to exist; the available supply is clearly insufficient to meet human needs, and as such, any economizing

becomes irrelevant (Daoud 2010, 1217). Based on Robbins' formulation, it follows that only goods that can be economized are considered "economic," and thereby fall within the purview of economic analysis (Xenos 1989, 69). It is this simple chain of arguments, each logically tied to another, that can explain the theoretical rise of scarcity to the center of economic science. But while the overall argument may contain an internal logic of its own, it is not at all clear that it reflects the actual nature of economic choices and behavior. One obvious question that arises is that of the determination of alternative uses. To the marginalists Menger, Jevons and Walras, such determination is done at the personal level, based on the subjective preferences of individuals. According to Carl Menger:

men endeavor, in provident activity directed to the satisfaction of their needs ... to make a choice between their more important needs, which they will satisfy with the available quantity of the good in question, and needs that they must leave unsatisfied, and ... to obtain the greatest possible result with a given quantity of the good or a given result with the smallest possible quantity – or in other words to direct the quantities of consumers' goods available to them, and particularly the available quantities of the means of production, to the satisfaction of their needs in the most appropriate manner. (Menger 1871, 95–96)

The condition of scarcity, now embedded in the process of economizing, was thus elevated to a "universal" condition by neoclassical economists. This is clearly evident in the words of the great synthesizer of the neoclassical school, Alfred Marshall:

It is an almost universal law that each several want is limited, and that with every increase in the amount of a thing which a man has, the eagerness of his desire to obtain more of it diminishes; until it yields place to the desire for some other thing, of which perhaps he had hardly thought, so long as his more urgent wants were still unsatisfied. There is an endless variety of wants, but there is a limit to each separate want. (Marshall 1890, 155)

Relative scarcity lies not only in the relationship between limited means and alternative wants, but also in the "endless variety of wants," as each satisfied want is replaced by an unsatisfied one. By conflating need and desire, a notion "invented" earlier by Hume and Smith, the neoclassical school developed a theoretical construct, devoid of social and historical context, that can fit the technical demands of scientific modeling. With the

individual as the starting and end point, the marginal utility theory can be readily applied to a “desocialized” setting. More importantly, such an application can be made with little or no regard for ethical or moral considerations, of the type that Smith expressed in his critique of avarice and emulation. Once a good “has entered the realm of the economic” by virtue of its relative scarcity, it is considered scientifically immune to such value considerations, and can thus be treated with the requisite objectivity and indifference that is fitting a scientific inquiry (Xenos 1989, 69–70). The intellectual transformation that has occurred since Smith is clear in the words of Menger (1871, 190), that “the end of the economy is not the physical augmentation of goods but always the fullest possible satisfaction of human needs.” But the transformation did not end here, for if human needs or desires are believed to be an open-ended domain, then the “universality” of the scarcity postulate need not be restricted to what is considered “economic” in the traditional sense of the term, but can be extended to any situation for which a scarcity case can be made.

This transformation culminated in the “rational choice revolution across the social sciences,” of which the end result is the current intellectual dominance of the rational choice paradigm. Such dominance, argues Steven G. Medema in *The Hesitant Hand*, was achieved via Lionel Robbins’ “artistic license for economists to cross over” into other disciplines (Medema 2009, 192). By expanding the realm of economic inquiry from the customary preoccupation with matters of wealth and welfare to all human phenomena that involve scarcity, Robbins had essentially expunged any theoretical boundaries between the “economic” and the “non-economic.” In his words, he lucidly explains this intellectual development:

It follows from this, therefore, that in so far as it offers this aspect, any kind of human behavior falls within the scope of Economic Generalizations. We do not say that the production of potatoes is economic activity and the production of philosophy is not. We say rather that, in so far as either kind of activity involves the relinquishment of other desired alternatives, it has its economic aspect. There are no limitations on the subject-matter of Economic Science save this. (Robbins 1952, 16)

Of even greater consequence is that if the experience of scarcity, as perceived by the neoclassical school, transcends all historical, geographical, and social distinctions, then we are presented with a postulate that seeks to explain not only what is meant by “economic,” but also what it means to

be human; basically, it is an “assumption about human nature and human reason” (Xenos 1989, 71).

While our discussion so far has centered on the categories of absolute and relative scarcity, these are not the only theoretical classifications of scarcity employed in the literature. Earlier, we had noted Xenos’ use of the term “social scarcity” to denote the kind resulting from “emulative competition,” in contrast to “natural scarcity” that refers to the limited supply of resources.<sup>1</sup> Based on the latter, Hume had developed a theory for the “origins of society,” while on the former, a theory for the “origins and necessity of justice” (Xenos 1989, 20–21). Bronfenbrenner (1962, 267–68) employs the term “artificial scarcity” to denote a similar meaning to that of social scarcity, where demand is artificially high because goods are primarily desired for conspicuous consumption, and as status symbols. But he also applies the term to cases where supply is kept artificially low due to deliberate market restrictions and imperfections. Barrera (2005, 156–59), adopting a theological framework, distinguishes between “antecedent, formal, or existential scarcity” on the one hand, where humans have to make “allocative choices” in relation to production and consumption, and “consequent scarcity” on the other, that results from physical evils (such as natural disasters, diseases, etc.) and moral evils (such as excessive accumulation, immoderate consumption, wars, etc.). This diversity of definitions is also present in the case of abundance, the “antithesis of scarcity” (Peach and Dugger 2006, 693).

In *The Economics of Abundance*, Brendan Sheehan contrasts the economic system of abundance “experienced by the people of plenty,” to that of scarcity, for the “people of poverty” (Sheehan 2010, 1). Peach and Dugger (2006, 693) consider abundance to mean that “everyone has sufficient access to health care, nutrition, education, transportation, recreation, housing, self-expression, and personal security.” In their view, abundance refers to “adequacy, not satiation,” and that goods do not have to be free. Bronfenbrenner (1962, 269), however, argues that there is no singular view of abundance, with views ranging from concentration camps, to a “dreary desert of ineffable idleness and boredom,” to a utopia of communes. To Barrera, material abundance or sufficiency is God’s intention for this world, but is conditional on participation in God’s goodness and righteousness. This abundance is not a promise only to be realized in the hereafter, but is a condition to be attained in this world. According to Xenos (1989), abundance may or may not be realizable from the standpoint of the classical and neoclassical schools, but scarcity—whether

natural or social, absolute or relative—is *the* condition of man, and is a necessary path to any feasible abundance. Abundance, if ever reachable, is contingent on passing through the crucial phase of scarcity. This view, implicit in varying degrees to the economic thought of Smith, Hume, Malthus, Mill, and later on, Marx and Keynes, is also present in the writings of Alfred Marshall, whose work aimed at synthesizing economic thought into a more coherent and unified structure. Commenting on the problem of poverty, Marshall states:

A century ago we took off the last shackles from that fierce monster – competition. That was necessary for our own freedom... Let us then take courage. It may be too late to get rid of poverty in our generation; let us resolve that our children, or at any rate our children's children, shall be free from it. (Stigler and Coase 1969, 197)

These sentiments on scarcity and progress, shared by Marshall and the leading pioneers of modern economic thought, are reiterated by Frank H. Knight, a prominent representative of mainstream economics. Often assuming the role of an internal critic, he regarded Robbins' definition of economics as excessive, and believed that economics need not be excluded from considerations of ethical matters. As for his view of the economic problem and its future prospects, Knight remarks:

The importance of economic provision is chiefly that of a prerequisite to the enjoyment of the free goods of the world, the beauty of the natural scene, the intercourse of friends in 'aimless' camaraderie, the appreciation and creation of art, discovery of truth and communion with one's own inner being and the Nature of Things. Civilization should look forward to a day when the material product of industrial activity shall become rather its byproduct, and its primary significance shall be that of a sphere of creative self expression and the development of a higher type of individual and of human fellowship ... So it ought to be the highest objective in the study of economics to hasten the day when the study and practice of economy will recede into the background of man's thoughts. When food and shelter, and all the provision for physical needs can be taken for granted ... and the effort and planning of the mass of mankind may be mainly devoted to problems of beauty, truth, right human relations and cultural growth. (Knight 1951, 5)

It is rather interesting that well into the secularized twentieth century, we continue to be offered promises of abundance, of a paradise on earth

that awaits us; yet, the dream is always contingent, and we are repeatedly forewarned of a bumpy road ahead, of a necessary scarcity, and a difficult progress. Viewed from this angle, the neoclassical school is a faithful heir to the classical school of economics, and its views on scarcity retain much of the tradition that had started earlier with Hume and Smith. Yet, the neoclassical view of scarcity and abundance, and despite its predominance, has not gone unchallenged. In the next section, we survey the views of representatives from heterodox schools of economic thought, in addition to voices of dissent from other disciplines and inclinations.

#### NOTE

1. These are similar to Fred Hirsch's categories of "physical" and "social" scarcities, used in his book, *Social Limits to Growth*.

## Critiques of the Scarcity Paradigm

Much of the intellectual discourse on economic phenomena that existed prior to the emergence of the classical school of economics, followed by the neoclassical school, would have been at odds with the theoretical foundations and empirical implications of the two schools. On the subject of scarcity, this is clearly visible in the deviation of opinions between the Greek and Christian traditions on the one hand, and the modern tradition of economics on the other. This divergence, however, viewed from *our* angle, is very different, both in form and substance, from the disagreements that exist between the orthodoxy of neoclassical economics and the heterodox schools of economic thought. A crucial part of the difference lies in time and history, for while the Greek and Christian traditions preceded modern economics, the heterodox schools, for the most part, came after. In the case of the latter, we have direct and deliberate efforts aimed at confronting the given tenets of mainstream economics; with the former, such efforts are largely derivative of our interpretations of past opinion, and our estimation of how such opinions support or contradict mainstream economics. But although our estimation of any opinion is essentially a judgment call, it is plainly a less arduous task when the object of analysis is clearly identified, as is the case with modern criticisms of the scarcity paradigm; the criticisms are directly addressed at an established paradigm of neoclassical economic thought. It is important that we take this methodological note into account, as we continue in our efforts to survey the

intellectual history of scarcity and abundance. We begin this part of our survey with the most ardent critic of political economy, whose opinions have influenced much of heterodox economics, Karl Marx.

Marx, and as a corollary to his theory of surplus value, considered scarcity and poverty to be the outcomes of the class exploitation that is characteristic of capitalism. It follows that a state of abundance is attainable if the system that nurtures such exploitation is eliminated, and the surplus is collectively shared by everyone (Zinam 1982, 63; Peach and Dugger 2006, 696). Marx believed that advancements in industry and technology can deliver such abundance, but that the power structure inherent to capitalism prevents this from happening. In *The Communist Manifesto*, he states that “[t]he conditions of bourgeois society are too narrow to comprise the wealth created by them.” These conditions, built into the institutions of private property and wage labor, sustain the power structure that is inimical to attaining abundance (Peach and Dugger 2006, 696). In addition, the “social relations of production” that exist in capitalism contribute to an excessive use and abuse of natural resources:

Capitalist production ... disturbs the circulation of matter between man and the soil, that is, prevents the return of the soil to its elements consumed by man in the form of food and clothing. By this action it destroys at the same time the health of the town laborer. (Marx, *Capital*, vol. 1, quoted in Perelman 1975, 701)

By only considering their extraction costs, producers tend to underestimate their total production costs, which in turn lead to an even sooner exhaustion of resources. Ignoring the social cost of production, the price system creates a suboptimal allocation of resources over time. Moreover, the environmental costs resulting from the misallocation of resources are exacerbated by the use of “certain thermodynamically inefficient techniques of production” that expand the surplus value, while maintaining the existing power structures (Gowdy 1984, 396). While these explanations of scarcity focus on the supply side of the economy, Marx believed the dynamics on the demand side to be equally important.

According to Marx, markets only respond to effective demand, that is, demand backed by purchasing ability. The poor, for the most part lacking such ability, will be excluded from markets, thereby worsening their condition. Markets therefore cater to the needs of the fortunate classes, while overlooking those of the unfortunate ones. But markets, argues

Marx, can also be venues for the exploitation of the needs of one group, to serve the interests of another:

Each person speculates in creating a new need in the other, with the aim of forcing him to make a new sacrifice, placing him in a new dependence and seducing him into a new kind of enjoyment and hence into economic ruin. Each attempts to establish over the other an alien power, in the hope of thereby achieving satisfaction of his own selfish needs. With the mass of objects grows the realm of alien powers to which man is subjected, and each new product is a new potentiality of mutual fraud and mutual pillage. (Marx 1975, 358)

With such manipulation, false needs are created whose sole purpose is to serve the capitalist's thirst for profits, at the expense of real or authentic needs that are not attached to the profit motive (Xenos 1989, 50). But if needs are created as such, they are of a social nature, created and evaluated by society: "our desires and pleasures spring from society; we measure them, therefore, by society and not by the objects which serve for their satisfaction. Because they are of a social nature, they are of a relative nature" (Marx 1968, 84–85). As all needs are social, society can be understood as the conscious attempt by humans to cater to their basic needs, which, in turn, possess an "inherently expansionary character" that develops with the "expanding capacities of the human being." Understood this way, argues Xenos, "history is the history of need," with different needs developing as a response to our changing capacities. Marx believed that such needs and capacities, if allowed free and progressive reign, will culminate in his vision of an abundance, that of communism (Xenos 1989, 48–49).

While Marx is faulted for leaving his vision of a communist society somewhat obscure, several scholars in the Marxist tradition have attempted to address this lacuna in one way or another. Adopting a formal methodological approach, Philippe Van Parijs (1989, 470) attempts to delineate some of the characteristics of a possible state of abundance. To begin with, abundance does not translate into a supply of unlimited resources, and is not a state of living typified by boredom and laziness. Regarded as the "negation of scarcity," it is the potential to satisfy all our wants without exerting more effort than we desire. The Marxist political philosopher, G. A. Cohen (1978, 307) provides a similar definition, stating that the "promise of abundance is not an endless flow of goods but a sufficiency

produced with a minimum of unpleasant exertion.” In a communist society, where the rule “from each according to his capacities, to each according to his needs” applies, the trade-off between consumption and leisure no longer holds. As enough supplies are made available for all, individuals can satisfy their consumption demands while enjoying their desired level of leisure (Van Parijs 1989, 473–74). Theoretically, argues Van Parijs, the case can be made that abundance, thus defined, is only possible in a communist framework, the outcome of which will be unpaid work, equality, free goods, and zero shortages.<sup>1</sup> Finally, this ideal state may potentially be characterized by a classless society that is free from conflict, although some level of adherence to a social planner will be required for informational and distributional purposes (Van Parijs 1989, 479–80). According to Nove (1983, 15), “[a]bundance removes conflict over resource allocation, since by definition there is enough for everyone, and so there are no mutually exclusive choices, no opportunity is forgone, and therefore no opportunity cost.” Similarly, Phelps (1985, 7) argues that an “economy without scarcity would have no opposing conflicts, no bones of contention.” Van Parijs (1989, 481) disagrees with this view, arguing that “power may matter for its own sake,” and so, even if all wants are materially satiated, “nothing prevents an abundant society from being a class society.” Despite these efforts and many others, the fact remains that Marx’s ambiguity regarding his vision of a communist future introduced more questions than answers, and produced too many versions of this future than he would have cared for. What seems to be more generally accepted, however, is that his vision of this future presupposes a sequence of preceding phases, the crucial one being that of capitalism. Marx, in a manner akin to that of his counterparts in the classical school, invokes a contingent view of history and scarcity.

Especially keen on criticizing political economy for its use of economic laws to describe economic phenomena, Marx, rather curiously, employs a similar approach to his theory of capitalist development. Adopting a “progressivist philosophy of history,” the state of abundance can only be achieved by transcending the state of scarcity, or communism can only be realized by overcoming the stage of capitalism. In his words, “[t]he whole of history is a preparation, a development ...,” and while capitalism is an oppressive and exploitative system, it is nevertheless necessary and inevitable. Capitalism, for all its faults, must be given its due credit:

The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the

most barbarian, nations into civilisation. The cheap prices of commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians' intensely obstinate hatred of foreigners to capitulate. It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilisation into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image.

The bourgeoisie has subjected the country to the rule of the towns. It has created enormous cities, has greatly increased the urban population as compared with the rural, and has thus rescued a considerable part of the population from the idiocy of rural life. Just as it has made the country dependent on the towns, so it has made barbarian and semi-barbarian countries dependent on the civilised ones, nations of peasants on nations of bourgeois, the East on the West.

The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together. (Marx and Engels 1968, 39–40)

Marx's critique of capitalism, therefore, is quite unlike that of the Romantics, such as Carlyle and Ruskin. For while they all shared a strong aversion to the outcomes of a capitalist society and mentality, the Romantics saw little or no positive aspect to capitalism, and more importantly, rejected the notion of a necessary phase of scarcity that paves the way for a brighter future of abundance. To Ruskin, the present is what matters, and blind hopes of a better future only serve to worsen the conditions of poverty and scarcity. Cohen (2000, 114) reiterates a similar view, arguing that we cannot continue *expecting* the equality promised by a future of abundance, but that a "persistent scarcity is now a reason for *demanding* it." Betting our hopes on progress to end scarcity will only prolong the trials of scarcity and poverty. This view was vigorously argued by the prominent economist of the nineteenth century, Henry George.

Any student in the history of economic thought, upon reading Henry George's classic, *Progress and Poverty*, will be puzzled by the apparent absence of references to his thought in mainstream economic discourse. This observation is most patent in the debate on scarcity and abundance, where the Malthusian paradigm dominates the form and substance of economic analysis. George's economic thought directly aimed at overturning this dominance, and positioning abundance at the center of economic discourse. But this aim of his, as part of his overall project of shaking the very foundations of economic orthodoxy, was deemed

“unsafe” by the broader economics profession, resulting in an implicit dismissal of his ideas to the fringes of economic thought (Samuels 1983, 64; Horner 1997, 604). And yet, more than a century since its first publication, one can hardly find a more damning appraisal of Malthus’ population principle than George’s classic.

George believed Malthus’ principle to be an ideological instrument aimed at defending the status quo of his times, that of the landed aristocracy. Doomed to misery by a niggardly nature and a stubborn propensity toward the “vice of promiscuous intercourse,” the poor have no recourse but to submit their fate to the mercy of the ruling class (Horner 1997, 596). In explaining this role of Malthus’ principle, George states:

But the great cause of the triumph of this theory is, that, instead of menacing any vested right or antagonizing any powerful interest, it is eminently soothing and reassuring to the classes who, wielding the power of wealth, largely dominate thought. At a time when old supports were falling away, it came to the rescue of the special privileges by which a few monopolize so much of the good things of this world, proclaiming a natural cause for the want and misery which, if attributed to political institutions, must condemn every government under which they exist. The “*Essay on Population*” was avowedly a reply to William Godwin’s “*Inquiry concerning Political Justice*,” a work asserting the principle of human equality; and its purpose was to justify existing inequality by shifting the responsibility for it from human institutions to the laws of the Creator... For poverty, want, and starvation are by this theory not chargeable either to individual greed or to social maladjustments; they are the inevitable results of universal laws, with which, if it were not impious, it were as hopeless to quarrel as with the law of gravitation. (George 1992, 98)

Quite knowledgeable of classical economic thought, George highlighted the close affinity between the ideas of Malthus and Mill, arguing that the latter was a strong supporter of the former’s views. He cites Mill’s opinion on Malthus’ population principle:

A greater number of people cannot, in any given state of civilization, be collectively so well provided for as a smaller. The niggardliness of nature, not the injustice of society, is the cause of the penalty attached to overpopulation. An unjust distribution of wealth does not aggravate the evil, but, at most, causes it to be somewhat earlier felt. It is in vain to say that all mouths which the increase of mankind calls into existence bring with them hands. (Quoted in George 1992, 141)

Completely disagreeing with Mill's claims, he argued that it is "the injustice of society, not the niggardliness of nature, [that] is the cause of the want and misery which the current theory attributes to overpopulation." Increases in population, contrary to Malthus and Mill, increases the "power of the human factor" which is the main source of a nation's wealth; a larger concentration of population multiplies the potential for specialization, thus expanding a nation's productive capacities. Poverty, therefore, is neither caused by a deficiency in productive capacity, nor by the "laws of God," but "spring from the maladjustments of men" (George 1992, 141–50).

It is clear that George believed in an absolute abundance or sufficiency of resources, that the bounties of nature are infinite and can sustain any population, at any time. This unusual optimism, observed closely, contains clear traces of the spiritual conviction that was characteristic of the biblical prophets and the Christian fathers, as well as the idealism of the Romantics. In his words, George remarks:

Speaking absolutely, man neither produces nor consumes. The whole human race, were they to labor to infinity, could not make this rolling sphere one atom heavier or one atom lighter, could not add to or diminish by one iota the sum of the forces whose everlasting circling produces all motion and sustains all life. (George 1992, 133)

In light of our utter finitude relative to the boundless nature of the Creator, the notion of scarcity becomes a sacrilegious view of the world. To those who believe in God, and yet hint to the possibility that the problems of the world are caused by nature or Him, George responds with this: "Is it not impiety far worse than atheism to charge upon natural laws misery so caused?" (George 1992, 128).

Absolute abundance is the will of God, the only natural law there is, and the will of God is equality and justice for all. This abundance, however, is to be "found in the 'gospel of brotherhood,' which is synonymous with the 'gospel of Christ.'" This brotherhood of equality and justice can be achieved by an overall program of social reform, which must necessarily start at the root of the problem, the unjust system of private property. This formed the theoretical context for George's radical policy proposal to introduce a "single tax" on land (Horner 1997, 601–4). To summarize, if abundance is the will of God, George believed scarcity to be a social construct, utilized as an ideological instrument aimed at promoting certain

interests within society. A few decades later, a version of this view was to be popularized by another American economist and social philosopher, Thorstein Veblen.

Recognized by some as the founder of institutional economics, Veblen was to give the notion of social scarcity its most rigorous formulation. He based this formulation on his two famous arguments: conspicuous consumption and industrial sabotage. Veblen was renowned for his acute observations of societal patterns and norms, and even more for exposing the superficial and hypocritical aspects of social behavior. A central theme of his observations is the notion of conspicuous consumption, which may be thought of as the demand side of his general argument. According to Veblen, consumption, in addition to serving its fundamental role of satisfying needs and desires, also serves the role of “social communication.” In particular, consumption by the leisure class is aimed at establishing privileged status within society, and communicating such standing to the rest of society. In doing so, the leisure class defines the parameters by which one’s place and conduct within society are to be evaluated. These standards will gradually assume social and cultural prominence, and motivate the rest of society to seek to emulate the leisure class. This desire to emulate, however, will offer legitimacy to the leisure class, and its particular vision for society. In effect, the lower classes, in their constant effort to follow the lead of the leisure class, substantiate their inferior standing relative to the latter. In return, the leisure class can perpetuate such standing by continuously revising the standards of emulation, and condemning the other classes to an impossible rat race (Clark 2002, 418). Conceptually, what is created is a scarcity mindset that believes itself to be “trapped in a zero-sum game.” We can never hope to have enough, because we are constantly striving to exceed one another. With such a mindset, abundance will forever elude us (Peach and Dugger 2006, 698). In addition, the increasing levels of spending by the lower classes, spurred by the rising standards of consumption by the leisure class, will tend to increase prices beyond the means of many, causing goods and services to become scarce (Clark 2002, 419).

The dynamics on the supply side are equally important, to which Veblen’s concept of industrial sabotage applies. In theory, the efficiency associated with technological advancements should contribute to alleviate the economic problem of scarcity. In practice, however, imperfect markets and industrial concentrations restrict supply in order to raise prices and profits. This creates artificial scarcities of many goods and services that

would otherwise have been abundant in a more competitive market setting (Clark 2002, 419). Combining the demand and supply sides of his general argument, Veblen believed that scarcity can be overcome by technology and industrial progress, but that the joint forces of conspicuous consumption and industrial sabotage prevented such progress from delivering on its promise of abundance.

This confidence in the transformative potential of technology was symptomatic of the institutional school of economics. Such confidence, argues LaJeunesse (2010, 1034), “stems from a belief in the ingenuity and efficiency of humanity to surmount recurrent obstacles to human development through technological adaptation to abundance.” Another prominent member of the institutional school, Simon Patten believed that abundance was well within reach in modern society, but that a smooth transition was necessary. This transition to material abundance required, in addition to regulation of industry, education of the populace and a morality of restraint. Patten believed that the “entire social psyche of scarcity would have to be replaced with a new mindset and social responsibility” (LaJeunesse 2010, 1031). About a century later, a prominent economist of the postwar era, John Kenneth Galbraith, was to reiterate much of the views of Patten and Veblen.

Galbraith believed that abundance is not a condition that is yet to be achieved, but one that already exists, albeit un-lived by many (Peach and Dugger 2006, 702). In his words, he states:

To furnish a room barren is one thing. To continue to crowd in furniture until the foundation buckles is quite another. To have failed to solve the problem of producing goods would have been to continue man in his oldest and most grievous misfortune. But to fail to see that we have solved it, and fail to proceed thence to the next task, would be fully as tragic. (Galbraith 1969, 268).

What is required, argues Galbraith, is a “bridge” linking the “world of scarcity and that of affluence” (LaJeunesse 2010, 1038). But crossing the bridge is impeded by a system where wants are always created and never satisfied, where “producers, not consumers, initiate the production process, conditioning the needs of consumers to what they produce” (Skidelsky and Skidelsky 2013, 210). And precisely for this reason, argues Zinam (1982, 63–64), Galbraith’s conjecture on abundance is doubtful. For if needs and wants “emerge *pari pasu* with the production,” and scarcity is the inequality

between wants and their satisfaction, then technological progress may never generate such abundance. These doubts, however, did not dissuade the most influential economist of the twentieth century from making his bold predictions for the future, a future he believed belonged to abundance, and not scarcity. We now turn our attention to John Maynard Keynes.

In 1930, Keynes published an essay titled “Economic Possibilities for our Grandchildren” whose message was very simple: within a century, the economic problem of scarcity will be resolved. In his words, Keynes said:

I draw the conclusion that, assuming no important wars and no important increase in population, the economic problem may be solved, or be at least within sight of solution, within a hundred years. This means that the economic problem is not – if we look into the future – the permanent problem of the human race.

Why, you may ask, is this so startling? It is startling because – if, instead of looking into the future, we look into the past – we find that the economic problem, the struggle for subsistence, always has been hitherto the primary, most pressing problem of the human race – not only of the human race, but of the whole of the biological kingdom from the beginnings of life in its most primitive forms.

In the words of the most important economist of the last century, the economic problem of scarcity, though the “most pressing problem of the human race,” is not “permanent.” And the fact that he projected a future age of abundance does attest to this view of his. But if Keynes believed that scarcity is not a perpetual condition of man, did he believe it to be inevitable or necessary? The following excerpt from the essay gives us the answer:

I see us free, therefore, to return to some of the most sure and certain principles of religion and traditional virtue – that avarice is a vice, that the exaction of usury is a misdemeanor, and the love of money is detestable, that those walk most truly in the paths of virtue and sane wisdom who take least thought for the morrow. We shall once more value ends above means and prefer the good to the useful. We shall honour those who can teach us how to pluck the hour and the day virtuously and well, the delightful people who are capable of taking direct enjoyment in things, the lilies of the field who toil not, neither do they spin.

But beware! The time for all this is not yet. For at least another hundred years we must pretend to ourselves and to everyone that fair is foul and foul is fair; for foul is useful and fair is not. Avarice and usury and precaution must be our gods for a little longer still. For only they can lead us out of the tunnel of economic necessity into daylight. (Skidelsky 2015, 84–85)

It is therefore clear that Keynes believed scarcity to be an inevitable and necessary phase of human history, a notion that, as we have repeatedly demonstrated, was shared by Smith, Hume, Malthus, Mill, Marx, and Marshall. Keynes, however, happens to be especially candid about the matter as he spells out the full sacrifice involved, of which the material aspect is only secondary. What is involved is a “faustian bargain” with capitalism, in which we have to tolerate “our gods for a little longer still,” until we can emerge from the “tunnel of economic necessity into daylight” (Skidelsky and Skidelsky 2013, 68). Keynes’ thesis echoes some themes of Mandeville’s infamous satire, *The Fable of the Bees*. And his remark that “we must pretend to ourselves” brings to mind Smith’s notion of useful “deception.” Material progress, hailed by many as capitalism’s special gift to humanity, comes at a price, a price that in Keynes’ words, would shock even the most casual moralist. But, according to Keynes, the price must be paid, because the expected rewards far exceed the costs involved. It is not in vain that we freeze our moral compass, or put to sleep our restless conscience, for unless all this is done, the promise of abundance will forever remain just that—a mere promise. And when the time is right, when the condition of abundance begins to take shape, some preliminary steps are in order. As our productive capacities expand, Keynes believed that “some form of moral revolution” should take place that would curb the insatiable nature of our wants and desires (Kern 1990, 48; LaJeunesse 2010, 1038). In addition, efforts should be taken to regulate the acquisitive impulse of capitalists and limit their capital accumulation, such that capital is no longer scarce (Clark 2002, 417).

Almost a century later, Keynes’ conjecture has failed to come true. Our “bargain” with capitalism continues; from the ashes of every crisis, a new deal is struck, and a higher price is paid. Our “thought for the morrow,” the anxiety that Jesus urged we let go, is ever more in control of us, while “avarice and usury and precaution” have become our only gods. Skidelsky and Skidelsky (2013, 41–42), commenting on Keynes’ error, argue the following:

Keynes’ mistake was to believe that the love of gain released by capitalism could be sated with abundance, leaving people free to enjoy its fruits in civilized living. This is because he thought of people as possessing a fixed stock of natural wants. He did not understand that capitalism would set up a new dynamic of want creation that would overwhelm traditional restraints of custom and good sense. This means that, despite our much greater affluence, our starting position for the realization of the good life is worse than

it was in the more traditional society of his day. Capitalism has achieved incomparable progress in the creation of wealth, but has left us incapable of putting that wealth to civilized use.

Within the century that followed Keynes' prediction, several intellectuals have presented us with a deeper understanding of capitalism, and its "new dynamic of want creation."

In his *After Virtue*, Alasdair MacIntyre develops a moral argument to explain the difficulty in the "realization of the good life" in modern society. Substantively, capitalism "destroys the possibility of a virtuous life because it separates our labor from any meaningful contribution it can make to a common good" (Long 2000, 219).<sup>2</sup> MacIntyre's Marxist heritage and his Aristotelian-Thomistic outlook are quite apparent in his appraisal of capitalism. Formatively, what transpired within capitalism is the development of an instrumental form of rationality, where the "rational has become associated with the useful, ... [and] loses all connection to any teleological understanding of human life." This "a-rational" view of the world, argues MacIntyre, is most prevalent in economic discourse (Long 2000, 222–23). In practical terms, this rationality manifests itself in a lifestyle predicated on a process, with no end in sight. This constant state, argues MacIntyre, is that of *pleonexia*, where there is never "enough" (Mathewes 2004, 198). The only way out, he believed, was in pursuing a life of virtue, a life wherein the theory and practice of virtue are interchangeable. MacIntyre, despite his Marxist past, did not share their belief in a better future that must follow the abolition of capitalism's oppressive infrastructure. This belief had led many intellectuals of the Marxist tradition, such as Herbert Marcuse, to wrongly assume that "the multiplication of wants was forced upon us by an evil productive apparatus"; that our social ills will disappear once we "free ourselves from this apparatus." The error was in failing to realize that our wants "multiply of their own accord, unless held in check by moral discipline" (Skidelsky and Skidelsky 2013, 68). This is not to say that MacIntyre had absolved capitalism of the charges brought upon it by Marxists, but that he sought the solution elsewhere, and specifically, in the intellectual tradition extending from Aristotle to Aquinas. His view of economic rationality, however, did share some parallels with those of Marxist intellectuals.

In his brilliant work, *Critique of Economic Reasoning*, Andre Gorz explains the nature of modern economic rationality in the context of the creation of wants:

The frontiers between needs, wishes and desires needed to be broken down; the desire for dearer products of an equal or even inferior use value to those previously employed had to be created; what had merely been desirable had to be made necessary; wishes had to be given the imperious urgency of need. In short, a demand had to be created, consumers had to be created for the goods that were the most profitable to produce and, to this end, new form of scarcity had unceasingly to be reproduced in the heart of opulence, through accelerated innovation and obsolescence, through that reproduction of inequalities on an increasingly higher level, which Ivan Illich called “the modernization of poverty.” (Gorz 1989, 114)

It would be rather difficult to find a more passionate and unapologetic critic of modern society than Ivan Illich. A recurring theme in his thought is the role of economic and social scarcity in oppressing human freedom and potential. In his book, *Deschooling Society*, he explains the scarcity created by formal systems of education:

Converging self-interests now conspire to stop a man from sharing his skill. The man who has the skill profits from its scarcity and not from its reproduction. The teacher who specializes in transmitting the skill profits from the artisan’s unwillingness to launch his own apprentice into the field. The public is indoctrinated to believe that skills are valuable and reliable only if they are the result of formal schooling. The job market depends on making skills scarce and on keeping them scarce, either by proscribing their unauthorized use and transmission or by making things which can be operated and repaired only by those who have access to tools or information which are kept scarce. (Illich 1970, 88)

The example of education, argues Illich, can be generalized to all professions. Scarcity is created along with the professional class, who could not become “dominant and disabling unless people were already experiencing as a lack that which the expert imputes to them as a need.” And in their role as professionals, or the “new clergy,” they “tell you what you need. They claim the power to prescribe. They not only advertise what is good but ordain what is right.” And while Illich believed there is nothing inevitable about this new role of professionals, people remain enchanted by the “professional dream that good things will be forever replaced by better things” (Illich 1977, 24–29). It follows that by virtue of their alleged capacity and credibility to promise a better future, the professional class, like the clergy before them, can assume a special position within

society. Paradoxically, they acquire their position by invoking, at the same time, the notions of scarcity and abundance; the former is used to justify their privileged status, while the latter is used to sustain it. In other words, by rendering themselves scarce, they can attach a higher value to their social role. And by promising a future of abundance as an outcome of their efforts at progress, they establish themselves as necessary and inevitable. The professional has become the living embodiment of the scarcity paradigm.

Jean-Pierre Dupuy, in his *Economy and the Future*, has brilliantly argued that the promises or forecasts of the professional, the economist in particular, are very different from those of the biblical prophets. The essence of an uttered prophecy, as understood in Deuteronomy for example, is that it actually comes true. The expert or economist, however, “is not subject to this constraint: he can say whatever he likes; what matters to traders in a market is that each of them can count on the others to take the expert’s words as a fixed point of reference in their calculations, so that it becomes a matter of common knowledge in the strict sense of the term” (Dupuy 2014, 37). And even when experts’ predictions turn out wrong more often than not, or correct only in a “self-fulfilling” turn of events, they continue to gain social legitimacy over time. What this means is that the promise of abundance, predicated on the condition of scarcity, is part of a “social belief system.” If we are to apply a similar methodological framework as that of Samuels (2011, 77), in his study of the invisible hand hypothesis, we can draw the inference that this promise of abundance is “part of the social belief system operating as psychic balm and social control.”

The neoclassical paradigm of scarcity, partly inherited from the classical school, is really one of scarcity *and* abundance, with the former held to be *the* condition of life, and the latter the promise of a *better* one. This narrative is also present in other schools of thought, such as Marxism. The function of abundance, as apparent to us, is not so much with regard to its feasibility, but as a form of “psychic balm” and “social control” that would justify the scarcity paradigm and the particular interests it upholds. Such interests are constantly served under the banner of progress, with the notions of scarcity and abundance simultaneously rationalizing and justifying the reality and sacrifices involved. Borrowing a famous quote from Smith’s *History of Astronomy*, it is our belief that the promise of a better future was primarily intended to “soothe the imagination, and to render the theatre of nature a more coherent, and therefore a more magnificent

spectacle, than otherwise it would have appeared to be” (Smith 1980, II.12, 46). Furthermore, this theoretical framework can be used to sanction a specific set of economic arrangements as the ideal economic structure for society, a point aptly explained by Karl Polanyi,

The last two centuries produced in Western Europe and North America an organization of man’s livelihood to which the rules of choice happened to be singularly applicable. This form of the economy consisted in a system of price-making markets. Since acts of exchange, as practiced under such a system, involve the participants in choice induced by an insufficiency of means, the system could be reduced to a pattern that lent itself to the application of methods based on the formal meaning of ‘economic.’ As long as the economy was controlled by such a system, the formal and the substantivist meanings would in practice coincide. (Quoted in Xenos 1989, 76)

The primary implication, argues Xenos (1989, 76), is that “the scarcity experienced in modernity is a universal condition experienced everywhere and at all times.”<sup>3</sup> Economists since Smith have repeatedly emphasized the ubiquitous nature of scarcity, while at the same time offering the hope of abundance. This thesis, which has constituted a crucial part of the meta-narrative of the modern secular world, will be fundamentally challenged in the next section, when we examine the perspective of Islamic economic thought on the subject.

## NOTES

1. See also Nove (1983, 15–17) and Elster (1985, 231).
2. That capitalism has transformed labor into a commodity is a notion that was deliberated extensively by Karl Polanyi in *The Great Transformation*.
3. According to Matthaeei (2016, 85), despite their differences, neoMalthusians share similar views with the neoclassical view on scarcity:

NeoMalthusians have pointed out weaknesses both in neoclassical theory and in our present economic system. However, neoMalthusian theory shares the same basic paradigm as the neoclassical one, including its basic misconception—the assumption that scarcity is essential to the human condition and is the driving force behind our present day economy. Both neoclassical and neoMalthusian economists are blind to the fact that scarcity is a social product and, as such, can be abolished through social, especially economic, change.

## Abundance and Scarcity: Islamic Economic Thought

Islamic economic thought is not, as some are inclined to believe, a monolithic discipline that adheres to a single and uniform perspective. Instead, it embraces a plurality of viewpoints on any given topic, even when the resources utilized in an inquiry represent a common core. In other words, scholars working in the tradition of Islamic thought, economic or otherwise, generally happen to consult a similar body of literature in their research, which normally include the Qur'an, the *sunnah* (traditions of the Prophet), and the treatises of prominent leaders, theologians, exegetes, and jurists. And yet, this common core of resources does not preclude the fact that a heterogeneity of opinions emerges on any topic or issue, owing to differences in outlook, methodology, interpretation, context, and personal predispositions. But this variation of opinions should not be overemphasized, as others are often eager to do. Granted that diversity is a normal aspect of intellectual discourse, it is not the case that such diversity does away with any recognizable identity of Islamic economic thought, such that the discipline lacks any essence or direction, and is but a hodgepodge of individual scholarly efforts. On the contrary, we believe that the field of Islamic economic thought does possess a distinct intellectual identity that is unique both in form and substance. This distinctiveness, however, does allow for a variety of views inspired by a shared commitment and objective. As such, the perspective to be presented in this work should be understood in this spirit, as constituting a

particular scholarly effort consciously aimed to be representative of a broader intellectual tradition. How representative such an effort actually is, is a question we hope to provide answers for over the course of the book, knowing only too well that this matter may prove to be contentious.

In the course of presenting this perspective, we will naturally rely on an examination of pertinent material in the Qur'an, *sunnah*, and the works of Islamic theologians, exegetes, and jurists. This examination will allow us to formulate an Islamic position on the topic of scarcity and abundance that can highlight the parallels and differences relative to other schools of thought. Ultimately, we hope to offer a meaningful contribution to the debate, one that bring us closer to understanding the nature and purpose of our existence. We begin this section by presenting an Islamic perspective on the "economic problem," our original entry into the subject matter.

### THE ECONOMIC PROBLEM: AN ISLAMIC PERSPECTIVE

The prominent Islamic jurist and philosopher, Muhammad Baqir As-Sadr, is well-known for his two major works, *Falsafatuna* (Our Philosophy) and *Iqtisaduna* (Our Economy). In one of his lesser-known publications, *Contemporary Man and the Social Problem*, published a few years after *Iqtisaduna*, As-Sadr tackles the topic of the economic problem under the broader headline of "the social problem." Belonging to a tradition that did not normally adopt such formulations in its approach to social and economic issues, it is a testament to the modern interest in this topic that As-Sadr felt compelled to participate in the intellectual discourse surrounding it. The same applies to Abul A'la Maududi, whose book was titled *The Economic Problem of Man and its Islamic Solution*.<sup>1</sup> Both scholars enjoyed widespread popularity within the Islamic world, and its intellectual circles in particular. And yet both, in their respective cases against the Western models of capitalism and socialism, adopted to a large extent the theoretical vocabulary of modern economic thought. This was primarily justified as a necessary condition to fully engage with secular social and economic thought, in order to stifle their reach into the intellectual landscape of the Islamic world. This however did not translate into a wholesale import of secular terminology and ideology, as they directed their subsequent efforts at developing an Islamic alternative to capitalism and socialism. In doing so, it was crucial that they offer an Islamic perspective on the economic problem, as an entry point into their broader project of developing an Islamic economic system.

As-Sadr, and in the opening statement of his book, addresses the “social problem” in the form of a question:

The world problem that occupies peoples’ minds now, affecting the heart of their present existence, is the social problem which can be summarized by giving the most frank answer to this question: What is the system that befits humanity, the one whereby humanity achieves a happy social life? (As-Sadr 1986, 27)

In his view, this “problem occupies a prominent and dangerous position” in the history of humanity. As a permanent problem that has faced all human societies, it is especially urgent in modern times:

In fact, contemporary man’s awareness of today’s social problem is stronger than any past epoch of ancient history. Today, he is more conscious of his relationship to the problem and its complexity, for modern man has come to realize the fact that the problem is of his own making, and that the social order is not imposed on him from above, the way natural phenomena operate ...

In addition to being more consciously aware of his role in the making of the problem, this accentuated urgency in contemporary times is also due to man’s evolving relationship with nature:

Modern man ... started to be contemporary to a tremendous change in man’s control over nature, a change that has never been preceded. This growing control, terrifying and gigantic, increases the complexity of the social problem and doubles its dangers, for it opens to mankind new and great avenues of utilization; and it doubles the significance of the social order upon which depends the distribution of each individual’s share of those tremendous outcomes that nature today bestows on man with generosity. (As-Sadr 1986, 30)

Following this introduction, and prior to engaging in any appraisal of contemporary solutions to the “social problem,” As-Sadr poses this follow-up question: “How can contemporary man perceive, say, that democratic capitalism, dictatorship, social proletarianism, etc. is the best system?” In other words, by what criteria are we to evaluate the fittingness of a particular system in achieving the “happy social life”? Marxism, and consistent with its materialistic philosophy, denies man any capacity to develop such criteria that is independent of the prevailing mode of production. Only a fundamental change in this infrastructure can bring

about a corresponding change in “society’s view” of any social system; this means that a final realization of the superiority of the Marxist solution in communism presupposes a linear and progressive view of history, which As-Sadr believed to be “another myth of history.” The non-Marxist view, continues As-Sadr, believes such criteria to be determined from social experience accumulated through the ages. This social experience, however, cannot be evaluated on the basis of scientific evidence, as is the case with natural phenomena. To begin with, the social nature of human behavior and action precludes the possibility of applying such methods. Moreover, the personal predispositions of a scholar are far more likely to influence the outcome of scholarly inquiry into social phenomena compared to natural phenomena. Furthermore, the search for the most appropriate system requires that in the event that such a system is actually found, there exists an incentive to pursue such a system even when it is in conflict with our personal interests. Granted that scientific research may offer useful and complementary knowledge, it remains that the evaluation of social experience is a theoretical exercise primarily based on philosophical and ethical criteria (As-Sadr 1986, 33–54). Given this methodological digression, As-Sadr examines the contemporary solutions to the social problem, and then concludes by making the case for the Islamic solution.

In a capitalist democracy, personal interests reign supreme, and are believed to promote, theoretically at the least, society’s interests. The system is therefore structured to support and guard such interests:

Society’s interests are linked to those of the individual; for the individual is the base whereupon the social system must be placed. A good government is the apparatus which is utilized for the service and benefit of the individual and the strong instrument to keep and protect his interests. (As-Sadr 1986, 70)

On this basis, the system has assumed a purely materialistic disposition where man is detached from any beginning or end, but is “limited to the utilitarian aspect of his materialistic life.” This meant that in addition to denying any active and significant role for God or prophecy, it disputed the possibility of entrusting the social problem to any one individual, group or party. To As-Sadr, such a stance is but a natural expression of the inherent materialistic philosophy that “does not recognize the establishment of a system except by a limited human mind.” And this “limited human mind” has produced a system whose limitations in solving the social problem are becoming increasingly visible:

Judge for yourself the share of the happiness and stability of a society based on the principles of this system and ideals ..., one which lacks self-denial and mutual trust, true compassion and love, and all the good spiritual [tendencies], so much so that the individual lives in it while feeling that he is responsible only for his own self, that he is in danger because of each and every interest of others that may clash with his own, as if he is living in a continuous struggle and race, unarmed except by his own powers, aiming thereby at none except his own personal interest ...! (As-Sadr 1986, 71–85)

With regards to Marxism, and its social systems of socialism and communism, its materialistic philosophy is even more pronounced, leaving no room for a Creator or divine revelation. Moreover, “its general nature is the dissolution of the individual into the society, making him a tool for the achievement of the general criteria it enforces.” In a capitalist democracy, the prevailing mentality is that of thinking individually, with social interests arising mainly as an unintended consequence. In a socialist system, the individual is to adopt a “social mentality,” whereby his own interests are collectively sacrificed at the social altar. Yet again, the “limited human mind” produces a system imprisoned within the confines of its materialistic philosophy:

But the achievement of this [social mentality] in the materialistic man, who does not believe except in a limited life without knowing any meaning for it except the materialistic pleasure, needs a miracle to create paradise on earth, bringing it down from heaven! The communists promise us such paradise, waiting for the day when the factory changes the human nature, creating him anew with idealistic thoughts and deeds even if he does not believe the weight of an atom in ideal values or ethical principles. (As-Sadr 1986, 97–100)

It is the case therefore that the failures of capitalism and socialism in providing a lasting solution to the social problem lie in their “limited materialistic interpretation of life.” Coupled with a natural egoistic instinct that values pleasure over pain, this worldview will manifest itself in the capitalist mentality of acquisition and accumulation:

[I]t would be natural for man then to feel that his sphere of gain is limited, his scope is short, and his objective in it is to get [a share] of materialistic pleasure. The way to get this, of course, is confined to life’s vein: wealth, which opens the door to man to achieve all of his purposes and desires. (As-Sadr 1986, 113)

The proper solution, therefore, does not lie in the communist vision of stamping out egoism from our nature, but in developing “man’s materialistic conception of life.” And therein lies the key to the Islamic solution: it is a call for developing a new concept of life, in which neither the individual nor society is sacrificed for the other. The final end to which all action is directed is not the individual and his interests, or society and its vision, but the Creator and His Divine Satisfaction. It is within this framework that religion assumes its principal role, because it constitutes the most effective means by which private and social interests can be unified:

The ethical criterion, that is, achieving God’s pleasure, while achieving its great social objectives, it spontaneously ensures achieving the individual interest. Religion, therefore, leads man to participate in the construction of a happy society and the maintenance of its just issues which, all in all, achieve the Pleasure of God Almighty, for that is included in the estimation of his personal gain, so long as every deed and activity in this field will be very greatly rewarded. (As-Sadr 1986, 126–27)

It is useful to observe As-Sadr’s depiction of the role of religion as “it leads man to ... a happy society.” In its original form in Arabic, he uses the phrase “*biyad al insan*,” which is literally translated as “man’s hand.” A complete literal translation would read as follows: “Religion, therefore, takes man’s hand and leads him to participate in the construction of a happy society....” The implicit assumption, of course, is that the *hand of religion* is holding “man’s hand” and leading him toward the final end of divine satisfaction. This depiction clearly reminds us of Smith’s invisible hand metaphor, although the case can be made here that religion is quite visible in its role. This role lies in unifying private and social interests toward the achievement of a higher purpose—that of divine satisfaction.

In practical terms, this is realized by adopting a life of religious piety, itself informed by divine revelations transmitted through prophecy:

The spiritual comprehension and ethical education of the soul, according to the Message of Islam, are the coordinating factors in treating the deeper cause behind the human tragedy. (As-Sadr 1986, 132)

What distinguishes the Islamic solution from that of capitalism or communism is that it is not based on a materialistic philosophy of life that views the world through a “limited human mind.” Instead, it directs all

energy toward a final end that transcends the limits of this world. But this transcendence is only possible if based on “a spiritual and ethical doctrine from which springs a perfect system for mankind ....” This “spiritual and ethical doctrine” develops in man a most enlightening “awareness” of the world, of its purpose, nature, and innermost intricacies:

Therefore, the political awareness of Islam is not only an awareness of the structural aspect of the social life, but it also is a profound awareness which springs from an entirely complete outlook towards life, the cosmos, sociology, politics, economics and ethics.

Any other sort of political awareness can either be a superficial political awareness which does not look at the world except from a particular angle ... Or it may be a political awareness which studies the world from the purely materialistic angle ... (As-Sadr 1986, 134–36)

It is not up to humanity alone to decide on the best solution to its problems; the purpose of prophecy has been to offer divine guidance when deemed necessary. It has been to nurture a spiritual and ethical “awareness,” away from the materialistic forms that have prevailed in one way or another. In the next section, we examine the guidance offered through prophecy as an Islamic solution to the social problem.

### THE ISLAMIC SOLUTION: THE VICEGERENCY OF MAN

In his economic treatise *Iqtisaduna* (Our Economy), regarded by many as his most significant contribution to Islamic thought, As-Sadr presents a direct and clear case for the Islamic solution to the economic problem. He begins by acknowledging the fact that all schools of thought in economics think “there is a problem in economic life that requires solution”; they do, however, “differ in the determination of the problem and the general approach to deal with it.” In capitalism, it is believed to exist in “the relative scarcity of resources,” while in Marxism, in the “contradiction between production patterns and distribution systems.” As-Sadr’s critical analysis of the capitalist and Marxist views share much in common with other views surveyed earlier, and sets the stage for his Islamic solution. It is important, therefore, that we quote his argument at length, so as to grasp the full force of his case. As-Sadr summarizes the capitalist case as follows:

Those who believe in the sanctity of the free-market would emphasize that resources are scarce, as exemplified by the limited area of land and minerals hidden beneath the surface. On the other hand, people’s daily needs keep

expanding, both quantitatively and qualitatively, with the constant increase in population and continual appearance of new products/services, as societies prosper and civilizations become more sophisticated. Because Nature is unable to satisfy all individual needs fully, competition and rivalry would ensue, thereby causing the economic problem. It is, therefore, impossible for natural sources of wealth to keep abreast with the multiplying needs and wishes of marching civilizations. (As-Sadr 2010, 173)

This summary clearly demonstrates that As-Sadr is aware of the natural and social notions of scarcity in economic thought, in addition to the distinction between absolute and relative scarcities. And echoing the views of Polanyi, he believes the scarcity paradigm to be solely compatible with a belief in the “sanctity of the market.” The universality of scarcity becomes a necessary condition for the conviction that competitive markets are natural and ideal. With regard to Marxism, he presents this brief summary:

On the other hand, Marxists prefer to look at the [tensions] between production patterns and distribution systems, believing that when these are in harmony, there will be stability in economic life. This fundamental law is true – Marxists tell us – whatever is the nature and characteristics of the concomitant social system. (As-Sadr 2010, 173)

The economic problem, therefore, lies in the tensions arising from a system of exploitation, where the surplus value from production is distributed on the basis of the power structure in society, and not the actual value created by each resource.

The Islamic view, argues As-Sadr, considers the problem to be neither in Nature, nor in production, but in humanity itself. He cites the following Quranic verses to illustrate his case:

God it is Who created the heavens and the earth, and sent down water from the sky, then brought forth fruits thereby for your provision. He has made the ships subservient unto you, so that they sail upon the sea by His Command, and has made the rivers subservient unto you. And He has made the sun and the moon subservient unto you, constant, and He made the night and the day subservient unto you. And He gives you something of all that you ask of Him, and were you to count the Blessings of God, you could not number them. Truly mankind is wrongdoing, ungrateful. (14:32–34)<sup>2</sup>

These verses do not convey a scarcity view of the world, but instead, display the infinite nature of God's creation that has been exclusively offered to mankind. The verses repeatedly refer to such bounties made "subservient unto you," with humanity as the intended recipient. These bounties, each taken separately, are not necessarily infinite in supply or availability. But taken as a whole, we "could not number [the Blessings of God]." What is clearly implied then is that humanity has been offered "something of all," an endowment that is neither wanting nor infinite, but sufficient to "secure the material needs and assure an appropriate degree of welfare." Any lack thereof is neither due to the niggardliness of nature, nor a part of God's plan for humanity, but a direct result of human "oppression and infidelity." The state of creation, therefore, is one of sufficiency, where none must endure want or poverty. But this natural state may often be distorted through maldistribution and injustice (As-Sadr 2010, 174).

As such, the bounties of God, emanating from His infinite mercy, have been delegated to mankind as a trust, to be treated with the care and gratitude they deserve. In his commentary on these verses, Nasr remarks:

These verses convey the notion ... that the beings of the natural world have been made subservient to human beings; that is, God has put the world of nature at their service in order to help them fulfill various needs and achieve certain goals in life. Although people have nature at their disposal, they are not without responsibility towards it. They are to be its humble custodians, not its tyrannical controllers, since God has appointed human beings *as vicegerents upon the earth*. (Nasr 2015, 636)

These verses and many others in the Qur'an emphasize the intended role of humans as "vicegerents upon the earth." It is within this framework that the Islamic view of scarcity and abundance must be understood. Such an understanding, however, can only be complete if a fuller examination of the concept of vicegerency is attempted. We begin with a survey of the concept as used in the Qur'an:

And when thy Lord said to the angels, "I am placing a vicegerent upon the earth," they said, "Wilt Thou place therein one who will work corruption therein, and shed blood, while we hymn Thy praise and call Thee Holy?" He said, "Truly I know what you know not." (2:30)

He it is Who appointed you vicegerents upon the earth. So whosoever disbelieves, his disbelief is to his detriment. The disbelief of the disbelievers increases them with their Lord in naught but loss. (35:39)

He it is Who appointed you vicegerents upon the earth and raised some of you by degrees above others, that He may try you in that which He has given you. Truly thy Lord is Swift in retribution, and truly He is Forgiving, Merciful. (6:165)

Truly We offered the Trust unto the heavens and the earth and the mountains, but they refused to bear it, and were wary of it-yet man bore it; truly he has proved himself an ignorant wrongdoer. (33:72)

Vicegerent, or *khalifah* in Arabic, may refer to a representative or successor or deputy, as in *khalifat rasul Allah*, translated as “successor/steward of God’s Messenger.” In verses 2:30, 35:39 and 6:165, the word is used to “denote a universal human inheritance and responsibility, since all human beings are in their inner reality the *khalifah* of God” (Nasr 2015, 21). While in 2:30 the vicegerency is specific to Adam on the day of his creation, verses 35:39 and 6:165 speak of the vicegerency of all human beings. In 35:39, a necessary connection is made between this role and disbelief, with the latter understood as a rejection of the “true nature and responsibility toward God” (Nasr 2015, 1066). In 6:165, this connection is even more apparent when the role of vicegerency is depicted as a trial that humanity has to face. Many commentators have interpreted the verse to mean that God has provided differently to human beings, whether in wealth, rank, or intellect, so as to “test the generosity and kindness of those given worldly nobility and wealth toward those given less ...” Ultimately, this appointed role for humanity was intended as a “means to *try* human souls as to their trust in Him and gratitude for what they have been given.” In failing to be “obedient and thankful,” we expose ourselves to the possibility of a “Swift” reprisal, but if we are faithful and grateful, then “He is Forgiving, Merciful” (Nasr 2015, 403–4). This heavy burden of living in a world of trial and justice is most beautifully portrayed in verse 33:72. The “Trust,” as it pertains to the responsibility attached to the role of vicegerency, was too much of a burden to be borne by the “heavens and the earth and the mountains,” but was assumed by humanity as “creatures possessing intellect and thus fit to observe the obligations of religion.” But many have failed to be worthy of such a role, proving to be “ignorant of the responsibility of *the Trust* and wrong themselves by committing acts of disobedience ...” (Nasr 2015, 1040–41). In a sense, such wrongdoing may appear to vindicate the angels’ apprehension that man would “work corruption” and “shed blood” on earth; God’s reply was, “Truly I know what you know not.”

While these verses depict the role of vicegerency in a universal context, other verses are specific to a particular time, place, or persons. The following is a sample of such verses:

Remember when He made you vicegerents after Ād and settled you on the earth; you build castles for yourselves on the open plain and hew dwellings in the mountains. So remember the boons of God, and behave not wickedly upon the earth, working corruption. (7:74)

They said, “We were persecuted before you came to us, and after you came to us.” He said, “It may be that your Lord will destroy your enemies and make you vicegerents upon the earth, that He may observe how you behave.” (7:129)

We have indeed destroyed generations before you when they did wrong, and their messengers brought them clear proofs, but they would not believe. Thus do We recompense the guilty people. Then we made you vicegerents upon the earth after them, that We might observe how you behave. (10:13–14)

Yet, they denied him. So We saved him and those with him in the ark. And We made them vicegerents, and We drowned those who denied our signs. So observe how those who were warned fared in the end. (10:73)

God has promised those among you who believe and perform righteous deeds that He will surely make them vicegerents upon the earth, as He caused those before them to be vicegerents, ... (24:55)

O David! Truly We have appointed thee as a vicegerent upon the earth; so judge among the people with truth and follow not caprice, lest it lead thee astray from the way of God. (38:26)

To many commentators, argues Nasr, these verses “relate primarily to the idea of generations succeeding others, ... although the more universal idea of human vicegerency may also be intended.” Furthermore, such generations are “promised that if they *believe and perform righteous deeds*, God will make them *vicegerents upon the earth*” (Nasr 2015, 403). In addition to differences in context between the two sets of verses, the former depicts the role of vicegerency as antecedent to humanity’s earthly existence, while in the latter, it is a role to be attained during such existence. In other words, the first set of verses describes the vicegerency of man as an essential component of creation and a constant condition on earth, while the second set describes it as a temporal state that is earned through righteousness and

obedience. In its more general form, therefore, the term is used in an absolute sense, while in its qualified form, it is used in a conditional sense. And yet, in both cases, present is the notion of an earthly trial followed by a divine justice. The two uses of the term, and notwithstanding their slight differences, only serve to emphasize the key role of the concept of vicegerency in our understanding of the Islamic perspective on scarcity and abundance. In another of his later publications, *Al Islam Yaqudu Al Hayat* (Islam Leads Life), As-Sadr (2003, 123) argues that the intended meaning is that of a universal vicegerency, evidenced by the fact that most of the verses directly address humanity as a whole, and not the person of Adam, David, or other prophets; both the primary and secondary uses complement, rather than contradict, one another. More importantly, this intended role for humanity explains both the nature and purpose of creation: our existence is a trial of our faith in His Wisdom and Judgment, and of our gratitude to His Generosity and Kindness. This meaning is expressed in verse 51:56: “I did not create jinn and mankind, save to worship Me.”

The significance of this intended role for humanity demanded that proper guidance be offered through the ages, a task that was entrusted to prophets. This is illustrated in the following verses:

Then Adam received words from his Lord, and He relented unto him. Indeed, He is the Relenting, the Merciful. We said, “Get down from it, all of you. If guidance should come to you from Me, then whosoever follows My Guidance, no fear shall come upon them, nor shall they grieve.” (2:37–38)

Mankind was one community; then God sent the prophets as bearers of glad tidings and as warners. And with them He sent down the Book in truth, to judge among mankind concerning that wherein they differed. (2:213)

He it is Who sent among the unlettered a Messenger from among themselves, reciting unto them His signs, purifying them, and teaching them the Book and Wisdom, though before they were in manifest error. (62:2)

And We sent down unto thee the Book as a clarification of all things, and as a guidance and as a mercy and glad tidings for those who submit. (16:89)

To As-Sadr, the vicegerency of mankind would have remained incomplete were it not for divine intervention in the form of prophecy. In 2:30, the angels had expressed their doubts about humanity, and its appointed role as vicegerents on earth. While their suspicions were later confirmed, they were unaware of God’s plan for humanity, embodied in His two special gifts: free will and prophecy. The human capacity to be free, even to the

extent of denying or disobeying God, had given rise to the suspicions of the angels, who favored creatures utterly dedicated to the worship of God, and lacking the ability to defy His orders. But the freedom offered to humanity was essential, if divine justice was to be exercised with respect to humanity's responsibility in its appointed role. In other words, neither freedom nor justice can exist independent of the other (As-Sadr 2003, 126–27).

Equally necessary was the function of prophecy, in its role as divine guidance to mankind. Prophecy served to exemplify the role of vicegerency, educating generations on the proper path to overcoming the trials of this world, and attaining salvation in the next. It was intended to present the truth about our world, its nature, and purpose. Appointed by God to this role, it was only natural that humanity is expected to comply with the message of prophecy, be it in the areas of religious belief, political governance, or social ethics, and morality (As-Sadr 2003, 124). On the basis of vicegerency and prophecy, As-Sadr thus presents a theory of government, and of society. In the case of the former, it is the vicegerency of humanity that justifies its original claim to governance, with prophecy supplying the necessary details. As for the latter, humans are expected to derive their rules for social interaction on the basis of their appointed role and the guidance of prophecy. For instance, since the role of vicegerency is universal to all human beings, it follows that they are all equal in the judgment of their Creator, and must therefore treat one another on the basis of mutual equality.

In light of the above, it is clear that As-Sadr regards the vicegerency of man as a prelude to a theory of life, hence the title of the book, *Islam Leads Life*. We now turn our attention to what this theory has to say on the specific topic of scarcity and abundance. As always, we begin with some verses from the Qur'an:

Unto God belongs whatsoever is in the heavens and whatsoever is on the earth. (2:284)

Say, "O God, Master of Sovereignty. Thou givest sovereignty to whomsoever Thou wilt, and wrestest sovereignty from whomsoever Thou wilt." (3:26)

Unto Him belongs sovereignty over the heavens and the earth, and unto God are all matters returned. (57:5)

Blessed is He in Whose Hand lies sovereignty, and He is powerful over all things. (67:1)

The first principle is that all property or wealth is God's. It follows that all of humanity, and as part of its appointed role, is entrusted with this wealth<sup>3</sup>:

And We have indeed established you upon the earth and placed means of livelihood for you therein. Little do you give thanks! (7:10)

Believe in God and His Messenger and spend from that over which He has appointed you as trustees. (57:7)

[A]nd give unto them from the Wealth of God, which He has given you. (24:33)

Hast thou not considered that God has made whatsoever is on the earth subservient unto you-and the ship sails upon the sea-by His command? And He maintains the sky lest it fall upon the earth, save by His Leave. Truly God is Kind and Merciful unto mankind. And He it is Who gave you life; then He causes you to die; then He gives you life. Truly man is ungrateful. (22:65-66)

This "Wealth of God," akin to His benevolent and generous Nature, is infinite in its scope, and sufficient to meet all humanity's needs:

And were you to count the blessings of God, you could not number them. Truly God is Forgiving, Merciful. (16:18)

God it is Who created the heavens and the earth, and sent down water from the sky, then brought forth fruits thereby for your provision... Truly mankind is wrongdoing, ungrateful. (14:32-34)

Have you not considered that God has made whatsoever is in the heavens and whatsoever is on the earth subservient unto you and has poured His Blessings upon you, both outwardly and inwardly? (31:20)

Say, "Do you indeed disbelieve in the One Who created the earth in two days, and do you set up equals unto Him? That is the Lord of the worlds." He placed firm mountains therein rising above it, blessed it, and apportioned its means of sustenance therein in four days, alike for all who ask. (41:9-10)

He is the One Who made the earth tractable for you; so travel the open roads thereof and eat of His provisions. (67:15)

So eat of the lawful and good things God has provided you, and give thanks for the Blessing of God, if it is He Whom you worship. (16:114)

I said, ‘Seek forgiveness of your Lord! Truly He is Forgiving. He will send the sky upon you with abundant rains, support you with wealth and sons, and make for you garden and rivers.’ (71:10–12)

And truly thy Lord is Possessed of Bounty toward mankind, but most of them do not give thanks.<sup>4</sup> (27:73)

[S]uch that the People of the Book may know that they have no power over any of God’s Bounty, and that the Bounty is in God’s Hand; He gives it unto whomsoever He will; and God is Possessed of Tremendous Beauty. (57:29)

Truly We have created everything according to a measure. (54:49)

He unto Whom belongs sovereignty over the heavens and the earth, and Who took not a child, and Who has no partner in sovereignty, and Who created everything, then measure it out with due measure. (25:2)

And the earth We spread out, and cast therein firm mountains, and We caused to grow therein all manner of things in due balance. And We placed therein means of livelihood for you and for those for whom you provide not. Naught is there, but that its treasuries lie with Us, and We do not sent it down, save in a known measure. (15:19–21)

Had God outspread His provision for His servants, they would have behaved tyrannically upon the earth. But He sends down whatsoever He will according to a measure. Verily of His servants He is Aware, Seeing. (42:27)

There is no creature that crawls upon the earth but that its provision lies with God. And He knows its dwelling place and its repository. All is in a clear Book. (11:6)<sup>5</sup>

From these verses, we can discern a clear view of the Quranic position on scarcity and abundance. In 14:34 and 16:18, humanity can never “number” the bounties of God, which, in their vastness and variety, exceed man’s limits of comprehension. Humans, argues Nasr (2015, 660), “cannot mentally encompass the greatness and extent of the gifts that He has given them,” and for this reason, “can never be sufficiently grateful to God or worship Him ‘enough.’” Verses 16:114, 27:73, 31:20, 41:9–10, 57:29, 67:15 and 71:10–12 elaborate on these bounties, and the fact that they are primarily intended for mankind. In verses 15:21, 25:2, 42:27 and 54:49, the Qur’an speaks of a “due measure” or a “known measure” that defines the “order of creation,” and the bounties therein. Herein lies the key Islamic insight on the topic of scarcity and abundance.

In verses 15:21, 42:27 and 54:49, the Arabic word “*bi qadar*” is used, which has also been translated, in addition to “in measure,” as “in proportion,” “in accordance,” “equal to,” “equivalent to,” “with precise determination,” “exactly,” and “well-defined.” In 25:2, its corresponding verb *qaddara* is used. The corresponding verbal noun *taqdir*, notes Nasr (2015, 890), is a “word that encompasses both knowing the measure of a thing and bestowing a measure upon a thing and thus also has within its range of meaning the sense of ‘estimation’ and ‘ordainment.’” With regard to its religious significance, Nasr states that,

This range of meaning has implications for the theological questions surrounding the order found in creation as well as both God’s knowledge of things and His Power over them, which is to say that it has bearing on questions of God’s Omniscience and Omnipotence. (Nasr 2015, 890)

God, in His “Omniscience and Omnipotence,” has created a perfect world; perfect in containing all that is needed, and in the proportions in which they are needed. This meaning is best expressed in verse 11:6, which states that, “no creature that crawls upon the earth but that its provision lies with God.” This perfect world is but a reflection of God’s perfection. To interpret the world any differently would be to contradict some of His attributes; more importantly, it would throw into question the very notion of divine justice. To believe in a world of (absolute) scarcity is to doubt God’s generosity, omnipotence, and justice; it would mean that some creatures would simply have to do without provision. This reasoning is symptomatic of a hesitant faith, one that has yet to abandon the anxiety that Jesus was urged to abandon us. At the other extreme, to envision a world of unlimited abundance, understood to be an infinite supply of everything, is scarcely more than an empty proposition. This is because, in addition to our utter ignorance of what such a world, if even possible, may look like, such a proposition lacks any practical significance for our world.

The Islamic perspective, critical of the envisioned extremes of absolute scarcity and infinite abundance, is that of *commensurability*, that believes humanity to have been endowed with the requisite means to fulfill its appointed role of vicegerency upon earth. According to the Merriam-Webster dictionary, the word *commensurate* is a “descendant of the Latin noun *mensura*, meaning ‘measure,’ from ‘mensus,’ past participle of ‘metiri’ (‘to measure’).” The word has been used to mean “proportionate” as well. The “order of creation,” therefore, is that of commensurability,

whereby God has endowed the world with His bounties, *in proportion* to what, in His “estimation,” is considered sufficient; any more or less would deviate from the “due balance” of His justice. It follows that to believe in the commensurability of creation is to believe in God’s justice, and to trust that the world is ever capable of embracing all within. Moreover, humanity’s belief in commensurability and divine justice is a belief in its role of vicegerency, and its ability to “bear” the burden of the “trust,” when all other creatures shied away. But belief is one thing, and practice is another. In its moments of failure, when humanity’s faith faltered, and the “trust” seemed too much of a burden, prophecy would (re)appear to offer humanity yet another chance. Yet, history has a curious way of repeating itself, as humanity continues to endure the trials of vicegerency:

If a wound afflicts you, a like wound has afflicted that people. And such days We hand out in turns to mankind. And [this is] so that God may know those who believe, and take witnesses from among you – and God loves not the wrongdoers. (3:140)

Why, then, has humanity faltered in its appointed role? If the “order of creation” is that of commensurability, what explains the persistent poverty? And why has divine guidance, in the form of prophecy, often been unsuccessful in converging belief and practice? We look to the Qur’an for answers to these questions.

In chapter 14, verses 32–34, we are presented with a concise view of the Quranic position on the vicegerency of man and the bounties of God. Highlighting the nature and purpose of creation, the verses end with the assertion that “Truly mankind is wrongdoing, ungrateful.” This statement, reiterated in other verses as well, underscores the Quranic account for the failures of humanity. The first cause of such failures is humanity’s “wrongdoing,” which manifests itself through disbelief, injustice, oppression, transgressions, and excessiveness (see verses 3:140; 6:165; 7:74, 96; 10:13–14; 24:55; 33:72 and 35:39). The second cause is mankind’s ungratefulness, and its refusal to acknowledge and thank God for the many blessings of creation (see verses 2:243; 7:10; 10:60; 12:38; 16:114; 17:67, 69; 22:65–66; 25:50; 27:73; 40:61 and 42:48).

In 3:140, we are told that generations will be tried so that “God may know those who disbelieve.” In 24:55, God has promised those that “believe and perform righteous deeds that He will surely make them vicegerents

upon earth ... [and] whosoever disbelieves thereafter, it is they who are iniquitous.” And in 35:39, that “whosoever disbelieves his disbelief is to his detriment.” It is clear that the Qur’an considers disbelief to be the primary cause for mankind’s failures, because to deny God or His bounties is to deny man’s role as vicegerent upon the earth. By failing to consider the world as a “trust,” humanity will deceive itself into assuming an exaggerated role, bereft of responsibility and accountability.

In addition to disbelief, corruption is presented as another cause for humanity’s failures, under the broad headline of “wrongdoing.” In 7:74, we are admonished to “remember the boons of God, and behave not wickedly upon the earth, working corruption,” and in 7:56, to avoid “corruption upon the earth after it has been set aright.” Commenting on this verses, Nasr states:

Al Razi considers the warning against “working corruption upon the earth” to be a prohibition against any act that corrupts bodies (through violence), wealth (through fraud or theft), religion (through disbelief and innovation), lineage (through adultery and slander), and intellect (through intoxication). [It] may also be understood as referring to human actions that pollute or destroy the natural environment. The human ability to “work corruption upon the earth” is juxtaposed here with the earth’s having been *set aright*, that is, by God. God’s “setting right” can thus mean His establishment, through the revelations and laws brought by His messengers, of a just and moral social order as well His creating the harmony and balance that pervades the natural order. (Nasr 2015, 428)

If the world is endowed with all that is needed, then poverty and destitution are due to humanity’s transgressions, as verses 30:41 and 42:30 contend,

Corruption has appeared on the land and sea because of that which men’s hands have earned ... (30:41)

Whatsoever misfortune befalls you is because of that which your hands have earned; and He pardons much. (42:30)

Eat and drink of God’s provision, and behave not wickedly upon the earth, working corruption. (2:60)

And when he turns away he endeavors on the earth to work corruption therein, and to destroy tillage and offspring, but God loves not corruption. (2:205)

Another reason offered for wrongdoing is ignorance, as 33:72 speaks of an “ignorant wrongdoer.” While some attribute such ignorance to “disbelievers and hypocrites,” others generalize it to “all human beings who are ignorant of the responsibility of *the Trust*” and the true burden it represents.

With regard to the second cause, ungratefulness, many verses in the Qur’an speak to the significance of expressing gratitude to God for His creation. Some of the verses merely stress the fact that man is, for the most part, ungrateful; this includes verses 2:243, 7:10, 10:60, 12:38, 17:67, 22:65–66, 25:50, 27:73 and 40:61. Others, such as 17:67 and 42:48, speak of the cases whereby man turns his back on God after having been blessed, but was eager to show piety and praise when in need. In 27:73, we are told that “thy Lord is Possessed of Bounty toward mankind, but most of them do not give thanks.” That we have been blessed with all these bounties should compel us, at the very least, to offer our gratitude in return. And even then, we will remain utterly incapable of reciprocating God’s mercy and kindness. But despite the fact that such gratitude, however futile, would have been accepted as our token appreciation for His infinite generosity, many refuse even to offer such thanks. And their refusal, contrary to what they believe, does no harm to God’s omnipotence or benevolence, but to their “own soul,”

This is of the Bounty of my Lord, to try me whether I will give thanks or be ungrateful. And whosoever give thanks, he gives thanks only for his own soul; and whosoever is ungrateful, truly my Lord is self-sufficient, Generous. (27:40)

The call for gratitude, therefore, is not because God is in need of such praise or approbation, but because gratitude is an expression of belief, and that he who is ungrateful can scarcely claim to be a believer. Moreover, such genuine belief and gratitude will confer upon believers even more blessings, material and spiritual, of this world and the next:

God sets forth a parable: a town secure and at peace, its provision coming unto it abundantly from every side. Yet, it was ungrateful for the blessings of God; so God let it taste the garment of hunger and fear for that which they had wrought. (16:112)

[A]nd when your Lord proclaimed, ‘If you give thanks, I shall surely grant you increase, but if you are ungrateful, truly my punishment is severe!’ (14:7)

[A]s a blessing from us. Thus do We requite whosoever gives thanks. (54:35)

Had the people of the towns believed and been reverent. We would surely have opened unto them blessings from Heaven and earth. But they denied, so We seized them for that which they used to earn. (7:96)

And [say], “[It was revealed unto me] that if they hold firm to the path, We shall give them abundant water.” (72:16)

Therefore, humanity’s failures are primarily attributed to disbelief, wrongdoing, and ungratefulness. The purpose of prophecy was to offer guidance in averting such sins, and fulfilling the role of vicegerency. But even then, the trials of humanity continued to produce generations whose practices bore only weak affinity with the ideals disseminated through prophecy, save for a few “who would forbid corruption upon the earth” (11:116). In 10:13, the Quran speaks of communities whose “messengers brought them clear proofs, but they would not believe.” After all, it is the defining feature of humanity that it possesses a free will that was the envy of other creatures; even with “clear proofs,” they can choose to “not believe.” As for the messengers, “only the proclamation is incumbent upon [them]. And God knows what [we] disclose and what [we] conceal” (5:99–100).

So far, we have outlined the general case of the Islamic solution to the “social problem,” as characterized by the Quranic notions of vicegerency and commensurability. We now turn our attention to the more practical aspects of this solution, and specifically, to matters pertaining to the ethics and morality of individual and social conduct. In other words, if the Quranic view of creation is that of commensurability, what are the direct implications for social behavior? And how does such a viewpoint, and its implications, differ from that of scarcity? We start with the concept of moderation, one of the key themes in Islamic ethics and morality.

## MODERATION

If commensurability constitutes the “order of creation,” moderation constitutes the order of behavior. Put another way, moderation is the human corollary, expressed in practical terms, to the divine theory of commensurability. If all of creation was presented to humanity in “due measure” or “in proportion,” then humanity must behave accordingly, which from an Islamic viewpoint, is reflected in the moral concept of moderation.

Moderation, or *wasatiyyah* in Arabic, “is closely aligned with justice, and it means opting for a middle position between extremities.” It has also been used to mean “the best choice,” and one of its common synonyms, *iqtisad*, happens to be the Arabic translation for *economics*. A *hadith* by the Prophet reports him saying that “One who is moderate shall not be afflicted with penury” (Kamali 2015, 9–10). With regard to its significance, Kamali argues that, “*Wasatiyyah* is a broad and comprehensive concept of moral, legal, economic, and international import, indeed as broad as a philosophy of life.” And in its more specific application to economic matters, *wasatiyyah* is understood as “the limits of sufficiency and need in this earthly life” (Kamali 2015, 14–21). For a deeper understanding of the concept of moderation, we start with a brief survey of verses from the Qur’an:

[A]nd who, when they spend, are neither prodigal nor miserly – and between them is a just mean. (25:67)

O Children of Adam! Put on your adornment at every place of worship, and eat and drink, but be not prodigal. Truly He loves not the prodigal. (7:31)

Give unto the kinsman his right, and unto the indigent and the traveler, but do not squander wastefully. Truly the wasteful are the brethren of satans, and Satan is ungrateful to his Lord. (17:26–27)

And let not thine hand be shackled to thy neck; nor let it be entirely open, lest thou shouldst sit condemned, destitute. (17:29)

And obey not the commands of the prodigal, who work corruption upon the earth, and do not set matters aright. (26:151–52)

[T]hose who are miserly and enjoin people to be miserly, concealing what God has given them from His Bounty. We have prepared for the disbelievers a humiliating punishment. (4:37)

In 25:67, we have a Quranic definition of moderation as the “just mean,” in between the extremes of prodigality and miserliness. In 17:26–27, Satan is described as “wasteful” and “ungrateful,” and so, an implicit connection is made between his disbelief on one hand, and his ungratefulness and wastefulness on the other. In 26:151–52, we are urged to avoid the prodigal, who “work corruption upon the earth,” and the miserly, who “enjoin people to be miserly [as well].” An implied connection is thus made between wastefulness and corruption, where extravagant consumption and luxury are believed to have a corrupting influence on our souls and the earth.

In summary, just as commensurability represents the Islamic answer to the problem of natural or absolute scarcity, moderation represents its response to relative or social scarcity. Moderation is depicted as an essential characteristic of believers, and an antidote to the problems of wastefulness, ungratefulness, and corruption. Both prodigality and miserliness are believed to be symptoms of a fragile faith, and deviations from the appointed role of vicegerency. A believer who sincerely hopes to imitate the attributes of God, thereby attempting to fulfill the role of His vicegerent, would seek to emulate His “order of creation,” characterized by commensurability. Such emulation would take the form of moderation, whereby all behavior is measured in proportion to its intended purpose. Any deviation from this ideal, would be a failure in our responsibility toward “the trust.” A crucial part of this responsibility, in addition to the personal factor embodied in moderation, is our religious obligation to share the bounties of creation with others. We discuss this aspect in the following section.

### SPENDING OF GOD’S BOUNTY

The conviction that God Has created “everything according to a measure,” and that “no creature that crawls upon the earth but that its provision lies with God,” does not imply that His bounties are freely or readily available without the need for any exertion on the part of humans. The concept of commensurability does not preclude human effort. In fact, many Quranic verses highlight the blessings associated with human effort and intellect in dealing with social problems and natural calamities. What is implied is that the earth has been endowed with a sufficiency of means that can provide all creatures with the sustenance and dignity that befits the purpose of their creation. Any misfortune that befalls mankind “is because of that which [our] hands have earned” (42:30). And our “hands” have been entrusted with sharing God’s bounties with others, as part of our appointed role of vicegerency. This responsibility is accentuated in the following verses:

Believe in God and His messenger and spend from that over which He has appointed you as trustees. For those of you who believe and spend, theirs shall be a great reward. (57:7)

What harm would it have done them were they to believe in God and the Last Day, and spend of that which God has provided them. God knows them well. (4:39)

[W]ho believe in the Unseen and perform the prayer and spend from that which We have provided them. (2:3)

Let one who has abundant wealth spend from his abundance. And let one whose provision is measured spend from that which God has given him.<sup>6</sup> God asks no soul beyond that which He has given him. (65:7)

[A]nd in whose wealth is an acknowledged due for the beggar and the deprived, ... (70:24–25)

And let not those who are miserly with what God has given them from His Bounty suppose that it is good for them; rather, it is evil for them. (3:180)

And among them are those who make a pact with God [saying], “If He gives unto us from His Bounty, we will surely spend in charity, and we will surely be among the righteous.” But when He gave unto them from His Bounty, they were miserly with it, and turned away in rejection. (9:75–76)

The verses highlight the duty to “spend from that which God Has given,” and that such an obligation derives from our appointed role as “trustees.” As trustees, we are duty-bound to fulfill His commands, despite our personal interests and biases. This duty to share, however, is *not* intended as the primary means by which God’s bounties provide for all His creatures, but only serves in correcting humanity’s failures resulting from corruption and maldistribution. Thus, verse 70:24 speaks of “an acknowledged due for the beggar and the deprived” that would correct an unjust state, and 3:180 cautions the miserly on deceiving themselves into believing that their riches belong to them. Such deceit leads them to make false promises, from which they “turned away in rejection” after receiving God’s mercy (9:75–76). In fact, one can hardly find a superior account of humanity’s story upon the earth than that stated in verse 9:76: “But when He gave unto them from His Bounty, they were miserly with it, and turned away in rejection.”

In summary, “the Quranic notions of the vicegerency and trusteeship, which designate mankind, individually and collectively, as God’s custodians of the earth, ... place upon them the responsibility to safeguard not only the rights of their fellow humans, but of nature and other creatures” (Kamali 2015, 142). In the next section, we conclude this chapter with some general insights on the Islamic perspective on scarcity and abundance, as it compares with the views of other schools of thought.

## CONCLUSION

Throughout Part 1, we have attempted to survey the opinions of different schools and scholars on the subject of scarcity and abundance. In our comparative analyses, a few currents or themes were emphasized more than others, owing to their theoretical and practical significance. The purpose of this concluding section is to address these themes from the viewpoint of the Islamic perspective that has been presented, while acknowledging that any inferences made are not intended as final statements on the subject, but as invitations for further inquiry.

The majority of opinions surveyed shared a contingent view of abundance, as a final state that humanity seeks to realize, *following* the necessary and inevitable phase of scarcity; progress is the mandatory path to paradise. The Islamic perspective, as characterized by the concept of commensurability, believes the “order of creation” to be just and perfect, that the world is an extension of God’s mercy and generosity. Scarcity is not ubiquitous, but God’s bounties are, and the condition of man should not be of scarcity and want, but of sufficiency and content. Therefore, scarcity is neither necessary nor inevitable. And if, by abundance, is meant a state of sufficiency, then this is the natural state of the world, and not one to be anticipated or awaited. Generations should not be sacrificed at the altar of history, and later justified as the requisite price of progress. Justice demands that each generation gets its due, irrespective of all else:

That is a community that has passed away. Theirs is what they earned, and yours is what you earned, and you will not be questioned about that which they used to do. (2:141)

Our existence is ultimately measured by our piety, and not our progress:

Surely the most noble of you before God are the most reverent of you. (49:13)

That Day Mankind shall issue forth upon diverse paths to witness their deeds. So whosoever does a mote’s weight of good shall see it. And whosoever does a mote’s weight of evil shall see it. (99:6–8)

To believe in this utopia of abundance is to believe that justice can be suspended until further notice, or that vices can be instrumental for a period of time, or that the happiness of some must be sacrificed for that of others. Fundamentally, it serves to justify, intentionally or unintentionally, the status

quo as natural, necessary, or inevitable. But to believe in the commensurability of creation, that the bounties of God are sufficient in proportion to our needs, is to demand justice now and always; it is to deny poverty a stay of execution, or corruption yet another chance. While the Islamic view seeks to direct attention to mankind's collective responsibility in its role of vicegerency, the scarcity view attempts to divert attention away from human responsibility toward nature's deficiency. This way, the transgressions of some and the misfortunes of others can always be justified under the broad headlines of scarcity and progress. The Islamic view presents a narrative that is quite unlike that of secular capitalism, as it developed in the intellectual discourse of the West. The secular narrative, argues Xenos (1989, 35), depicted scarcity as the "antagonist in the human story, a story with a happy ending; the vanquishing of the antagonist [via progress] and a life of happiness ever after amid abundance for all." The tragedy of it all, however, is that this is a recurring story with no foreseeable end in sight; with each downfall, more of the same progress is prescribed.

And so, if the bounties of God are not contingent or miserly, but offered to mankind as an expression of His omnipotence and kindness, how is this view to be reconciled with several verses in the Qur'an that link material well-being to a divine system of reward and punishment? Some of these verses are:

God sets forth a parable: a town secure and at peace, its provision coming unto it abundantly from every side. Yet, it was ungrateful for the blessings of God; so God let it taste the garment of hunger and fear for that which they had wrought. (16:112)

Have they not considered how many a generation We destroyed before them? We had established them on the earth more firmly than We have established you, and We sent the sky upon them with abundant rains, and made rivers flow beneath them. Then We destroyed them for their sins, and brought into being after them another generation. (6:6)

And [say], "[It was revealed unto me] that if they hold firm to the oath, We shall give them abundant water, that We may try them therewith, and whosoever turns away from the remembrance of His lord, He leads him to a grievous punishment. (72:16-17)

And we will indeed test you with something of fear and hunger, and loss of wealth, souls, and fruits; and give glad tidings to the patient – those who, when affliction befalls them, say, "Truly we are God's, and unto Him we return." (2:155)

Had the people of the towns believed and been reverent, We would surely have opened unto them blessings from Heaven and earth. (7:96)

Whosoever works righteousness, whether male or female, and is a believer, We shall give them new life, a good life, and We shall surely render unto them their reward in accordance with the best of that which they do. (16:97)

The verses clearly speak of a divine system of reward and punishment, in this world and the next; God may hold back some of His bounty as punishment for human ungratefulness or sin, or bestow of His bounty as reward for righteousness or gratitude. And yet, this system of divine justice in no way alters the “order the creation” that is based on the notions of vicegerency and commensurability. The bounties of God are innumerable, but His justice is inevitable. That a disbeliever suffers “a miserable life,” or a believer is tested “with something of fear and hunger, and loss of wealth,” bears no contradiction to the logic of divine commensurability or God’s infinite generosity. God’s generosity in creation preceded His justice in judgment; the prominent Egyptian cleric, Muhammad Mutawali Al Shaarawi is reported to have said that “Were it not for the mercy of God that preceded His justice, no bounties would have remained for humanity, and none would have lived upon the earth.” Divine justice is exercised amidst God’s bountiful creation; some of the misfortune that befalls humanity is a trial of “the patient,” and some of it is recompense “for their sins,” or “for having disbelieved,” or for been “ungrateful for the blessings of God.” The following verses clearly attest to this interpretation:

Does mankind suppose that they will be left to say, “We believe,” and that they will not be tried, though We have indeed tried those who were before them? Surely God knows those who are truthful, and surely He knows the liars. Or do those who commit evil deeds suppose that they will outstrip Us? Evil indeed is the judgment they make! (29:2–4)

Or did you suppose that you would enter the Garden without there having come to you the like of that which came to those who passed away before you? Misfortune and hardship befell them, and they were so shaken that the Messenger and those who believed with him said, “When will God’s help come?” Yea, surely God’s help is near. (2:214)

No thirst, nor toil, nor hunger befalls them in the way of God; ... but that it is written down for them, that God may reward them for the best of that which they used to do. (9:120–21)

If a wound afflicts you, a like wound has afflicted that people. And such days We hand out in turns to mankind. And [this is] so that God may know those who believe, and take witnesses from among you – and God loves not the wrongdoers (3:140)

Commenting on these verses, Nasr (2015, 968–69) states:

That God knows the *truthful* and the *liars* can be understood to mean that God tries them not to learn their true natures, but to make their true natures manifest, as God knows their true natures before they are tested. To be afflicted by trials is thus considered beneficial for believers, as it both manifests their true natures and serves to expiate some of their sins... [V]erse [29:4] criticizes disbelievers who take the fact that they experience health and wealth as an indication that they will not be punished... Their judgment is evil or simply bad, because it is based upon neither reason nor revelation and thus has no foundation.

The world, though divinely ordained with God’s boundless generosity, is also a field of trial to test our “true natures.” Such trials may take the form of poverty or destitution—neither does it contradict the generous nature of creation, nor does it confirm scarcity as the universal and inevitable condition of humanity. While this line of reasoning may correspond to a particular theodicy, it is a rather straightforward explanation of evil and suffering that posits such misfortunes as normal manifestations of divine justice.

This Islamic view is very different from that of contingent abundance, where the promise of abundance is possible only after humanity passes through a mandatory phase of scarcity, and all the sacrifices it entails. In addition, the view is only partially similar to that of *conditional* abundance, which was believed to be characteristic of the biblical solutions to the economic problem, in the form of faith, observance of the law, or seeking the Kingdom. While the verses from the Bible and the Qur’an share much in common, theoretical divergences are primarily due to variations in interpretations and inferences. This Islamic view does not consider the abundance of God’s creation to be conditional on such solutions to the economic problem; instead, it considers such solutions as characteristic of humanity’s intended role in managing “the trust” that is God’s abundance. Likewise, this view shares few parallels with Barrera’s concept of participative theodicy, which argues that material sufficiency is conditional on “fidelity to the Covenant, ... or partaking of God’s righteousness”

(Barrera 2005, 15). “Partaking of God’s righteousness,” from an Islamic viewpoint, is in faithfully maintaining God’s bounty, which adequately provides for the material needs of all His creatures. Righteousness does not guarantee abundance or sufficiency, just as wealth is not an indication of righteousness. Rather, righteousness is a measure of how well we fare, wealthy or poor, in the ultimate trial of vicegerency.

This Islamic perspective is also at odds with Barry Gordon’s treatment of scarcity in the context of biblical and patristic thought. By attempting to investigate possible anticipations of modern economic analysis, he commits the tempting error of viewing Christian thought via modern economic lenses; the modern categories of scarcity and economic problem are liberally applied to a distinct domain of intellectual discourse and context, thereby overestimating the parallels and links. In fact, a careful examination of the biblical solutions and patristic opinions he examines reveals a general structure and substance that is more unified and coherent than is believed to be. The Christian narrative that emerges from these sources is very similar to the Islamic narrative. This is because the Islamic concept of vicegerency bears very close resemblance to the Christian notion of stewardship discussed earlier. Both narratives speak of our world as a trust, and our responsibility in managing it wisely. The essence of the Christian view is aptly explained in this passage from Barrera’s work:

An important word of caution: in highlighting the importance of human response and moral conduct, we run the risk of turning material prosperity into a reward for human effort. We must not do so. It is important to remember that this conditionality pertains to human beings not impeding an unfolding of plenty as originally envisioned and created by God.... Thus, it is not a question of humans bringing about material abundance through their own efforts and through their faithful observance of the Law. It is rather humans ‘bringing about’ such material sufficiency simply by not hampering or spoiling the unfurling abundance of God’s providence through their sinfulness. (Barrera 2005, 105)

To argue that material prosperity is a “reward for human effort” would be to imply that such prosperity or wealth is a direct indicator of our righteousness, a proposition that is at odds with the Islamic notion of divine justice; the righteous and the wrongdoer may be rich or poor.

But this view by Barrera does seem to contradict, if only slightly, other parts of his general argument, in which he views scarcity as a necessary and positive aspect of God’s plan for humanity. Nevertheless, the view

expressed in the above passage is closer to the Islamic position than his notion of conditional abundance. The Islamic position is that of an antecedent sufficiency provided to mankind in its role as vicegerents upon the earth, a role that demands of humanity belief, gratitude, and righteousness. It follows that social and economic hardships are primarily a consequence of deliberate efforts aimed at obstructing God's bounties from providing for all. By assuming the heavy burden of "the trust," humanity must shoulder the blame that such a responsibility entails. To pass on such blame to nature or God would only distract our attention and energy from solving our pressing social problems, and from identifying the interests that prolong the status quo. This, however, is only one implication of a world governed by a scarcity mindset.

The scarcity mindset has commonly been viewed in a positive light by intellectuals sympathetic to the scarcity postulate; this can be traced all the way back to Hesiod, with modern interpreters, especially, reading too much into his poems. Such a mindset has been complimented for its capacity to direct energy away from idleness and dependency to dynamism and innovation; that human creativity and potential is only realized if driven by necessity and want. This argument, however, presupposes that human energy will only be exerted, *efficiently*, if motivated by the fear of poverty or the promise of wealth; it therefore takes, as fact, that human nature is structured as such. This point is extended by Clark (2006, 52), as he contrasts the scarcity mindset to the Christian perspective:

The scarcity view of wealth perverts wealth's true purpose, which is the promotion of well-being in service to the full development of the human person. Promoting wealth that secures well-being serves this goal. Promoting wealth that is based in scarcity and exclusion is contrary to this goal. The Christian must turn a critical eye toward the accumulation of wealth....

With this zero-sum mindset, the "logic of scarcity takes hold in human imagination and intention and results in endless ersatz justifications of reckless consumption and reckless accumulation alike" (Haughey 2006, 88). In contrast, a view based on the vicegerency or stewardship of humanity would consider all resources to be part of "the trust," to be used wisely and moderately. Human effort will be stimulated not by the mere reward or punishment of earthly prosperity, but by God's infinite blessings in this world and the next. A mindset that is not limited to the finite and the material will possess a very different view of the world, one that transcends the petty

calculus of earthly goods, to encompass the infinite bounds of God's creation. This mindset is neither tempted by extra pleasures, nor anxious of tomorrow's plans, for it has invested all its trust in He Who is Sufficient:

And whosoever trusts in God, He suffices him. (65:3)

Such a mindset believes that the likes of Malthus should not fear (for) their children, for God's bounty and mercy suffice us all:

Truly thy Lord outspreads and straitens provision for whomsoever He will. Verily of His servants He is Aware, Seeing. And slay not your children for fear of poverty. We shall provide for them and for you. Surely their slaying is a great sin. (17:30–31)

As to those who deny and trust not, believing they can suffice themselves, they will ultimately realize that He is the Beginning and the End:

Nay, truly man is rebellious in that he considers himself beyond need. Truly unto thy Lord is the return. (96:6–8)

If humans, as economists are all too eager to tell us, are primarily motivated by incentives, then what greater incentive than to seek out the countless bounties of God, promised in this life and the afterlife.

In a new and interesting study titled *Scarcity: Why Having Too Little Means So Much*, Mullainathan and Shafir (2013) highlight some of the characteristics of a scarcity mindset, such as: loss of self-control, stress, an inability to learn, a propensity to anger, and obsessiveness. More importantly, they observe that “scarcity creates a mindset that perpetuates scarcity,” a self-inflicted trap that becomes increasingly difficult to escape (Mullainathan and Shafir 2013, 144). It is this controlling effect of scarcity that led Ivan Illich to argue against the public perception that we face an energy shortage. According to Illich, it is not the case that we have too few resources, but that we have too many, proof of which lies in the irreversible damage we have inflicted on nature. But a scarcity mindset will fail to appreciate the richness of nature, even when copiously exploiting it, thus reducing such generosity to a perception of shortage. This, in turn, encourages even more exploitation of our natural resources beyond our immediate needs. The result is an “energy crisis [that] focuses concern on the scarcity of fodder for these slaves’ – the machines that help people

produce the energy on which they believe they depend in order to live well.” To this, Illich remarks: “I prefer to ask whether free men need them” (quoted in Dupuy 2013, 37). Such a mentality enslaves itself to needless needs, is miserly amidst plenty, and renders finite all that is infinite. It is not surprising, therefore, when the Qur’an speaks of those who accused God of miserliness, and claimed that His “Hand is shackled,”

Shackled are their hands, and they are cursed for what they say. Nay, but His two Hands are outstretched. He bestows as He wills. (5:64)

This stubborn tendency to reduce the infinite to the finite is part and parcel of our acquisitive spirit, which believes accumulation to be essential for our survival, lest others beat us to the insufficient means of this world. And this tendency of ours doesn’t stop at the material, but extends to the spiritual as well:

Say, “Were you to possess the treasures of my Lord’s mercy, you would surely withhold them, out of fear of spending. Man is ever miserly!” (17:100)

The miserliness of man knows no bounds, that were God to have granted us control over His infinite mercy, we would have devised a way to render such mercy finite and scarce. The significant implication of all this is that scarcity is more a condition of the mind than of material possessions; that even in the midst of abundance, humans may be guided by a scarcity mindset. The Story of Eden is a clear illustration of this, with Adam and Eve sacrificing the abundance and comfort of Paradise as punishment for desiring the one thing made scarce to them, the apple tree. It is this human tendency, to obsess over what is scarce or forbidden, that characterizes the scarcity mindset. St. Chrysostom was well-aware of such tendencies, when he gave this recommendation: “For by the condition of our mind, not by the quantity of our material wealth, should it be our custom to distinguish between poverty and affluence” (quoted in Karayiannis 1994, 42). In other words, if our perception of scarcity or abundance is mainly a product of our beliefs and outlooks, then such perceptions may change as the set of beliefs changes. Whether one considers the world to be governed by want or scarcity, or blessed with the infinite bounties of God, is essentially a matter of personal conviction.

An oft-neglected dimension of the scarcity postulate in economic thought is the basic relationship between scarcity and violence.

According to Jean-Paul Sartre, “the whole of human development, at least up to now, has been a bitter struggle against scarcity.” This is simply because “there is not enough for everybody.” But this “struggle against scarcity” translates into an existential struggle among humans, as “the mere existence of everyone is defined by scarcity as the constant danger of non-existence both for another and for everyone.” Therefore, what defines the history of humanity, argues Sartre, is the potential for conflict, whose origin “lies, in fact, in some concrete antagonism whose material condition is scarcity.” It follows, that if the history of humanity is that of continuous conflict, effected by the ubiquity of scarcity, the only way out is through the “eradication of material scarcity.” This will then usher in a “true social harmony,” which replaces the antagonisms of the past (quoted in Dobson 1993, 85–86).

Sartre’s thesis, with its Marxist underpinnings, fits perfectly with the neoclassical paradigm of scarcity as the ubiquitous and inevitable condition of man. It also postulates a future of abundance as contingent on society overcoming its material condition of scarcity. More importantly, it depicts the history of humanity in a Hobbesian framework of necessary conflict and violence. Arguably, this narrative not only happens to explain, but to justify the aforementioned conditions of a society predicated on the existential notion of scarcity. It offers an explanation of why humans may be expected to behave as they do—behavior that, however unpleasant it may seem, is both natural and common. But without a doubt, such a narrative stands in clear contrast to the world envisioned by prophecy, and pursued by prophets.

The message of the prophets was never to deny the oppressive or unjust reality that humanity endured, but to convince us that none of it is necessary or inevitable; that God intended for humanity a most dignified role, a role that His other creatures feared, but envied. It was such envy, of man’s privileged role, that drove Satan to rebel against God, and to dedicate the rest of his life to ensure that we fail. The function of prophecy was to counter such efforts, and to bring about social revolutions wherein corruption and disbelief were rampant. This was the knowledge of which the angels knew not, when they pleaded their case against the vicegerency of man. And this is the knowledge that we have lost, as we continue to turn His bounty into scarcity.

## NOTES

1. According to Maududi (1992, 11), the “real” economic problem is defined as: “how to arrange economic distribution so as to keep all men supplied of the necessities of existence and to see that every individual in society is provided with opportunities adequate to the development of his personality and the attainment of the highest possible perfection according to his capacity and aptitude.”
2. All excerpts from the Qur’an are based on the new translation and commentary, *The Study Quran*, by Seyyed Hossein Nasr (2015).
3. See also: 14:32–34; 18:7–8; 45:12–13; 31:20; 2:29 and 50:6–11.
4. See also 2:243; 7:10; 10:60; 12:38; 23:78; 32:9; 40:61 and 67:23.
5. See also 12:26; 29:62; 30:37; 34:36 and 39:36.
6. A similar message is reiterated in verses 42:38 and 36:47.

PART II

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Wealth and Poverty

## Wealth and Poverty: Introduction

It is rarely the case that the intellectual history of a concept happens to be a close approximation of a discipline's history of thought. The two concepts examined in this section, wealth and poverty, are two such examples; a careful survey of their meaning and use over time reveals much about the development of economic thought, from antiquity to modernity. This survey will reveal a broad spectrum of definitions of wealth and poverty, with each set of definitions corresponding to a distinct episode in the history of economic thought. But the most significant insights from this history are obtained not so much from these respective definitions, but from the nature of the relationship believed to exist between the two concepts. In other words, much of the form and substance of economic discourse can be inferred from an investigation into the changing nature of the relationship between wealth and poverty. This means that wealth can only be understood if examined in relation to poverty, and vice versa. It also means that any theoretical attempt to rid both concepts of this fundamental association is itself symptomatic of the changing tides of intellectual discourse.

The relationship between wealth and poverty has had an interesting tenure in the history of ideas, with schools and scholars adopting more than one theme at the same time. Also, each theme, examined individually, can be traced through all episodes of intellectual thought, with varying levels of emphasis. As a case in point, one of the major themes in this

discourse is the view that wealth is superior to poverty, or that a state of affluence is preferred to that of poverty. This view is documented in the writings of pre-Socratic scholars, emphasized to a lesser degree by Aristotle, passionately argued by the scholars of the Enlightenment, glorified by the likes of Andrew Carnegie, and religiously accepted in contemporary society. Iterations of this view can also be detected, albeit in a more cautious manner, in biblical literature and Islamic scripture. The opposing view, which considers poverty to be superior to wealth, has also enjoyed some support among intellectuals and schools of thought. The Cynics of ancient Greece belong to this view, with Socrates believed to be one of its earliest proponents. This view can also be inferred from biblical literature and the writings of the early Fathers; in this regard, the concept of voluntary poverty has had a significant impact on the Christian way of life. To a lesser extent, this view did exist among some Islamic scholars, with Al Ghazali believed by some to be implicitly in favor of such an ascetic lifestyle. A somewhat different perspective also existed, equally suspicious of wealth, but that did not necessarily view poverty in such positive terms. Advocates of this view, such as Aristotle, the Stoics, and some of the Cynics, believed other ideals such as virtue and wisdom to be the ultimate ends to which all action must be directed. And yet, a slightly different view considered wealth as simply a means to a higher end, be it God, material abundance, cultural refinement, or social harmony. This view included a broad range of scholars, the likes of Xenophon, Aristotle, Augustine, Smith, Tawney, and Keynes. This perspective can also be spotted in the Old Testament, papal encyclicals, and some of the writings of Islamic theologians and jurists. Slight variations on this perspective included the view that wealth, *per se*, is to be shunned, but that its use must be geared toward a more sublime or spiritual way of life. This view was shared by some of the early Fathers of the Church and Aquinas, among others. A more common view held that poverty and wealth are two objectionable extremes, and that a mean position should ideally be sought. This perspective emphasizes the virtue of moderation, and is especially prevalent in the Aristotelian tradition, biblical literature, and Islamic scripture. While these views focus on the relative merits of wealth and poverty, others seek to establish a causal relationship between the two.

One such view held that wealth was a direct cause of poverty, on the basis that the accumulation of wealth by some will, for the most part, result in social and economic injustice that contributes to the poverty of others. In a sense, wealth reproduces itself for the price of poverty. This

view is fairly common in the history of ideas, and is present in the economic thought of Plato, Marx, Henry George, and is somewhat implicit to Smith and Keynes. It is especially explicit in the literature of the Old and New Testaments, the Qur'an, and the writings of Islamic scholars. This view simply does not believe that more wealth necessarily contributes to less poverty, but that amidst plenty, many live in poverty. In contrast, many scholars believed wealth to be the primary, if not the only, means of alleviating poverty. Historically considered as the "liberal" solution, this view postulates that the creation of wealth will ultimately benefit all through a trickle-down mechanism inherent in market economies. This view is normally attributed to the classical and neoclassical schools of economic thought. Finally, another view takes issue with the conventional usage of the terms wealth and poverty, and offers alternate definitions. The Cynics, for example, considered poverty as the proper wealth, and the wealthy as the true poor. This view is also present in Xenophon's Socrates, the New Testament, in addition to Islamic scripture and literature.

It is clear that these many views of the relationship between wealth and poverty are not mutually exclusive, that a scholar or school may subscribe to more than one view at a time, without necessarily falling into a theoretical contradiction. It is also clear that wealth or poverty have always been viewed in contradistinction to one another, either to impart an appraisal of their relative merits, or to establish a necessary relationship between the two. The careful examination of these considerations will constitute a substantial part of this chapter, and one of its primary objectives. An additional objective, and equally significant, is that the chapter will serve as an extension of the previous chapter on scarcity and abundance, providing more nuance to some of the arguments developed and their theoretical and practical implications. A complete understanding of the intellectual history of scarcity and abundance is only possible if studied in conjunction with the development of wealth and poverty in the history of ideas.

The neoclassical school of economics defines wealth in terms of scarcity, which means that as scarcity increases, so does wealth. And so, while it may seem that the theoretical relation between wealth and scarcity reached its zenith with this school, it was a strictly formal link, stripped of all philosophical and ethical substance. Part 2 aims to revisit the rich intellectual history of these parallels and links as they developed within schools of thought and across traditions. The structure employed will be similar to that of Part 1: we begin our survey with an examination of Greek economic thought and end with Islamic economic thought.

## Wealth and Poverty: Greek Economic Thought

A thorough survey of the intellectual history of wealth and poverty will reveal that much of the opinions of schools and scholars were influenced, in one way or another, by ideas that originated in ancient Greece. That being the case, the subsequent diversity of opinions on the subject would suggest that the Greeks did not share a common view of wealth and poverty, a judgment that has been increasingly substantiated in more recent literature. Granted that Plato and Aristotle remain the most influential of Greek philosophers and scholars, they do not represent all aspects of Greek economic thought; this is especially true with regard to the subject of wealth and poverty.

“The judgment of antiquity about wealth,” wrote M. I. Finley in his book *The Ancient Economy*, “was fundamentally unequivocal and uncomplicated. Wealth was necessary and it was good; it was an absolute requisite for the good life; and on the whole that was all there is to it” (Finley 1985, 35–36). But while this view may have reflected Greek public opinion on the subject, it did not represent the full spectrum of scholarly opinions. Toward the end of the fifth century, a “more skeptical view of wealth” was developing that gradually replaced the overly positive attitude toward wealth, and the Greek philosopher whose views initiated such a transformation was Socrates. “The attitude of Socrates,” argues David M. Schaps, “constituted a radical departure from the accepted ideas about wealth. Socrates seems to have been the first to consider a question that had

perhaps been too simple to be posed: *Is it good to be rich?*” (Schaps 2003, 133). What then were these “accepted views about wealth,” and how was Socrates’ philosophy a “radical departure”?

The predominant view of wealth among archaic Greeks was that wealth itself was a “good thing,” but that its procurement is often objectionable. Excerpts from the elegiacs of Theognis confirm this view,

Property that comes to a man from Zeus and with justice and purely is permanent forever; but if a man with profit-making heart should acquire it unjustly against propriety, or else seizing it by oath against what is just, at the moment it seems to bring some profit, but in the end it turns out to be evil, and the gods’ intention prevails. (Quoted in Schaps 2003, 135)

Justly gained, property and wealth were believed to be gifts from the gods, while poverty was considered “worse than death.” Often, wealth may end up in the hands of the wrong people, and not in those of the virtuous. And while its possession may have a corrupting influence on individuals and societies, it is “not the wealth itself that corrupts, but an excessive *desire for wealth*.” This view is evident in this sober warning by Solon,

Our city will never be destroyed according to Zeus’ decree and the hearts of the blessed gods ... but the citizens themselves want to destroy the great city with their stupidity, because they are persuaded by money. (Quoted in Schaps 2003, 137)

Again, it is not money itself that is the root of the problem, but the possibility of being “persuaded by money.” The “excessive desire” for money often translates into deliberate acts of corruption and injustice, and so, even though “wealth per se was not necessarily corrupting, but *too much wealth* certainly was” (Schaps 2003, 137). The favorable view of wealth was therefore restricted to moderate and not extreme levels. This “positive, if cautious attitude” was also common among the Dramatists and the Sophists. To the Dramatists, wealth must never be separated from virtue, while to the Sophists, money, like wisdom, was a “good thing to have” (Schaps 2003, 137–40). This view, however, was to be questioned by one of the greatest philosophers of the Western world, Socrates.

Socrates can confidently lay claim to being one of the very few intellectuals whose actions preceded his words; his view of wealth and poverty was a direct reflection of his style of living. Not only was he visibly poor,

he was recognized for the “ease with which he bore his poverty, the gentle irony with which he laughed at those who were, by every standard the Greeks knew, more successful than he was himself.” But this “ease” was merely the practical manifestation of Socrates’ philosophy of wealth, which regarded “knowledge and self-control” as the true wealth to be gained. The pecuniary view of wealth, argues Socrates, is inherently nonsatiable and leaves the rich feeling “worse than a slave.” In contrast, the “moneyless way of life was healthier, more pleasant, more socially useful and freer than the life a richer man could lead.” It follows, that the “best state is that in which one has the least of needs – the possession of great riches means that one has great needs, and thus the richest of people are the most miserable” (Schaps 2003, 141–44). Democritus, a contemporary of Socrates, shared some of the great philosopher’s ideas. One of the earliest proponents of a subjective theory of value, Democritus believed the main solution to the economic problem of scarcity to be on the demand side, by a “restrained demand [that] makes poverty equivalent to wealth.” In his words, “the most pleasant things become most unpleasant if moderation does not prevail” (Spiegel 2004, 13).

The view of Socrates presented is that recounted by Xenophon; Plato’s account, though mostly similar, slightly differed in its precise appraisal of wealth and money. While Xenophon viewed money in neutral terms, conditional on its particular use and context, Plato had a largely negative view of money, believing it to be “the cause of ‘many unconscionable deeds,’ [and] a corrupting influence.” In the *Republic*, Plato states:

We’ll tell them that gold and silver of a divine sort from the gods they have in their souls always and have no further need of the human sort; nor is it holy to pollute the possession of the former sort by mixing it with the possession of the mortal sort, because many unholy things have been done for the sake of the currency of the many, while theirs is tainted.... Whenever they’ll possess private lands, houses, and currency, they’ll be householders and farmers instead of guardians, and they’ll become masters and enemies instead of allies of the other citizens; hating and being hated, plotting and being plotted against, they’ll lead their whole lives far more afraid of the enemies within than without. Then they themselves as well as the rest of the city are already rushing toward a destruction that lies very near. (417a–b)

It is useful to note Plato’s caution about the looming “destruction” of the city, which reminds us of a similar warning by Solon; this theme, and in a

surprisingly similar tone, will be reiterated over time in religious scripture and by scholars of diverse backgrounds and traditions. Plato warns of the eventual ruin to a city at the hands of its wealthy, an idea that is indicative of a very skeptical view of wealth and money. This is not to say that Plato favored poverty over wealth; he considered both to have “evil consequences.” In his words, wealth “produces luxury, idleness, and innovation, while [poverty] produces illiberality and wrongdoing as well as innovation” (Plato 1968, 422a). And money, in contrast to Xenophon, “was itself corrupting,” regardless of its final use. This hostility toward wealth and money was quite explicit in some of Plato’s writings.<sup>1</sup> In the *Laws*, he argues that,

The one cause that prevents states from doing anything else that is beautiful, nor even allows them to practice sufficiently what is needed for war, but turns those of their citizens who are decent by nature into merchants and seafarers and all sorts of menials, while it makes the courageous into robbers and thieves and temple-plunderers and military and tyrannical types. (*Laws*, 831e-832b, Quoted in Schaps 2003, 147)

In the *Apology*, he requests for his sons, after his death, this treatment from the Athenians:

[A]nd if they seem to you to be paying attention to money or to anything else before virtue, and if they seem to be something when they are nothing, criticize them as I have criticized you, that they are not paying attention to what they should, and that they think they are something when they are worth nothing. (*Apology*, 41e, Quoted in Schaps 2003, 147)

And in the *Republic*, he offers one of the most definitive and damning statements on “wealth and the wealthy” to have ever been uttered by an intellectual:

Surely, when wealth and the wealthy are honored in a city, virtue and the good men are less honorable. (551a)

Plato’s style of expression is quite suggestive, as he contrasts “wealth” with “virtue,” and “the wealthy” with “the good men.” Furthermore, the corrupting effect of wealth transcends individuals, to affect the whole of society and its perception of good and virtue; the wealthy become the object

of acts of social approbation, while the virtuous, of acts of social disapprobation. The statement suggests that this perverted view of virtue *is a consequence* of wealth assuming such a venerated status in society; or put another way, that “the pursuit of money is the root of evil” (Schaps 2003, 145). On the true relation of money to virtue, Socrates argues:

I tell you that virtue is not given by money, but that from virtue comes money and every other good of man, public as well as private. (*Apology*)

With this direct statement, Socrates presented an intellectual argument that has been deliberated and contested to our present day. If, as Socrates believed, the “soul rules the body,” then virtue must rule wealth, and the virtuous ought to rule everybody else. In his impressive study of ancient Greek discourse on the subject of wealth and poverty, William Desmond argues that what Socrates is alluding to is a “virtue theory of value,” where the “virtuous and just should profit, for they are the actual producers of wealth.” Elaborating on this argument, Desmond comments that:

For (according to Plato) the truth about wealth is this: bodily goods should serve the body, and the body serve the soul. Without the wisdom the regulates the lesser virtues and harmonizes the activities of the corresponding classes, this natural hierarchy is disturbed.... Thus, when the natural order is wholly subverted and wisdom wholly absent, the love of monetary pleasure tyrannizes the individual and the state. Indeed, wastefulness, lack of restraint, and an insatiable appetite ensure that the tyrant and his state are ever in need of money; spiritually empty, they are also materially poor. If virtue is the basis of material wealth, vice makes one literally poor. (Desmond 2006, 36–37)

Later on in Part 2, and as we examine the intellectual discourse that was forming after the publication of Mandeville’s scathing satire, it will become apparent just how far scholarly opinion has diverged from that of Socrates; Mandeville, whether intentionally or unintentionally, had essentially reversed the order of virtue and vice that Socrates had established centuries earlier.

Nonetheless, given the above, it is no surprise that Plato would seek a complete ban on wealth and property for the upper class of his ideal state, as the “ruling class will be corrupted if they acquire a taste for money and possessions.” This was to form his basic argument for a system of communal

property and against one of private property (Spiegel 2004, 18). Plato believed that the excessive desire for wealth was the principal “cause of war and poverty.” According to Clark (2006, 38):

Socrates suggests that a guard be placed at the gates of the city to keep wealth and poverty out. Yet wealth and poverty are not seen as two evils but as different sides of the same evil, for the hoarded wealth of the rich is the cause of the poverty of the poor. For Plato, the high consumption of the rich creates shortages for the poor.

Thus, Plato establishes a causal relationship between wealth and poverty, an argument that would frequently reappear in the discourse of other schools and scholars. That the wealth of a few is the basis for the poverty of many is another way of stating that scarcity is neither natural nor inevitable, but a consequence of human corruption and injustice; in other words, the condition of scarcity is an unnatural departure from the natural state of abundance or sufficiency. To be sure, however, the causal relationship is precisely between the *excessive desire for wealth* on the one hand, and scarcity or poverty on the other, as these words by Plato clearly suggest:

the class of men is small – they must have been rarely gifted by nature, and trained by education, – who, when assailed by wants and desires, are able to hold out and observe moderation, and when they might make a great deal of money are sober in their wishes, and prefer a moderate to a large gain. But the mass of mankind are the very opposite: their desires are unbounded, and when they might gain in moderation they prefer gains without limit... (Quoted in Whittaker 1940, 63)

Plato did believe that some level of wealth was indispensable, but that an excessive amount would become problematic; according to Bonar (1992, 13), Plato had no objection to citizens attaining a level of wealth comparable to the presumed “rude abundance of the golden age,” but would firmly object to the “refined abundance of later times.” Ideally, he would have favored that citizens possess “neither riches nor poverty, for either extreme would be a temptation to sin in the individual and sedition in the State.” It is clear, however, that Plato had a rather pessimistic view of humanity, or the “mass of mankind” at the very least, which would explain his strict vision of an ideal state, ruled by the “class of men” that have been “rarely gifted by nature” or “trained by education.” A man of this class

“will have no wealth, or, if you call his outward goods his wealth, it will be ‘such as to be in harmony with his inward wealth’; it will be small in quantity and of a fixed and determinate measure. He will be rich because, being wise, he will have few wants. knowing that the outside world, whether of men or of things, can do little or nothing for him” (Bonar 1992, 14). This worldview that was developed by Socrates and Plato exerted considerable influence on subsequent Greek thought, and especially, on Plato’s student Aristotle. But Aristotle, though distinctly less dogmatic than his mentor, did share much of his views, including that of the “selfish propensity of men.” Aristotle believed that “the avarice of mankind is insatiable,” as men seek, in excess, “external goods” rather than “good[s] of the soul”:

happiness, whether consisting in pleasure or virtue, or both, is more often found with those that are most highly cultivated in their mind and in their character, and have only a moderate share of external goods, than among those who possess external goods to a useless extent but are deficient in higher qualities... all things useful are of such a nature that where there is too much of them they must either do harm, or at any rate be of no use, to their possessors, every good of the soul, the greater it is, is also of greater use... (Quoted in Whittaker 1940, 63–65)

Elsewhere, he states that “most men will the good, and choose the evil,” and that “most men are neither very good nor very bad” (Quoted in Bonar 1992, 34). But this affinity that exists between his views of mankind’s “selfish propensity” did not translate into similar positions on wealth and property. While wealth was “not unproblematic for Aristotle,” he did not consider it an evil, but “the proper goal of estate management,” and sometimes, even as “a good” (Schaps 2003, 148).

To Aristotle, the crucial point is that wealth must always be treated as a means and never as an end, and that social and economic problems arise when it is treated as the latter. If wealth is merely a means for “attaining other goods, [then] there is a limit beyond which it ceases to be useful, ... when one reaches a point of self-sufficiency.” If, on the other hand, it is considered an end in itself, then no limits can possibly be set for wealth or the wealthy. The following is a depiction of what Aristotle believed was the condition of the wealthy:

The behavior that follows wealth is plain for all to see: they are arrogant and overbearing – acquiring wealth seems to do something to them. They are

like that because they think they have everything that is good; for wealth is a sort of price of the value of other things, so that it seems that all things can be bought for it. They are pampered, too, and swaggerers – pampered because of their comforts and the way they show off their successes, swaggerers and boors because all people are accustomed to put their effort into what they love and admire, and because they think that others are eager for the same things that they are. And it is reasonable for them to feel this way, for there are many people who seek out the wealthy.... (Quoted in Schaps 2003, 149)

It is not only the case that wealth, sought for its own sake, may lead to scarcity or poverty for others, but that it inflicts its owners with qualities unbecoming of a virtuous life, which Aristotle believed to be the proper end. As an end, “acquiring wealth seems to do something” to the wealthy, instilling in them an inflated sense of power and a stubborn conviction of self-righteousness; it is on account of this tendency that Socrates was keen to argue that “from virtue comes money,” and not the other way around. Aristotle had an almost identical view on the subject:

Some think that a very moderate amount of virtue is enough, but set no limits to their desires of wealth, property, power, reputation, and the like. To whom we reply by an appeal to facts, which easily prove that mankind do not acquire or preserve virtue by the help of external goods, but external goods by the help of virtue, and that happiness, whether consisting in pleasure or virtue, or both, is more often found with those who are most highly cultivated in their mind and in their character, and have only a moderate share of external goods, than among those who possess external goods to a useless extent but are deficient in higher qualities; and this is not only matter of experience, but, if reflected upon, will easily appear to be in accordance with reason.... Again, it is for the sake of the soul that goods external and goods of the body are eligible at all, and all wise men ought to choose them for the sake of the soul, and not the soul for the sake of them. (Quoted in Desmond 2006, 37)

If virtue precedes all else, then true wealth according to Aristotle lies in acquiring the valuable things that are needed for such a virtuous life; the *purpose* of acquiring wealth becomes the measure employed to distinguish its true form from other forms (Schaps 2003, 150). In this regard, Aristotle distinguished between two forms of wealth in the first book of *Politics*—“natural wealth” and “artificial wealth.” The former, considered to be part of “the household art,” refers to the “accumulation of the necessities,

which is morally good,” while the latter, as part of “wealth-getting,” is believed to be “unlimited and morally disregarded.” In the *Politics*, Aristotle argues that,

One kind of acquisition therefore in the order of nature is a part of the household art, in accordance with which either there must be forthcoming or else that art must procure to be forthcoming a supply of those goods, capable of accumulation, which are necessary for life and useful for the community of city or household.... But there is another kind of acquisition that is specially called wealth-getting, and that is so called with justice; and to this kind it is due that there is thought to be no limit to riches and property. (Quoted in Neves 2000, 650)

The distinguishing feature between the two forms of wealth is the underlying motivation or objective, or as the Aristotelian scholar Anthony Kenny remarks, “A doctrine common to all Aristotle’s ethical treatises is that the halting-point of a person’s practical reasoning – the ultimate end which motivates action – reveals the agent’s moral status or character” (Kenny 1992, 3). It follows that the ideal character is that which ultimately is motivated toward a life of virtue:

Thus, if in one person’s system virtue is for the sake of wealth, virtue is only a useful good, not a noble one, because wealth is something merely useful. If, in another person’s value system, wealth is for the sake of virtue, then wealth too acquires the nobility which virtue has. Aristotle insists that in ordered choices the higher you go up the series of *hou heneka* [for the sake of], the greater the good must be. (Kenny 1992, 15)

The Aristotelian view of the relationship between wealth and virtue is clearly less severe than that of Plato, who insisted on a negative and inverse relationship between the two. Instead of an either-or situation, Aristotle believed in a hierarchy of values and preferences, with virtue as the ultimate value, or the best choice. What was distinct about Aristotle, argues Schaps (2003, 151), is that he “does not believe, as Plato’s Socrates does, that evil can never proceed from good; [that] the unpleasant character of the rich does not necessarily mean that riches themselves are evil, ... nor does he judge the meaning of words, as both Xenophon and Plato do, by their entire semantic fields and their etymologies, but rather by their usage.” In a similar fashion, this practical approach of Aristotle explains his departure from Plato on the subject of property.

If wealth is to be treated as means to a higher end, then property must be judged accordingly, and evaluated on the basis to which it can attain such ends. With this mindset, Aristotle developed a positive case for the system of private property, believing it to be superior to Plato's system of communal property. But Aristotle's case was not an unrestricted sanction to the ownership of property, but was significantly tempered with calls for the proper *use* of property, and *moderation* in possessions and consumption; such moderation was to be achieved through education, "which should teach people voluntarily to curb their rampant desires and thus lead them to limit their own accumulations of wealth" (Rothbard 2006, 14). On Plato's call for a system of communal property, Aristotle remarks that,

Such legislation may have a specious appearance of benevolence; men readily listen to it, and are easily induced to believe that in some wonderful manner everybody will become everybody's friend, especially when some one is heard denouncing the evils now existing in states, suits about contracts, convictions for perjury, flatteries of rich men and the like, which are said to arise out of the possession of private property. These evils, however, are due to a very different cause – the wickedness of human nature. Indeed, we have seen that there is much more quarrelling among those who have all things in common, though there are not many of them when compared with the vast numbers who have private property. (Aristotle 1948, 25)

To Aristotle, the "evils" we face are due to the "wickedness of human nature," and therefore, cannot be resolved simply by replacing one system of property with another; the solution lies in individuals leading a virtuous life, the necessary precondition for social justice. In saying that "there is much more quarrelling among those who have all things in common," Aristotle does accord some significance to structure or institutions in determining the final outcome of individual and social behavior. Ultimately, however, the primary cause of such outcomes lies in the nature and substance of human purpose, that is, in the "ethical side of human conduct – the question of what men *should* seek, as distinct from the psychological problem of what they *do* seek ..." (Whittaker 1940, 64). Therefore, the precarious relationship between wealth and poverty should be viewed as essentially a problem of the "disposition of ends." Wealth, in its most favorable image, is merely a means to the higher end of virtue, and must therefore be tempered accordingly. This view was to have considerable influence on subsequent Greek thought, and in particular, the Cynics, the

Stoics, and the Epicureans, who did, however, extend its implications beyond the theoretical bounds set by Aristotle. According to Spiegel (2004, 35), “the founders of Cynicism, Stoicism, and Epicureanism were Platonists or Aristotelians because they were all bark of the tree nurtured by the image of Socrates.” Notwithstanding this intellectual heritage, the new schools of thought did often deviate from the ideas of Socrates, Plato, and Aristotle.

The Cynics, clearly the “extreme variety of the new thought,” advocated a life stripped of the pleasures of wealth and luxury (Spiegel 2004, 35). Their founder, Diogenes, who believed the love of money to be the “mother-city of all evil,” had denounced the pleasures of the world by living in a barrel. To Diogenes and his disciples, however, such a life “of the minimum” is the true wealth, and that they indeed are the “rich.” According to William D. Desmond, this “seeming contradiction – that ‘poverty is wealth’ – was central to the Cynic internalization of values,” an internalization that had started much earlier with the ideas of Socrates, Plato, and Aristotle, and culminated with the rigid morality of the Cynics (Desmond 2006, 27). But the conceptual equation of poverty with wealth was only theoretically possible following an extensive deliberation about the merits of poverty relative to wealth; in other words, it was only after establishing poverty as superior to wealth, that poverty was then believed to represent true wealth. This case for poverty was slowly and steadily developing within the intellectual discourse of the Greeks, to find its mature expression in the thought of the Cynics. In 355 B.C., Isocrates praised poverty, stating that,

Athens is rife with lamentations. For some are driven to rehearse and bewail amongst themselves their poverty and privation, while others deplore the multitude of duties enjoined upon them by the state – the liturgies and all the nuisances connected with the symmories and with exchange of property; for these are so annoying that those who have means find life more burdensome than those who are continually in want. (Quoted in Desmond 2006, 57)

Xenophon’s *Charmides* expresses similar sentiments regarding the “burdensome” nature of a life amidst wealth:

Now as for my situation in our commonwealth, when I was rich, I was, to begin with, in dread of some one’s digging the wall of my house and not only getting my money but also doing me a mischief personally; ... Now,

however, since I am stripped of my property over the border and get no income from the property in Attica, and my household effects have been sold, I stretch out and enjoy a sound sleep, ... People now actually rise from their seats in deference to me, and rich men obsequiously give me the right of way on the street. Now I am like a despot; then I was clearly a slave. (Quoted in Desmond 2006, 59)

On a related note, the Cynic Teles believed that the poor had more time on their hands to engage in philosophy:

Poverty prevents one from philosophizing, while wealth is useful for it? Not true. For how many men do you think have been kept from leisure by wealth or poverty? Do you not see that the most raggedy beggars are often true philosophers, while the rich are utterly overwhelmed by work due to nothing other than their wealth? (Quoted in Desmond 2006, 67)

The poor were also believed to be far more willing and capable to engage and win wars, an opinion that Plato was especially passionate about in his *Republic*. Xenophon attributes the following speech to Thrasybulus, in which he praises the virtues of the poor:

I advise you men of the city, to ‘know yourselves.’ And you would best learn to know yourselves were you to consider what grounds you have for arrogance, that you should undertake to rule over us. Are you more just? But the commons, though poorer than you, never did any wrong for the sake of money; while you, though richer than any of them, have done many disgraceful things for the sake of gain. But since you can lay no claim to justice, consider then whether it is courage that you have a right to pride yourselves upon. And what better test could there be of this than the way we made war upon one another? Well then, would you say that you are superior in intelligence, you who having a wall, arms, money, and the Peloponnesians as allies, have been worsted by men who had none of these? (Quoted in Desmond 2006, 129)

This small sample of opinions is but a glimpse into the vast literature on the Greek praise of poverty. A life of poverty, despite its hardships, was believed to offer genuine happiness of the pure and simple form, while the happiness that wealth promises can never come to fruition, given the pervasive anxiety and distractions that accompany such wealth. The Cynic, therefore, wishes to “live minimally, spontaneously,” and “not worry

about tomorrow.” Trusting that Nature or God will provide for all, the Cynic will have to garner the “physical and psychological toughness really to be able to live in the moment.” In concluding his impressive work, Desmond provides this succinct summary of Cynic philosophy and ethics:

Cynic wisdom is worldly folly: therefore, the Cynic can dismiss *all* the seductions of Fortune – from specious wealth to specious shows of power to the specious knowledge offered by concepts, theories, and impressive words. Renouncing these, the Cynic turns enthusiastically to the simplicity of truth – “I am.” One is now, and that is enough. Fully realizing this “one big” truth makes one “rich” in one’s poverty, “powerful” in one’s apparent weakness, and, despite one’s seeming enslavement to Fortune, free and glad to follow whatever direction the road may take. (Desmond 2006, 167)

Stoicism, founded by Zeno and considered an intellectual offspring of Cynicism, also developed an ethical philosophy centered around virtue and the pursuit of happiness. A life of virtue can be achieved by rejecting emotions and passions and achieving a “serenity of mind that external events could not disturb” (Spiegel 2004, 35–36). Their general attitude toward wealth and power was one of indifference, choosing instead “the right living which would flow from a disciplined mind” (Whittaker 1940, 68). Prominent among the Stoics was Epictetus, who, when asked about those who fear poverty, replied,

Aren’t you ashamed to be more cowardly and ignoble than a runaway slave? How do they, when they run off, leave their masters? In what estates or slaves do they put confidence? Don’t they steal just a little bit to last them for the first few days, and then afterwards drift along over land or sea, contriving some scheme after another to keep themselves fed? And what runaway slave ever died of hunger? But you tremble, and lie awake at night, for fear the necessities of life will fail you. (Quoted in Whittaker 1940, 69)

The indifference toward wealth should therefore result in peace of mind, with no anxiety whatsoever about the present or the future. But this Stoic contempt for the pleasures of earthly goods was to change with their second founder, Chrysippus, who was more tolerant of the realities of wealth and inequality; on inequality, he is reported to have said that, “Nothing can prevent some seats in the theatre from being better than others” (Rothbard 2006, 21). Despite these changes, Stoic thought and

its contemptuous view of wealth was to have considerable influence on subsequent thought, and in particular, on Christian intellectual discourse. But before that, it was to influence another Greek school of thought, the Epicureans.

The Epicureans believed that happiness should be the ultimate purpose of all human action; that “pleasure was the ultimate good, [and] such things as wealth and knowledge being merely instrumental.” According to Epicurus,

we call pleasure the beginnings and end of the blessed life. For we recognize pleasure as the first good innate in us, and from pleasure we begin every act of choice and avoidance, and to pleasure we return again, using the feelings as the standard by which we judge every good. (Quoted in Whittaker 1940, 67)

While he believed the desire for pleasure can be potentially infinite, happiness was not to be sought in a life of luxury and excess:

The wealth demanded by nature is both limited and easily procured; that demanded by idle imaginings stretches on to infinity.

Nothing satisfies the man who is not satisfied with a little.

Many men when they have acquired riches have not found the escape from their ills but only a change to greater ills. (Quoted in Whittaker 1940, 68)

Instead, true happiness was to be sought in “contentment with little”:

If you wish to make a person wealthy, do not give him more money, but diminish his desire. (Quoted in Spiegel 2004, 38)

Despite some significant differences among the Greek philosophers from Socrates to Epicurus, several principles stand out as common to all: the pursuit of happiness, the significance of virtue, serious reservations about wealth and the wealthy, and a favorable view of poverty. But what these features all have in common is the firm belief that humans do possess the requisite means to attain the life of virtue and happiness, and that the harsh realities of scarcity and poverty are but material manifestations of humanity’s failures. The prominent biographer of Greek philosophers, Diogenes Laertius, reports Diogenes the Cynic saying that, “the gods had given to men the means of living easily.” And poverty, when blamed for

the harsh condition of man, responds: “What is your quarrel with me? Have I deprived you of any good thing? Of prudence, or justice, or courage? Or are you short of the necessities of life? Well, are the roads not full of herbs, and the springs of water? Do I not offer you a bed wherever there is soil, and bedding wherever there are leaves?” At the end, poverty would say: “But we blame everything rather than our own bad training and disposition, age, poverty, our adversary, the day, the hour, the place” (Quoted in Desmond 2006, 94). Thus, the Greeks considered nature to be “generous, and man has only himself to blame for his poverty” (Desmond 2006, 94). This view of nature and man would heavily influence the intellectual discourse of Christian scholars centuries later. But these scholars were not simply transmitters of Greek thought; endowed with a treasure of Christian scripture, they would launch one of the most profound transformations in the human understanding of wealth and poverty.

#### NOTE

1. “Innovation” has been translated elsewhere as “revolution.”

## Wealth and Poverty: Christian Economic Thought

In almost every work in the history of ideas, we are reminded of the similarity between Greek and Christian thought, of the considerable influence of Socrates, Plato, Aristotle, the Cynics, the Stoics, and the Epicureans. The same applies to the intellectual history of wealth and poverty, with some scholars going so far as to argue that the Christian “notion of wealth and even of the distribution of wealth remains substantially as it was to Plato and Aristotle” (Bonar 1992, 53). Such scholars would normally accord, of their hefty volumes, a few pages or so to the treatment of Christianity, believing that that would do justice to millennia of intellectual discourse; similar treatments have often been accorded to Islamic thought, as was the case with Joseph A. Schumpeter, who, in a most casual manner, can “safely leap over 500 years to the epoch of St. Thomas Aquinas,” and not be in the least troubled by such a great “leap” (Schumpeter 1954, 74).<sup>1</sup> By downplaying any uniqueness to Christianity beyond the inherited tradition of the Greeks, it becomes much easier to overlook the true essence of religion, inherent in its central elements of prophecy and piety. Theoretically, the doctrine of Christianity, as revealed through prophecy, becomes a mere stylized version of the philosophies of Plato and Aristotle, while from a practical viewpoint, religious piety becomes indistinguishable from the morality espoused by the Cynics or the Stoics. But Jesus was neither Plato nor Aristotle, and his morality is unlike the world had ever seen.

Henry W. Spiegel (2004, 41) expressed this point aptly, when he said that “the new civilization that took the place of the Roman one and was soon to rally millions of people was inspired by an idea that was new, different from both the wisdom of the Greeks and the law of the Romans: the gospel of love.” But even this is an understatement, an expression incapable of grasping the singularity of Christ. And despite the many objections one is expected to encounter, especially from intellectual circles, I am nevertheless convinced that only a sincere believer in the authority of Christ may truly comprehend such singularity, that only then can one view the Sermon on the Mount as it was intended to be: a message from God. Viewed in this light, the doctrine of Christianity assumes a force quite unlike that of any secular dogma or ideology, a force imbued with a sense of the divine, of what is sacred and infinite. The Sermon becomes, both in its literal and nonliteral bearings, a message of ultimate gravity and significance. But before we get to the Sermon and the New Testament, we must start, as always, with the Old Testament.

Several key themes can be highlighted that would provide us with a clear view of wealth as conceived by the Old Testament. One such theme that was substantially deliberated in the previous chapter is the notion of wealth as “goods that promote material well-being,” and offered in “abundance” by God as a “gift” to mankind.<sup>2</sup> A related theme is the view that such wealth may be lost (or a state of “scarcity” sets in) if people were to abandon the “Divine Plan,” or lose their “fidelity to the Covenant.” Then, humanity will have failed in its appointed role as steward or trustee of God’s abundance. The proper administration of this role entails that humans actively share God’s bounties as “wealth is for the common good of all,” and not to be privately hoarded or accumulated (Clark 2006, 31–32). Wealth is therefore a “mixed blessing”: it may grant “life and joy” to those who “remain faithful to the Covenant” or is “likely to corrupt and to kill” those who are not. Moreover, the abundance of God’s bounties does not preclude the application of work or effort, as the Old Testament “commends those whose labor is fruitful,” but is reproachful of those who “create poverty and misery in the midst of Yahweh’s abundance” (Kennedy 2006, 59–61). While these themes provide a general overview of the Old Testament view of wealth, a careful examination of the following verses will provide us with a more penetrating analysis of such view:

If you see in a province the oppression of the poor and the violation of justice and righteousness, do not be amazed at the matter, for the high official

is watched by a higher, and there are yet higher ones over them... He who loves money will not be satisfied with money, nor he who loves wealth with his income; this also is vanity. (Ecc. 5:10–13)

By your wisdom and your understanding you have made wealth for yourself, and have gathered gold and silver into your treasuries; by your great wisdom in your trade you have increased your wealth, and your heart has become proud in your wealth – therefore thus says the Lord God: Because you make your heart like the heart of a god, therefore, behold, I will bring foreigners upon you, the most ruthless of the nations; and they shall draw their swords against the beauty of your wisdom and defile your splendor. (Ezek. 28:4–7)

Lest you say in your heart, ‘My power and the might of my hand have gotten me this wealth.’ You shall remember the Lord your God, for it is He who gives you power to get wealth, that He may confirm His covenant that He swore to your fathers, as it is this day. And if you forget the Lord your God and go after other gods and serve them and worship them, I solemnly warn you today that you shall surely perish. Like the nations that the Lord makes to perish before you, so shall you perish, because you would not obey the voice of the Lord your God. (Deut. 17–20)

Two things I ask of you; deny them not to me before I die: Remove far from me falsehood and lying; give me neither poverty nor riches; feed me with the food that is needful for me, lest I be full and deny you and say, “Who is the Lord?” or lest I be poor and steal and profane the name of my God. (Prov. 30:7–9)

In Ecclesiastes, a grave warning is offered on the dangers of *loving* wealth, for it is a love that can never be satiated, leaving its “owner” incapable of realizing the most basic of desires, such as sleep. In Ezekiel, we are told that what wealth does provide is vanity to its owner, whose “heart has become proud ... like the heart of a god.” Such godly pride, we are told in Deuteronomy, can easily delude the owners of wealth into believing their power and “might” to be the “hand” that created such wealth, thereby creating idols of themselves and others. The fear that wealth may tempt one into such delusions explains the prayer in Proverbs for “neither poverty nor riches,” lest “riches” lead to the delusional question: ‘Who is the Lord?’ What these verses allude to, therefore, is an inevitable link between wealth and pride, that the latter increases with the former. In particular, the link arises when one’s wealth is believed to be a sign of privilege or exceptionality, that one is wealthy because one is special. And with even more wealth, such feelings of inimitability will slowly evolve into

self-idolatry, of believing oneself to be the first and final cause. This idolatry, however, will not go unpunished, and like the nations before, so shall all who “forget the Lord” will someday “perish.” Given all this, are we to understand that there exists a direct causal relationship between wealth and pride? Or is it between the *desire* for wealth and pride? Or even the *desire for excessive* wealth and pride? In Proverbs 30:7–9, it would seem that these distinctions are irrelevant, as the prayer asks to be spared “riches” altogether, so as to evade the temptations that come with such wealth. Granted that these verses, and others as well, are susceptible to variations of theological interpretations, it is clear that the Old Testament views wealth as a *potential* source of distraction from God and temptation into sin. But these may be averted if wealth is forever under the dominion of faith, as in Proverbs 28:20:

A faithful person will be richly blessed, but one eager to get rich will not go unpunished. (Prov. 28:20)

If wealth is sought to be shared as an act of faith, then a “faithful person will be richly blessed,” but if one is “eager to get rich, [he] will not go unpunished.” Moreover, wealth must be earned through diligence and righteousness, and not through laziness and injustice,

The Lord does not let the righteous go hungry, but he thwarts the craving of the wicked. Lazy hands make for poverty, but diligent hands bring wealth. He who gathers crops in summer is a prudent son, but he who sleeps during harvest is a disgraceful son. Blessings crown the head of the righteous, but violence overwhelms the mouth of the wicked. (Prov. 10:3–6)

All hard work brings a profit, but mere talk leads only to poverty. (Prov. 14:23)

The rich rule over the poor, and the borrower is slave to the lender. Whoever sows injustice reaps calamity, and the rod they wield in fury will be broken. The generous will themselves be blessed, for they share their food with the poor. (Prov. 22:7–9)

And if the path to wealth must be one of sin, then poverty is the path to take, even if it is an especially lonely one:

Better the poor whose walk is blameless than the rich whose ways are perverse. (Prov. 28:6)

Wealth attracts many friends, but even the closest friend of the poor person deserts them. (Prov. 19:4)

The view of wealth in the New Testament complements that of the Old Testament (Clark 2006, 32). Kennedy (2006, 62–64) discusses several themes that provide us with a general outline of this view. The first is that Christians should trust that their “security,” material or otherwise, is *only* from God. This is the key message conveyed by the Sermon on the Mount:

Blessed are the poor in spirit, for theirs is the kingdom of heaven.  
 Blessed are those who mourn, for they shall be comforted.  
 Blessed are the meek, for they shall inherit the earth.  
 Blessed are those who hunger and thirst for righteousness, for they shall be satisfied.  
 Blessed are the merciful, for they shall receive mercy. (Mt. 5:1–7)

Do not lay up for yourselves treasures on earth, where moth and rust destroy and where thieves break in and steal, but lay up for yourselves treasures in heaven, where neither moth nor rust destroys and where thieves do not break in and steal. For where your treasure is, there your heart will be also.

No one can serve two masters, for either he will hate the one and love the other, or he will be devoted to the one and despise the other. You cannot serve God and money.

Therefore I tell you, do not be anxious about your life, what you will eat or what you will drink, nor about your body, what you will put on. Is not life more than food, and the body more than clothing? ... But seek first the kingdom of God and his righteousness, and all these things will be added to you. “Therefore do not be anxious about tomorrow, for tomorrow will be anxious for itself. Sufficient for the day is its own trouble. (Mt. 6:19–34)

A similar message is presented in the Parable of the Rich Farmer:

Someone in the crowd said to him, “Teacher, tell my brother to divide the inheritance with me.” But he said to him, “Man, who made me a judge or arbitrator over you?” And he said to them, “Take care, and be on your guard against all covetousness, for one’s life does not consist in the abundance of his possessions.” And he told them a parable, saying, “The land of a rich man produced plentifully, and he thought to himself, ‘What shall I do, for I have nowhere to store my crops?’ And he said, ‘I will do this: I will tear down my barns and build larger ones, and there I will store all my grain and my goods. And I will say to my soul, ‘Soul, you have ample goods laid up

for many years; relax, eat, drink, be merry.” But God said to him, ‘Fool! This night your soul is required of you, and the things you have prepared, whose will they be?’ So is the one who lays up treasure for himself and is not rich toward God.”

A second theme calls on Christians not to allow their wealth to become a distraction from God:

For what will it profit a man if he gains the whole world and forfeits his soul? Or what shall a man give in return for his soul? (Mt. 16:26)

And Jesus said to his disciples, “Truly, I say to you, only with difficulty will a rich person enter the kingdom of heaven. Again I tell you, it is easier for a camel to go through the eye of a needle than for a rich person to enter the kingdom of God.” (Mt. 19:16–24)<sup>3</sup>

All who believed were together and had all things in common. And they were selling their possessions and belongings and distributing the proceeds to all, as any had need. (Acts 2:44–45)<sup>4</sup>

Therefore whoever wishes to be a friend of the world makes himself an enemy of God. (Jas. 4:1–4)

Listen, my beloved brothers, has not God chosen those who are poor in the world to be rich in faith and heirs of the kingdom, which he has promised to those who love him? But you have dishonored the poor man. Are not the rich the ones who oppress you, and the ones who drag you into court? (Jas. 2:2–7)

Come now, you who say, “Today or tomorrow we will go into such and such a town and spend a year there and trade and make a profit” – yet you do not know what tomorrow will bring. What is your life? For you are a mist that appears for a little time and then vanishes. Instead you ought to say, “If the Lord wills, we will live and do this or that.” As it is, you boast in your arrogance. All such boasting is evil. (Jas. 4:13–5:6)

A third theme focuses on the proper use of wealth, and is emphasized in the Parable of the Ten Minas and the Parable of the Talents. Finally, a fourth theme encourages Christians to “earn their living” through “toil and labor”:

Now we command you, brothers, in the name of our Lord Jesus Christ, that you keep away from any brother who is walking in idleness and not in accord

with the tradition that you received from us. For you yourselves know how you ought to imitate us, because we were not idle when we were with you, nor did we eat anyone's bread without paying for it, but with toil and labor we worked night and day, that we might not be a burden to any of you. It was not because we do not have that right, but to give you in ourselves an example to imitate. For even when we were with you, we would give you this command: If anyone is not willing to work, let him not eat. For we hear that some among you walk in idleness, not busy at work, but busybodies. Now such persons we command and encourage in the Lord Jesus Christ to do their work quietly and to earn their own living. (2 Thess. 3:6–12)

Any careful reading of these verses cannot but leave a grave impression on the reader, and especially so if one happens to believe in the authority of the verses, and not regard them merely as a literary specimen of endless moralizing. In particular, the verses ought to stir in the "rich" a state of intense anxiety and distress, of a future salvation that seems almost impossible. But these verses pose questions that provoke our very existence, and not just that of the "rich." The answers we have developed over time, despite their innovative attempts at putting our minds at ease, have repeatedly failed to assuage our innermost voices. That is, despite our many attempts to prove otherwise, we have yet to take Jesus seriously. We may be rather clever in all manners of moral casuistry, adept at losing truths within labyrinths of elaborate theories, and resourceful in concocting empirical excuses for our many failures. And yet, all this fails appallingly in denying the fact that his message was direct and plain: "You cannot serve God and money." The decision offered to any person is a rather simple one: that "he gains the whole world and forfeits his soul," or follows Him and gains his soul. The difficulty lies in us, and not in the decision; it is us that cannot imagine parting with our "great possessions" to "give to the poor"; it is us that "dishonored the poor man" as he entered our midst with "shabby clothing"; and it is us that cannot help being "anxious about tomorrow." This anxiety is the result of an unwillingness to fully submit, to trust that one's "security" is entirely in the hands of God. And such unwillingness is itself the reflection of "little faith," of lingering doubts about Him and His promises. With all this in mind, we can gradually start to recognize the view of wealth from the perspective of the New Testament.

If we "cannot serve God and money," then we have to choose: either we serve money and "lay up" for ourselves "treasures on earth," or we serve God and "lay up" our "treasures in heaven." In James 4, we are

asked: “Do you not know that friendship with the world is enmity with God?” To be a “friend of the world” is to trust in it, in its “treasures” and “possessions,” to seek from it one’s happiness and security. More importantly, it is to deny that the world is God’s creation, His gift of abundance to humanity; ultimately, by substituting the world for God, we commit idolatry and become an “enemy of God.” The choice, therefore, is between living in this world for its own sake, or for the sake of God. Hence, wealth, desired as an end, is a sign of disbelief, of lack of faith and trust in God. It is in relation to faith and piety that we can therefore understand the New Testament view of wealth. Plato had contrasted wealth and virtue, arguing that to desire wealth is incompatible with a life of virtue. The New Testament is contrasting wealth and piety, by making the case that the desire for wealth contradicts a life of piety. This case is especially supported by the ultimate test of faith that Jesus asks of his followers: to give up everything and follow him. If, at any time, one is willing to give up anything and everything, then that person’s faith is tested and proven. In other words, it is only when we are truly willing to take this giant leap of faith that we can therefore claim to be dispassionate about our wealth. And until we can demonstrate such piety, our relationship with wealth will remain problematic. This view is neither a condemnation nor a glorification of wealth per se, but a call to live as if wealth was irrelevant. In other words, one’s piety must be independent of one’s wealth, that we do not get closer or farther away from God based on our wealth. This view, however, will undoubtedly raise some serious objections.

Many scholars have interpreted the New Testament view of wealth as one of opposition and condemnation. According to Whittaker (1940, 72–73), the Gospel of Mark would suggest that “Christ seemed to oppose the possession of wealth,” and the Epistle of James regarded wealth “not merely as something which ran its owner into risks, [but] should be given away as a condition for achieving salvation.” As for the Sermon on the Mount, Whittaker interprets it as an “attitude of indifference to wealth: [that] God would provide for the Christian’s requirements and the believer need not trouble himself about the matter.” To Spiegel (2004, 41–42), the Epistle of James is “an especially passionate condemnation of the rich,” while the Sermon conveys “not indifference to economic consideration, but hostility and disapproval of wealth and the search for wealth ...” He thus argues that in “the sayings of Jesus no weight is attached to economic considerations because there is no need to care for production and material welfare in the Kingdom of God, whose coming is imminent.” Others,

such as Malina (1987, 363), go so far as to argue that the New Testament viewed the “rich person as inherently evil,” because the amassing of wealth must either be due to avarice or by inheriting stolen wealth. In addition to the Epistle of James, the following verses are often cited to support this “hostile view” toward wealth:

But godliness with contentment is great gain, for we brought nothing into the world, and we cannot take anything out of the world. But if we have food and clothing, with these we will be content. But those who desire to be rich fall into temptation, into a snare, into many senseless and harmful desires that plunge people into ruin and destruction. For the love of money is a root of all kinds of evils. It is through this craving that some have wandered away from the faith and pierced themselves with many pangs. (1 Tim. 6:6–10)

Woe unto you that are rich! ... Woe unto you that are full! For ye shall hunger. Woe unto you that laugh now! For ye shall mourn and weep. (Quoted in Hunt 1972, 6)

In a recent essay, David Bentley Hart argues for a similar interpretation of the New Testament, stating that,

Even the fact of [capitalism’s] necessary reliance on immense private wealth makes it a moral problem from the vantage of the Gospel, for the simple reason that the New Testament treats such wealth not merely as a spiritual danger, and not merely as a blessing that should not be misused, but as an intrinsic evil...

This is so persistent, pervasive, and unqualified a theme of the New Testament that the genius with which Christians down the centuries have succeeded in not seeing it, or in explaining it away, or in pretending that it does not mean what it unquestionably means may be among the greatest marvels of the faith. (Hart 2016, 37–38)

In view of all this, the following questions must be considered: Is the New Testament view of wealth neutral? Or is the view concerned with the *love or desire* for wealth, and not wealth per se? Does the New Testament condemn the rich? Should Christians adopt a passive approach to wealth and all “economic considerations” for that matter? What is the nature of the relationship between wealth and poverty, as viewed by the New Testament? Finally, how are we to reconcile the New Testament view of wealth with humanity’s role as the appointed steward or trustee of God’s bounties?

To be sure, these questions do not pose any necessary contradiction to the New Testament view of wealth that has been presented so far in this chapter. That wealth must be considered in relation to piety fits perfectly with the stewardship role of mankind, since fulfilling this appointed role is itself an act of piety. Moreover, preserving God's bounties in no way contradicts Jesus' call to free ourselves of the desire for wealth, or our anxieties about the future. In fact, the two notions complement one another, because one who treats his wealth as merely a "trust" to be maintained is less susceptible to becoming attached to it; such a person is more likely to think of wealth as a means, rather than an end. More importantly, this calls for a proactive view of wealth as a "trust" to be safeguarded, as opposed to an acquisitive view that encourages endless accumulation or a passive view that promotes apathy and withdrawal. The New Testament view of wealth thus presented is part and parcel of the stewardship role of humanity in preserving God's abundance; wealth is to be cared for and shared by all for the glory of God. And it is precisely in light of this stewardship role that the relationship between wealth and poverty is to be understood: if God has offered to humanity a generous and abundant creation, then poverty, as with scarcity, is neither natural nor inevitable. It follows, that should poverty (or scarcity) exist, it is due to a failure on the part of humanity to fulfill its task as administrator of God's wealth.

And herein lies the essence of the New Testament relationship between wealth and poverty that is so often overlooked in scholarly and public discourse: Wealth and the wealthy are condemned *because* poverty exists, because the very existence of poverty is witness to a failure in the sharing of God's bounty. Since God had ordained humanity with an abundance or sufficiency of wealth, then poverty need not exist, and if it does, then such wealth is not shared justly and the wealthy are to be held accountable. The direct responsibility of the rich derives from the fact that they are blessed with the means of alleviating the poverty they are a witness to, and yet, refuse to do so. And the predictable reaction of some that they are innocent of any wrongdoing that may have caused such poverty, that their wealth was earned fair and clean, is irrelevant and beside the point, because the Gospel calls for an unrestrained charity that gives freely, "expecting nothing in return." In other words, besides a more just distribution of God's bounties, charity, as a corrective mechanism, is a constant obligation upon the rich. In Acts, we are given an example of a community that is faithful to its task as stewards of God's wealth:

Now the full number of those who believed were of one heart and soul, and no one said that any of the things that belonged to him was his own, but they had everything in common. There was not a needy person among them, for as many as were owners of lands or houses sold them and brought the proceeds of what was sold and laid it at the apostles' feet, and it was distributed to each as any had need. (Acts 4:32; 34–35)

That there “was not a needy person among them” testifies to the fact that in such a community, none was wealthy at the expense of others, that the wealth of some did not create poverty for others. But as long as poverty exists, injustice exists, the latter being the cause of the former. Such injustice, Jesus tells us, will remain with us, “For you always have the poor with you” (Matt. 26:11). As long as the poor are with us, the rich should therefore take heed of the warnings of the Gospel, for their very salvation is at stake. The reading of the New Testament that we have presented thus far is not necessarily at odds with that of Malina (1987) or Hart (2016). Our analysis has aimed at explaining, rather than “explaining ... away,” the New Testament view of wealth as an “intrinsic evil.” The explanation lies in the nature of the relationship between wealth and poverty, and between wealth and piety. Poverty reflects the failures of humanity, and especially the wealthy, in establishing justice and practicing charity, and such failures are signs of weak faith and poor piety. Thus, *wealth becomes an “evil” where piety is absent*. Had all humans possessed a strong faith and a profound level of piety, the problems of wealth and poverty would be nonexistent; granted that such a state may well be beyond our reach, it remains true that as our piety deepens, our poverty decreases, and our wealth increases.

The relationship between wealth and poverty, as viewed by the New Testament, was to be deliberated and expanded upon by the Church Fathers, in particular, Saint Clement and Saint Chrysostom. Saint Clement of Alexandria was of the opinion that the hostile view of wealth in the New Testament was “aimed at greed and the love of power rather than at wealth itself” (Whittaker 1940, 73). Scripture, he contended, “must be interpreted allegorically rather than literally,” and what “Jesus counsels [to the rich young man] is not an external act but a purging of the soul.” Wealth, he believed, was useful in allowing those who possess it to “practice the virtues of liberality and charity – an argument that echoes a similar idea of Aristotle’s.” As such, in his sermon *Who Is The Rich Man That May Be Saved?*, he argues that wealth is a tool that may be used properly or improperly, and that the rich can use it rightly if they “seek guidance from

a man of God” (Spiegel 2004, 44). Salvation for the rich was still possible if they can “banish from the soul its opinions about riches, its attachment to them, its excessive desire, its morbid excitement over them, its anxious cares, the thorns of our earthly existence which choke the seed of the true life” (quoted in Hunt 1972, 7). According to Hunt (1972, 7–8), Clement believed that the “the wealthy were given the responsibility of administering their wealth, on God’s behalf, to alleviate the suffering and promote the general welfare of their brothers... It followed, thus, that God had willed that some men should have wealth, but had given them the important function of paternalistically caring for the well-being of the rest of society.” While Hunt’s interpretation of Clement may be a little stretched, the “paternalistic” argument to support the possession of riches by the wealthy will be a recurring theme in some of the later intellectual discourse on the subject on wealth and poverty. Hunt notes also that Clement’s opinion was similar to that of Saint Ambrose, who believed that “riches themselves are not blamable” if used righteously (quoted in Hunt 1972, 8). The following excerpts from Clement’s sermon give us a better idea of his precise views on the subject:

What then was it which persuaded him [the young rich man] to flight, and made him depart from the Master, from the entreaty, the hope, the life, previously pursued with ardor? – “Sell your possessions.”

And what is this? He does not, as some conceive off-hand, bid him throw away the substance he possessed, and abandon his property; but bids him banish from his soul his notions about wealth, his excitement and morbid feeling about it, the anxieties, which are the thorns of existence, which choke the seed of life. For it is no great thing or desirable to be destitute of wealth, if without a special object – not except on account of life. For thus those who have nothing at all, but are destitute, and beggars for their daily bread, the poor dispersed on the streets, who know not God and God’s righteousness, simply on account of their extreme want and destitution of subsistence, and lack even of the smallest things, were most blessed and most dear to God, and sole possessors of everlasting life.

Riches, then, which benefit also our neighbors, are not to be thrown away.

We must therefore renounce those possessions that are injurious, not those that are capable of being serviceable, if one knows the right use of them.

While some early Fathers, such as Clement, Ambrose, and Lactantius, had highlighted some of the positive attributes of wealth and allowed its conditional possession, others, such as Cyprian and Chrysostom, are believed to have taken a more critical view of wealth and the wealthy (Spiegel 2004; Whittaker 1940). Cyprian, in his treatise *On the Lord's Prayer*, had argued that,

He teaches us that riches are not only to be condemned, but that they are also full of peril; that in them is the root of seducing evils, that deceive the blindness of the human mind by a hidden deception. Whence also God rebukes the rich fool, who thinks of his earthly wealth, and boasts himself in the abundance of his overflowing harvests, saying, "You fool, this night your soul shall be required of you; then whose shall those things be which you have provided?" (Luke 12:20) The fool who was to die that very night was rejoicing in his stores, and he to whom life already was failing, was thinking of the abundance of his food. But, on the other hand, the Lord tells us that he becomes perfect and complete who sells all his goods, and distributes them for the use of the poor, and so lays up for himself treasure in heaven. He says that that man is able to follow Him, and to imitate the glory of the Lord's passion, who, free from hindrance, and with his loins girded, is involved in no entanglements of worldly estate, but, at large and free himself, accompanies his possessions, which before have been sent to God.

Chrysostom, the "greatest of the Greek Fathers," was even more forceful in his condemnation of the rich, considering it "questionable whether [wealth] can be acquired without injustice either on the part of the owner or of those from whom he inherited it. The rich can redeem themselves only by distributing their property; if they retain it, they harm themselves and others" (Spiegel 2004, 44). Chrysostom's critical view of wealth and the wealthy is elsewhere presented in a more neutral tone, when he argues that, "It is not as absolutely bringing an accusation against those who are wealthy that I say all this; nor as praising the poor without reference to circumstances: for neither is wealth an evil, but the having made a bad use of wealth; nor is poverty a virtue, but the having made a virtuous use of poverty" (Chrysostom, "Against Publishing the Errors of the Brethren," 382). Dumitrascu (2010, 303) offers the following interpretation of Chrysostom, which bears close similarity to our opinion on the New Testament view of wealth and poverty:

Thus, Chrysostom tried to convince the rich to become better stewards of creation and ever-more merciful, sometimes gently, but also sometimes with the hardness of one who had suffered from their shortcomings. Therefore, when he speaks to the rich, he aims to achieve two goals – on one hand, exhorting them to help the poor and marginalized; and, on the other hand, seeking the purification of their fortunes, gained by their rising above their selfishness and by practicing the virtues (especially charity). He identifies those rich who do not help the poor as their oppressors, in that, according to Christian teaching, we are only administrators of the assets made available to us and not their master, for the only legitimate master of wealth is God, its Creator.

Poverty is therefore the outcome of our collective failure as “administrators of the assets made available to us.” In Homily 66 of his *Homilies on the Gospel of Matthews*, Chrysostom makes the following case for a practical resolution to the problem of poverty in his city:

Let us distribute then among the poor the whole multitude of the city, and you will see the disgrace how great it is. For the very rich indeed are but few, but those that come next to them are many; again, the poor are much fewer than these. Nevertheless, although there are so many that are able to feed the hungry, many go to sleep in their hunger, not because those that have are not able with ease to succor them, but because of their great barbarity and inhumanity. For if both the wealthy, and those next to them, were to distribute among themselves those who are in need of bread and raiment, scarcely would one poor person fall to the share of fifty men or even a hundred.

Chrysostom thus establishes a causal relationship between wealth and poverty, arguing that concentrations of wealth in the hands of a few leads to the poverty of many, an argument that had been made earlier by Plato in his *Republic*. This view was also shared by St. Jerome, who believed that the “rich man is either unjust himself or the heir of an unjust person,” and that “one man’s gain ... is bound to be another man’s loss” (Spiegel 2004, 45). The similarities between Chrysostom’s thought on the subject of wealth and poverty and that of the Greeks is also evident in his *Second Sermon on Lazarus and the Rich Man*, in which he argues:

Let us learn from this man not to call the rich lucky nor the poor unfortunate. Rather, if we are to tell the truth, the rich man is not the one who has

collected many possessions but the one who needs few possessions; and the poor man is not the one who has no possessions but the one who has many desires. We ought to consider this the definition of poverty and wealth. So if you see someone greedy for many things, you should consider him the poorest of all, even if he has acquired everyone's money. If, on the other hand, you see someone with few needs, you should count him the richest of all, even if he has acquired nothing. For we are accustomed to judge poverty and affluence by the disposition of the mind, not by the measure of one's substance. (Chrysostom 1981, 40)

What he proposes as “the definition of poverty and wealth” does not contradict his case for wealth as the primary source of poverty; the redefinition is offered as a remedy to our customary way of judging wealth and poverty “by the disposition of the mind, [and] not by the measure of one's substance.” It is this faulty disposition that often leads the rich man to say: “Why do I need piety and virtue? Everything flows to me as if from a fountain, I enjoy great abundance and great prosperity. I do not endure any misfortune. Why should I seek virtue? This poor man who lives in righteousness and piety nevertheless suffers a multitude of troubles.” But this rich man, argues Chrysostom, will be shown the error of his ways, when God reveals to him “that punishment awaits evil, and a crown of honor awaits the effort of piety” (Chrysostom 1981, 48). The rich man questions the need for “piety and virtue” because he believes his wealth to be all that he needs, and mocks the poor man for a life of piety amidst suffering. The implication is clear enough: that wealth and piety stand in contrast to one another, as the one increases, the other decreases. Plato's influence is apparent, yet again, as Chrysostom posits both piety and virtue in opposition to wealth. But the passages from Chrysostom suggest another dimension to wealth and its relation to piety, and that is the induced sense of sovereignty that such wealth bestows upon its owner, deceiving him into believing that he is its creator. This vanity that is normally associated with possessing wealth is alluded to in the Old Testament (in Ecclesiastes 5, Ezekiel 5, and Deuteronomy 17–20) and the New Testament (in 1 Timothy 6 and James 4). Such vanity proliferates in the absence of piety, eventually leading to self-idolatry. The connection between wealth and vanity is a common theme across intellectual traditions, and constitutes a crucial part of the religious tradition that is, by and large, critical of wealth and the wealthy. This longstanding view on wealth and piety, however, was to face its most formidable challenge when wealth

became recognized later on, by some religious traditions, as a sign of divine favor, of being among God's elect. The last Father for us to consider, Saint Augustine, did share much of the views of the early fathers. Augustine believed "wealth to be a gift from God and a good, but neither the highest nor a great one." As such, while he advocated the least possible attachment to wealth and property, he did allow for the possession of private property as a human and not a divine right, and subject to possible confiscation by the state. Augustine's "attitude to riches was neutral," considering goods to be useful inasmuch as they serve us in our "pilgrimage through life, but not to be desired for their own sake." Thus, he believed that those who "possess superfluities possess alien goods," that is, "alien" to the true purpose of life and creation (quoted in Wood 2002, 50–55). As a final note on the contributions of the early Church Fathers to the discourse on wealth and poverty, it is useful that we engage with a particular opinion of the Fathers that some modern scholars have proposed, and that we believe misrepresents the Fathers' true teachings. Robert G. Kennedy, in his *Wealth Creation within the Catholic Social Tradition*, argues that,

They [the fathers] appear to have conceived of the goods of the earth as limited in quantity.... The Fathers were right to insist on limitations to property rights for the sake of human need. They were, however, mistaken in assuming that the distribution of wealth is a zero-sum game, where an increase in benefits to one party can only come at the expense of another party. (Kennedy 2006, 67)

According to Kennedy, this view by the Fathers reflected a "limited conception of economics." But while the Fathers would scarcely fit the definition of an *economist*, as understood in modern times, this fact in no way precludes them from possessing a sound grasp of economic matters; the more recent literature has offered a far more favorable opinion of the economic thought of the early Fathers and the Scholastics. Moreover, it is our opinion that the views of the Fathers are as remote as possible from a "zero-sum" viewpoint. Their writings, building on the foundations established in the Old and New Testaments, viewed creation as an abundance presented to humanity by a generous and benevolent God. If anything, they are critical of a "zero-sum" mentality or a scarcity mindset that reflects a deeper lack of faith and trust in God's blessings and promises. That they believed the wealth of some to "only come at the expense of another" is

*not* indicative of a “distribution of wealth [that] is a zero-sum game,” but is a view that such wealth was *deliberately* gained at the expense of others, that such willful acquisition of wealth is itself the root of the scarcity mindset. It is rather odd that those who passionately advocate charity and the sharing of God’s bounties are to be charged with propagating such a limiting mindset. The Fathers did not encourage such acts of distribution because they believed the stock of God’s goods to be scarce, and therefore must be shared to assure a minimal share to everyone. Rather, they believed such stock to be liberally sufficient, but that man’s urge to accumulate, from others and for himself, knows no bounds. Thus, poverty is possible amidst abundance, just as sin was possible in the Garden of Eden. What is common to both is a weak piety, which is the basis for desiring wealth beyond what is enough. And so, in contrast to Hume, scarcity is neither a necessary condition for justice, nor does abundance guarantee righteousness; amidst all his abundance, Robinson Crusoe must still be accountable to God. As such, the views of the early Fathers on wealth and poverty were more alike than is commonly thought, and were primarily based on the stewardship conception of wealth. This viewpoint was later established even more firmly into the canon of Christian doctrine by Saint Thomas Aquinas, the greatest theologian of medieval Christianity.

Like his predecessors, the early Fathers, Aquinas believed creation to be a gift from God to all of humanity. Humans, entrusted with this wealth, were allowed to possess private property, provided that they satisfy the condition of sharing their possessions with others. And so, granted that private property was sanctioned, Aquinas reiterated the Fathers’ position that such property must be shared on the basis “of the stewardship of wealth, [a duty that] may be discharged by acts of charity, liberality, and munificence” (Spiegel 2004, 58). His arguments in favor of private property reiterated much of Aristotle’s views, and this congruence also extended to his view of wealth, which he believed must always be sought as a means and never as an end; this explains his suspicions of commerce, viewed as a means to acquiring wealth. The rich, argued Aquinas, must be “ready to distribute,” and the “rich man, if he does not give alms, is a thief” (quoted in Hunt 1972, 11). This is so, Hunt (1972, 11) remarks, since by refusing to apply the “proper use and administration of this wealth [from God], it could no longer be religiously and morally justified, in which case the wealthy man was to be considered a common thief.” This opinion of Aquinas is most patent in this statement of his:

according to natural law goods that are held in superabundance by some people should be used for the maintenance of the poor. This is the principle enunciated by Ambrose ... It is the bread of the poor which you are holding back; it is the clothes of the naked which you are hoarding; it is the relief and liberation of the wretched which you are thwarting by burying your money away. (Quoted in Woods 2002, 55)

The charity that Aquinas envisioned, however, was not a “carefree disposal of wealth, but, save in exceptional circumstances, only such donations as his surplus over accustomed wants would permit” (Whittaker 1940, 78). To Aquinas, wealth was to be possessed and used in moderation: “riches are good forasmuch as they serve the use of virtue; and if this measure be exceeded, so that they hinder the practice of virtue, they are no longer to be reckoned as a good but as an evil” (quoted in Wood 2002, 51). His views, therefore, maintained the core of the Fathers’ opinions on the subject of wealth and poverty, with some judicious modifications tailored to the changing environment that Christians were facing. A similar case can be made for modern papal views on the subject, which sought to preserve the theoretical core of Christian doctrine, though the same cannot be said of its empirical record.

The papal encyclicals devoted much attention to the problems of wealth and poverty, with considerable efforts made to highlight the relevance of scripture to an increasingly secular environment. While wealth is, in principle, “God’s gift of nature, ... [it] can be created through a distortion of God’s will and ... from the mistreatment of the poor” (Clark 2006, 34). In his *Quadragesimo anno*, Pius XI admonishes those who are “solely concerned with adding to their wealth by any means whatsoever, [and] sought their own selfish interests above all things; they had no scruple in committing the gravest injustices against others” (quoted in Clark 2006, 34). The gift of wealth was never intended to be hoarded by some and excluded from others, but to be broadly shared and distributed. In his encyclical, Pius XI argues that,

not every kind of distribution of wealth and property among men is such that it can satisfactorily, still less adequately, attain the end intended by God. Wealth, therefore, which is constantly being augmented by social and economic progress, must be so distributed among the various individuals and classes of society that the common good of all, of which Leo XIII spoke, be thereby promoted. In other words, the good of the whole community must be safeguarded. By these principles of social justice one class is forbidden to

exclude the other from a share in the profits.... Each class, then, must receive its due share, and the distribution of created goods must be brought into conformity with the demands of the common good and social justice. (O'Brien and Shannon 2010, 57)

The distribution of wealth, he argues, must be “analogous to that of blood to the body: ‘Wealth is like the blood in the human body; it ought to circulate around all members of the social body’” (Clark 2006, 35). The right to property, argued John XXIII, must therefore always be subjected to the condition that “a continuing effort is made to spread the use of this right through all ranks of the citizenry” (quoted in Clark 2006, 35). And just as with possessing property, its use or consumption must also be tempered with the virtue of moderation, which John Paul highlights in his *Sollicitudo rei socialis*:

A disconcerting conclusion about the most recent period should serve to enlighten us: side-by-side with the miseries of underdevelopment, themselves unacceptable, we find ourselves up against a form of superdevelopment, equally inadmissible, because like the former it is contrary to what is good and to true happiness. This super-development, which consists in an excessive availability of every kind of material goods for the benefit of certain social groups, easily makes people slaves of “possession” and of immediate gratification, with no other horizon than the multiplication or continual replacement of the things already owned with others still better. This is the so-called civilization of “consumption” or “consumerism,” which involves so much “throwing-away” and “waste.” An object already owned but now superseded by something better is discarded, with no thought of its possible lasting value in itself, nor of some other human being who is poorer. (O'Brien and Shannon 2010, 442)

Thus, wealth can easily become a distraction from a life of piety, either through our incessant drive to accumulate more of it, or, when possessed of it, the futile attempts to cure our insatiable desires. But the problems associated with wealth are not confined to the personal, but will extend to affect others as well, because a consumerist culture will ensure that “the greed of the affluent promotes scarcity for the poor, thus contributing to the problem of poverty” (Clark 2006, 36). Yet again, we encounter the view of wealth as the main cause of poverty—a theme that has been present in almost all episodes of the intellectual discourse on the subject.

It is clear that the papal encyclicals, theoretically at the very least, did uphold much of the tradition that can be traced back to Aquinas, the early Fathers, biblical scripture, and even Greek moral philosophy. This tradition, however, was to be challenged both on religious and secular grounds. It is to the former that we now direct our attention, before addressing the secular challenge in the next section.

Much has been said about Max Weber's hypothesis on the origins of capitalism, a debate that continues to generate scholarly, and often popular, controversy to this day.<sup>5</sup> We do not aim to revisit the details of this debate, but merely to highlight its relevance to our topic. Weber, in his *Protestant Ethic and the Spirit of Capitalism*, sought to explore the possibility of a real and consequential association between Protestant theology on the one hand, and the acquisitive spirit that is characteristic of a capitalist system on the other. His thesis, that such an association emerged as an unintended consequence of the Calvinist doctrine of predestination, has been subjected to a barrage of scholarly appraisal, both positive and negative. But regardless of the theological or empirical validity of his thesis, the Protestant Reformation is believed to have paved the way for a more "individualistic philosophy" that was more conducive to the "new capitalist order" than the prevailing "medieval world view" (Hunt 1972, 33–34). According to Hunt,

In condemning greed, acquisitive behavior, and the desire to accumulate wealth, the medieval Christian corporate ethic condemned what had become the capitalist order's dominant motive force. The capitalist market economy, which had been extended by the late eighteenth century to almost every phase of production, demanded self-seeking, acquisitive behavior for its successful functioning. In this context new theories about human behavior began to emerge.... The new middle-class capitalists wanted to be free not only of economic restrictions that encumbered manufacturing and commerce but also of the moral opprobrium that the Catholic church had heaped upon their motives and activities. Protestantism not only freed them from religious condemnation but eventually made virtues of the selfish, egoistic, and acquisitive motives the medieval church had so despised! (Hunt 1972, 34–35)

Hunt's contention that Protestantism "made virtues of the selfish, egoistic, and acquisitive motives" is a debatable matter, though he does acknowledge that the "principal originators of the Protestant movement were quite close to the Catholic position on such questions as usury and

the just price.” Elsewhere, he remarks that “on most social issues they were deeply conservative,” but that “despite the conservatism of the founders of Protestantism, this religious outlook contributed to the growing influence of the new individualistic philosophy.” Hunt believed that the Protestant “reliance on each person’s private conscience appealed strongly to the new middle-class artisans and small merchants,” leading such men to believe that their economic practices, far from offending God, “glorified” Him. This “new dogma that was radically different from medieval doctrines,” gradually overturned the “older Christian distrust of riches,” thereby leading to a far more favorable view of wealth and the wealthy. The end result was that “profits ... [came to be] looked upon as willed by God, as a mark of his favor and a proof of success in one’s calling” (Hunt 1972, 35–37). Whether Protestantism is directly responsible for the transformations in the religious outlook, or that such transformations occurred as an unintended consequence, is a question beyond the scope and objective of this work. What is widely acknowledged in the literature, however, is that these changes in the religious view toward wealth were to have a lasting impact on the intellectual history of wealth and poverty. The tradition, which had lasted for millennia, of regarding wealth with a profound sense of caution and moderation, slowly yields to a worldview that seeks to free wealth from all restraints, religious or otherwise. One such restraint, that of poverty and its deep-rooted relationship to wealth, was also removed, thus allowing for a theoretical disassociation of wealth and poverty. It is with the advent of modernity, and the rise to dominance of secular intellectual discourse, that we witness the earliest attempts at theoretically separating wealth from poverty; it is no longer obvious that wealth leads to poverty, or that the wealthy are responsible toward the poor. The next few chapters will attempt to trace this intellectual development.

## NOTES

1. Though he did overlook centuries of Islamic intellectual activity, Schumpeter did acknowledge much of the contributions of medieval scholasticism to the development of economic thought.
2. For many verses that support such themes, see Chap. 1.
3. See also Mark 10:17–25 and Luke 14:33 and 18:18–25.
4. See also Acts 4:32–37.
5. For a critical appraisal of his views on Islam and capitalism, see Reda (2014).

## Wealth and Poverty: Classical Economic Thought

The “individualistic philosophy,” which had started toward the end of the medieval period and through the era of mercantilism, was to become what is commonly referred to as “classical liberalism.” This secular worldview was believed to be compatible with “the needs of the new capitalist order,” in contrast to the religious worldview of medieval Christianity that was considered by some to be pre-capitalist, and others as anti-capitalist (Hunt 1972, 34). Strictly within the domain of the history of economic thought, it is believed that “classical liberalism” became firmly established with the publication of Adam Smith’s *Wealth of Nations*. However, in the broader category of the history of ideas, this school of thought can be traced to as far back as Thomas Hobbes, with the publication of his *Leviathan*. As such, it is with Hobbes that we commence our inquiry into the classical liberal view on the subject of wealth and poverty.

Edmund Whittaker characterizes “The Modern World” as “The Return to Hedonism,” citing Thomas Hobbes as the first philosopher to introduce “the modern idea of civilized man.” As men move from a natural to a civilized state their selfish desires do not disappear or contract, but are “insatiable” and “unending.” Human happiness, the ultimate human goal, “lay not in the attainment of some definite objective but in perpetual progress from one new satisfaction to another” (Whittaker 1940, 95). According to Hobbes,

there is no such *finis ultimus*, utmost aim, nor *summum bonum*, greatest good, as is spoken of in the books of the old moral philosophers. Nor can a man any more live, whose desires are at an end, than he, whose senses and imagination are at a stand. Felicity is a continual progress of the desire, from one object to another; the attaining of the former, being still but the way to the latter. (Quoted in Whittaker 1940, 95–96)

John Locke, in his *Essay Concerning Human Understanding*, presents a similar viewpoint,

Pleasure and pain, and that which causes them, good and evil, are the hinges on which our passions turn... The uneasiness a man finds in himself upon the absence of any thing, whose present enjoyment carries the idea of delight with it, is that we call desire; which is greater or less, as that uneasiness is more or less vehement. (Quoted in Whittaker 1940, 96)

Likewise, David Hume believes “the great end of all human industry, is the attainment of happiness.” This “new” philosophy, however, finds its most explicit expression at the hands of Jeremy Bentham, who famously declared that,

Nature has placed mankind under the governance of two sovereign masters, pain and pleasure. It is for them alone to point out what we ought to do, as well as to determine what we shall do. On the one hand the standard of right and wrong, on the other the chain of causes and effects, are fastened to their throne. They govern us in all we do, in all we say, in all we think: every effort we can make to throw off our subjection, will serve but to demonstrate and confirm it. (Quoted in Whittaker 1940, 97)

And shortly before Smith, Francois Quesnay, the most prominent of the Physiocrats, had defined economics in line with this “new” philosophy:

to obtain the greatest possible amount of pleasure, with the least possible expense, is the perfection of economic conduct. (Quoted in Whittaker 1940, 102)

From all this, it follows that human happiness, the final end for all human activity, is derivative of pleasure and pain. This largely materialistic view of happiness resulted in material wealth being considered identical to happiness, or at the very least, the “opportunity to cause happiness.” This view is quite explicit in Bentham, when he stated the following propositions:

1. Each portion of wealth is connected with a corresponding portion of happiness.
2. Of two individuals, possessed of unequal fortunes, he who possesses the greatest wealth will possess the greatest happiness. (Quoted in Whittaker 1940, 110)

Commenting on Bentham's theory, Whittaker argues that,

Thus there was provided a principle that furnished at once a psychological and an ethical basis for economic study and wealth-seeking activity; a psychological basis, because it accepted that there was a positive relationship between wealth and happiness (more wealth meant more happiness); and an ethical justification, because it was granted that increased happiness was desirable. Orthodox economics has been erected on these foundations. (Whittaker 1940, 111)

These foundations, however, are in stark contrast to the philosophies of Plato or Aristotle, which consider the happy life to be the virtuous life; and even more so, that of Christian theology, which seeks happiness in the Kingdom of God. But where does Adam Smith fit within this broader picture? Does he adopt this theory or philosophy wholeheartedly, or is he critical of some of its assumptions and implications?

When considered on the basis of his two main works, *The Theory of Moral Sentiments* and the *Wealth of Nations*, Smith does not seem to hold the view that "people's actions were dictated wholly by their desire for happiness or for the pleasure they got from ordinary consumption" (Whittaker 1940, 102). As discussed in the previous chapter, he believed that actions were primarily motivated by the desire for social approbation. It is not necessarily the case, Smith argued, that wealth is correlated with happiness,

What can be added to the happiness of the man who is in health, who is out of debt, and has a clear conscience? To one in this situation, all occasions of fortune may properly be said to be superfluous... (Smith 1982, 45)

"Real happiness" may well be more common among the poor than the rich,

In what constitutes the real happiness of human life, they are in no respect inferior to those who would seem so much above them. In ease of body and peace of mind, all the different ranks of life are nearly upon a level, and the beggar, who suns himself by the side of the highway, possesses that security which kings are fighting for. (Smith 1982, 185)

But if that is so, why are most people keen to admire and imitate the rich? Smith's answer is:

Nay, it is chiefly from this regard to the sentiments of mankind, that we pursue riches and avoid poverty. For to what purpose is all the toil and bustle of this world? what is the end of avarice and ambition, of the pursuit of wealth, of power, and preheminance? Is it to supply the necessities of nature? The wages of the meanest labourer can supply them.

From whence, then, arises that emulation which runs through all the different ranks of men, and what are the advantages which we propose by that great purpose of human life which we call bettering our condition? To be observed, to be attended to, to be taken notice of with sympathy, complacency, and approbation, are all the advantages which we can propose to derive from it. It is the vanity, not the ease, or the pleasure, which interests us... It is this, which, notwithstanding the restraint it imposes, notwithstanding the loss of liberty with which it is attended, renders greatness the object of envy, and compensates, in the opinion of all those mortifications which must mankind, all that toil, all that anxiety, be undergone in the pursuit of it; and what is of yet more consequence, all that leisure, all that ease, all that careless security, which are forfeited forever by the acquisition. (Smith 1982, 50–51)

But despite his eloquence in describing this envy and emulation, Smith did not seem to be necessarily fond of it,

This disposition to admire, and almost to worship, the rich and the powerful, and to despise, or, at least, to neglect persons of poor and mean condition, though necessary both to establish and to maintain the distinction of ranks and the order of society, is, at the same time, the great and most universal cause of the corruption of our moral sentiments. That wealth and greatness are often regarded with the respect and admiration which are due only to wisdom and virtue; and that the contempt, of which vice and folly are the only proper objects, is often most unjustly bestowed upon poverty and weakness, has been the complaint of moralists in all ages. (Smith 1982, 61–62)

And yet, though he contends that such envy leads to the “corruption of our moral sentiments,” he believes it to perform a most useful function,

The pleasures of wealth and greatness, when considered in this complex view, strike the imagination as something grand and beautiful and noble, of

which the attainment is well worth all the toil and anxiety which we are so apt to bestow upon it.

And it is well that nature imposes upon us in this manner. It is this deception which rouses and keeps in continual motion the industry of mankind. It is this which first prompted them to cultivate the ground, to build houses, to found cities and commonwealths, and to invent and improve all the sciences and arts, which ennoble and embellish human life; which have entirely changed the whole face of the globe, have turned the rude forests of nature into agreeable and fertile plains, and made the trackless and barren ocean a new fund of subsistence, and the great high road of communication to the different nations of the earth. (Smith 1982, 183–84)

What then are we to make of Smith's views on wealth? How can the view presented from his *Moral Sentiments* be reconciled with his view in the *Wealth of Nations* that "every man is rich or poor according to the degree in which he can afford to enjoy the necessaries, conveniences, and amusements of human life?" Did he truly believe wealth can bring about happiness?

According to Whittaker (1940, 105), "Smith's theory of economic incentive, as given in the *Moral Sentiments*, was to the effect that men's desire to receive the attention and admiration of their fellows caused them to exert themselves, though it brought them no real happiness." Thus, the desire for social approbation provides the impetus for the acquisition and accumulation of wealth, but provides no guarantee of happiness whatsoever. And herein precisely lies the instrumental value of such "deception." For it is in the constant yearning for wealth that more wealth is created, by which nations rise and prosper; were the desire for wealth governed by a limiting factor or an overpowering force, the whole "industry of mankind" would come to a halt. But if we are to believe, or deceived into believing, that wealth can make us happy, that the rich are genuinely happy, then we are more likely to bear the "toil and anxiety" of which nations are built. This whole argument, however, subsumes an even deeper implication. It is not enough that we are deceived into believing that wealth leads to happiness, but that such happiness must, in fact, be unattainable, as happiness breeds contentment, which may encourage rest and inactivity, rather than "toil and anxiety." This reading of Smith fits quite well with that of Xenos (1989), which considers Smith and Hume as the intellectual fathers of social scarcity. Scarcity, as a psychological and social

construction, is perpetually reproduced by the incapacity of our limited means to satisfy our expanding desires, forever keeping us short of realizing happiness, whatever that may be.

Happiness, therefore, of the type envisioned by Aristotle or Jesus is but a myth, for it is not virtue or piety, but “wealth and greatness. .. [that] strike the imagination as something grand and beautiful and noble.” And so, if happiness is merely a “deception,” it fails to be an end, and all that is left is wealth, in its raw and material form. The implication of this in the history of ideas, argues Whittaker (1940, 107), is that wealth is no longer attached to any “moral or ethical considerations,” but is a strictly economic phenomenon. Commenting on this history, Whittaker states that,

*Wealth, if at all, for the service of God* said the religious teachers of earlier times. *Wealth for the good of the State* was the attitude taken by Mercantilist writers. *Wealth because it conferred happiness on its possessor* represented the standpoint of Locke. *Wealth merely because men wanted it, with no questions asked about why they did so* was the field of study delimited in the *Wealth of Nations*. (Whittaker 1940, 107–8)

It is with Smith, therefore, that we encounter the genesis of the “economic man,” of one whose interests are of a chiefly selfish nature, but whose actions would nevertheless serve the public interest. To Whittaker (1940, 1107), Smith “objected to self-interest that went beyond the bounds of justice, but within its own sphere he seemed to regard it as a commendable incentive.” To be sure, self-interest was more to Smith than just a “commendable incentive.” In the famous opening two pages of chapter 2 of his *Wealth of Nations*, Smith explains the essence of his general theory:

This division of labour, from which so many advantages are derived, is not originally the effect of any human wisdom, which foresees and intends that general opulence to which it gives occasion. It is the necessary, though very slow and gradual consequence of a certain propensity in human nature which has in view no such extensive utility; the propensity to truck, barter, and exchange one thing for another.

But man has almost constant occasion for the help of his brethren, and it is in vain for him to expect it from their benevolence only. He will be more likely to prevail if he can interest their self-love in his favour, and show them

that it is for their own advantage to do for him what he requires of them. Whoever offers to another a bargain of any kind, proposes to do this. Give me that which I want, and you shall have this which you want, is the meaning of every such offer; and it is in this manner that we obtain from one another the far greater part of those good offices which we stand in need of. It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.

Self-interest, as with division of labor and exchange, is a first principle of Smith's general theory; quite simply, the very wealth of individuals, societies, and nations rests on its shoulders. It no longer mattered to question whether wealth is worthy of becoming our sole end, for it already is. To borrow a phrase from Samuels and Henderson (1986, 18), wealth, to Smith, is "a secular, human, empirical matter," and we would be wise to address its "nature and causes," than deliberate its purpose or morality. Thus, with Smith, we have the closing of a chapter in the intellectual history of wealth, and the start of a new one. The *Moral Sentiments*, despite its moral lamentations on the rich and the poor, did establish an ethical case for the "economic man." By explaining all actions as expressions of the desire for social approbation, it presented an ethical theory that is compatible with the acquisition and accumulation of wealth; neither prophecy nor philosophy need provide us with an ethical blueprint or compass. In commenting on the *Moral Sentiments*, which he considers to be Smith's "greatest work," Jean-Pierre Dupuy argues that wealth does not consist of what "assures our material well-being, since a frugal life would provide for this satisfactorily enough. It is everything that is desired by what Smith calls the spectator, the person who observes us and whose regard we seek to attract" (Dupuy 2013, 11). The *Wealth of Nations* simply picked up where the *Moral Sentiments* left, acknowledging wealth as the ultimate concern of the new world. In the next chapter, we examine the intellectual discourse on wealth that developed as this new world came into shape.

## Wealth and Poverty: Neoclassical Economic Thought and Its Critics

In the previous chapter, we discussed the “switch from a well-being, material production view of wealth to a scarcity view;” the former view being characteristic of the Classical school, and the latter of the neoclassical school. This switch occurred in the midst of several major intellectual transformations: from objective to subjective theories of value, from social to individual categories of explanation, the movement toward generalized abstractions and away from historical or cultural contexts, and the increasing use of mathematical modeling techniques. In economics, these transformations materialized in the Marginal Utility “revolution” that occurred toward the end of the nineteenth century (Clark 2006, 41). This “revolution,” however, was mainly formative in nature, with only minor changes in the substantive core of the discipline. On the topic of wealth, specifically, the neoclassical school, for the most part, extended the views of the Classical school to their logical and empirical conclusions. According to Whittaker (1940, 117), the English economist, W. S. Jevons, in his efforts to develop the theoretical structure of the *Marginal or Neo-Classical* School of economics, reverted to Benthamism. In the preface to his *Theory of Political Economy*, Jevons declares that,

In this work I have attempted to treat Economy as a Calculus of Pleasure and Pain, and have sketched out, almost irrespective of previous opinions, the form which the science, as it seems to me, must ultimately take. I have long thought that as it deals throughout with quantities, it must be a mathematical

science in matter if not in language. I have endeavoured to arrive at accurate quantitative notions concerning Utility, Value, Labour, Capital, etc., and I have often been surprised to find how clearly some of the most difficult notions, especially that most puzzling of notions Value, admit of mathematical analysis and expression. The Theory of Economy thus treated presents a close analogy to the science of Statical Mechanics, and the Laws of Exchange are found to resemble the Laws of Equilibrium of a lever as determined by the principle of virtual velocities. The nature of Wealth and Value is explained by the consideration of indefinitely small amounts of pleasure and pain, just as the Theory of Statics is made to rest upon the equality of indefinitely small amounts of energy. (Quoted in Whittaker 1940, 117)

Thus, the philosophical basis of the neoclassical theory is that of “classical liberalism,” the intellectual tradition developed by Hobbes, Locke, and Bentham. The theory postulates an “economical calculus” of decision-making, where the “pleasures or satisfactions of consuming wealth were balanced against the efforts or pains of producing it, and the working of the human mind in the economic sphere was represented as a matter of equilibrating the two.” This theory was further developed by Vilfredo Pareto and F. Y. Edgeworth, who regarded the maximization of utility as the “grand object of economic activity.” The crucial underlying assumption of this theory is that economic activity was believed to be synonymous with market exchange. This view is implicit in Smith’s definition of wealth:

Every man is rich or poor according to the degree in which he can afford to enjoy the necessaries, conveniences, and amusements of human life. (Quoted in Whittaker 1940, 119)

It is even more explicit in Nassau Senior’s definition of wealth:

all those things, and those things only, which are transferable, are limited in supply, and are directly or indirectly productive of pleasure or preventive of pain; or, to use an equivalent expression, which are susceptible of exchange; or, to use a third equivalent expression, which have Value... (Quoted in Whittaker 1940, 119)

Senior’s definition introduced, simultaneously, theoretical connections among the concepts of wealth, utility, exchange, scarcity, and value.

This served as a precursor to similar views by later economists, who also associated wealth with scarcity:

Wealth is not such for economic purposes, unless it is scarce and transferable, and so desirable that some one is anxious to give something for it. (Bagehot 1973, 132)

[Wealth] ... These sources of human welfare which are material, transferable and limited in quantity. (Clark 1965, 1)

Wealth is not wealth because of its substantial qualities. It is wealth because it is scarce. (Robbins 1952, 47)

[B]y social wealth I mean all things, material or immaterial (it does not matter which in the context), that are scarce, that is to say, on the one hand, useful to us and, on the other hand, only available to us in limited quantity. (Walras 1954, 65)

[I]f there were a society where all goods were available in amounts exceeding the requirements for them, there would be no economic goods nor any wealth. (Karl Menger, quoted in Clark 2006, 43)

This neoclassical view of wealth was to gradually become the dominant perspective in the economics discipline. But despite its growing predominance, it did not go unchallenged. To begin with, the scarcity view of wealth was criticized for its faulty logic: as production increases, wealth increases; but as production increases, scarcity and wealth decrease! This point was alluded to by Karl Menger, who argued that “the problem arises from the fact that a continuous increase in the amount of economic goods available to economizing individuals would necessarily cause these goods to lose their economic character [derived from scarcity], and in the way cause the components of wealth to suffer a diminution. Hence we have a ‘queer contradiction’ that a continuous increase of the objects of wealth would have caused, as a necessary final consequence, a diminution of wealth” (quoted in Clark 2006, 43). Menger resolves this theoretical contradiction by assuming that wealth exists at the individual level only, and that the category of social or national wealth can be costlessly eliminated. Prior to Menger, James Maitland, the eighth Earl of Lauderdale, had pointed out the inconsistency in the scarcity view of wealth,

It is, however, impossible to subscribe to the idea, that the sum-total of individual riches forms an accurate statement of public wealth...

Yet the common sense of mankind would revolt at a proposal for augmenting the wealth of a nation, by creating a scarcity of any commodity generally useful and necessary to man. For example, let us suppose a country possessing abundance of the necessaries and conveniences of life, and universally accommodated with the purest streams of water: – what opinion would be entertained of the understanding of a man, who, as the means of increasing the wealth of such a country, should propose to create a scarcity of water, the abundance of which was deservedly considered as one of the great blessings incident to the community ? (Quoted in Whittaker 1940, 120)

While this critique of the neoclassical view of wealth is mainly methodological, searching for inconsistencies in the internal logic of the scarcity argument, others have offered a more substantive case, basing their arguments on philosophical, ethical, and empirical grounds.

Some of the earliest critics of the neoclassical school of economics belonged to the intellectual movement known as Romanticism. Thomas Carlyle, one of the leading figures in English Romanticism, in commenting on Victorian society, said:

True, it must be owned, we for the present, with our Mammon-Gospel, have come to strange conclusions. We call it a Society; and go about professing openly the total separation, isolation. Our life is not a mutual helpfulness; but rather, cloaked under due laws-of-war, named ‘fair competition’ and so forth, it is a mutual hostility.

O sumptuous Merchant-Prince, illustrious game-preserving Duke, is there no way of ‘killing’ thy brother but Cain’s rude way! ‘A good man by the very look of him, by his very presence with us as a fellow wayfarer in this Life-pilgrimage, promises so much:’ woe to him if he forget all such promises, if he never know that they were given! To a deadened soul, seared with the brute Idolatry of Sense, to whom going to Hell is equivalent to not making money, all ‘promises,’ and moral duties, that cannot be pleaded for in Courts of Requests, address themselves in vain. Money he can be ordered to pay, but nothing more. I have not heard in all Past History, and expect not to hear in all Future History, of any Society anywhere under God’s Heaven supporting itself on such Philosophy. The Universe is not made so; it is made otherwise than so. (Quoted in Whittaker 1940, 126)

John Ruskin, in his *Unto This Last*, defined wealth as “life”:

There is no wealth but life. Life, including all its powers of love, of joy, and of admiration. That country is the richest which nourishes the greatest numbers of noble and happy human beings; that man is richest, who, having

perfected the functions of his own life to the utmost, has also the widest helpful influence, both personal, and by means of his possessions, over the lives of others. (Quoted in Whittaker 1940, 127)

A view shared by Thoreau, in his *Walden*:

the cost of a thing is the amount of what I will call life which is required to be exchanged for it, immediately or in the long run. (Quoted in Whittaker 1940, 127)

The Romantics believed that “what was important was the construction of a philosophy or science of life, and that wealth was merely subordinate to this” (Whittaker 1940, 127). Thus, in addition to offering a passionate critique of their contemporary society and the intellectual discourse that justified it, the Romantics offered their vision for an alternative society, albeit one that was arguably too general and abstract. Other critiques, such as that of the Institutional school of economics, were more empirical in nature, citing the logical and practical inconsistencies of the neoclassical paradigm; theirs was an argument about facts, and less about visions of the present and future. The key figure in this regard, Thorstein Veblen, would later develop a singular reputation for his potent critique of the wealthy class.

In *The Theory of the Leisure Class*, Veblen discusses the role of wealth and the wealthy in the construction of social norms and customs. Through their premeditated displays of extravagant consumption, which Veblen termed “conspicuous consumption,” the rich succeed in recruiting the lower classes to a constant and wearing pursuit to imitate their tastes and preferences. According to Veblen,

For the great body of the people in any modern community, the proximate ground of expenditure in excess of what is required for physical comfort is not a conscious effort to excel in the expensiveness of their visible consumption, so much as it is a desire to live up to the conventional standard of decency in the amount and grade of goods consumed.

That is to say, in other words, our standard of decency in expenditure, as in other ends of emulation, is set by the usage of those next above us in reputability; until, in this way, especially in any community where class distinctions are somewhat vague, all canons of reputability and decency, and all standards of consumption, are traced back by insensible gradations to the usages and habits of thought of the highest social and pecuniary class – the wealthy leisure class.

It is for this class to determine, in general outline, what scheme of Life the community shall accept as decent or honorific; and it is their office by precept and example to set forth this scheme of social salvation in its highest, ideal form. (Veblen 1912, 102–104)

This is so, because in a society governed by the moral rules of social approbation and disapprobation, wealth becomes the primary means by which “each class envies and emulates the class next above it in the social scale.” Wealth assumes this role because it is more effective in achieving “reputability” and attracting “friends” than, say, virtue or piety:

Conspicuous consumption of valuable goods is a means of reputability to the gentleman of leisure. As wealth accumulates on his hands, his own unaided effort will not avail to sufficiently put his opulence in evidence by his method. The aid of friends and competitors is therefore brought in by resorting to the giving of valuable presents and expensive feats and entertainments. (Quoted in Whittaker 1940, 132)

More importantly, by setting the standards for social emulation, for what is considered “the good and the honorable,” the rich class can ensure the “submission of the lower classes,” who are all too eager to follow in their footsteps (Clark 2006, 44). Wealth thus provides for the opportunity to be taken seriously, and to exert such influence as a form of social control. But in addition to this control that “conspicuous consumption” affords to the rich class, this class achieves even higher levels of “social power” through their concentrations of wealth that accumulate as a result of “industrial sabotage,” which is the term Veblen used to denote the “artificial limiting of production to create scarcity” (Clark 2006, 45). This latter point was more thoroughly deliberated by the great economist of the twentieth century, John Maynard Keynes, who can arguably be considered as an internal critic of the neoclassical school.

In his *General Theory*, Keynes was critical of the social and economic outcomes of concentrating wealth in the hands of a few:

The outstanding faults of the economic society in which we live are its failure to provide for full employment and its arbitrary and inequitable distribution of wealth and incomes. (Keynes 1936, 372)

While he believed “that there is social and psychological justification for significant inequalities of incomes and wealth,” he argued against the large disparities that exist in modern society:

Our argument leads towards the conclusion that in contemporary conditions the growth of wealth, so far from being dependent on the abstinence of the rich, as is commonly supposed, is more likely to be impeded by it. One of the chief social justifications of great inequality of wealth is, therefore, removed. (Keynes 1936, 373)

It is crucial, therefore, that such concentrations of wealth be reduced, and this can be achieved by eliminating “the cumulative oppressive power of the capitalist to exploit the scarcity value of capital.” Keynes argued that,

Interest today rewards no genuine sacrifice, any more than does the rent of land. The owner of capital can obtain interest because capital is scarce just as the owner of land can obtain rent because land is scarce. But whilst there may be intrinsic reasons for the scarcity of land, there are no intrinsic reasons for the scarcity of capital. (Keynes 1936, 376)

When such an economic condition is attained, he believed that it will be followed by a revolution in social morality. In his essay, “Economic Possibilities for Our Grandchildren,” he provides a glimpse of such a society,

When the accumulation of wealth is no longer of high social importance, there will be great changes in the code of morals. We shall be able to rid ourselves of many of the pseudo-moral principles which have hag-ridden us for two hundred years, by which we have exalted some of the most distasteful of human qualities into the position of the highest virtues. We shall be able to afford to dare to assess the money-motive at its true value. The love of money as a possession – as distinguished from the love of money as a means to the enjoyments and realities of life – will be recognised for what it is, a somewhat disgusting morbidity, one of those semi-criminal, semi-pathological propensities which one hands over with a shudder to the specialists in mental disease. All kinds of social customs and economic practices, affecting the distribution of wealth and of economic rewards and penalties, which we now maintain at all costs, however distasteful and unjust they may be in themselves, because they are tremendously useful in promoting the accumulation of capital, we shall then be free, at last, to discard. (Skidelsky 2015, 83)

Wealth, according to Keynes, may directly lead to poverty, a view that goes back as far as Plato, and it is by targeting the source of wealth concentrations that poverty can thereby be addressed. What is debatable in Keynes' view, however, is that he believed the transformation in morality to occur following any structural or systemic changes in the economic system or social organization, that "[w]hen the accumulation of wealth is no longer of high social importance, there will be great changes in the code of morals." It is not clear how such a systemic transformation can occur absent any moral impetus, a difficulty that is also common to Marxist visions of social change. Plato, however, and a long tradition extending from the Greeks to medieval Christianity, considered morality, whether in the form of a life of virtue or one of piety, as a necessary precondition for any real changes in the conditions of wealth and poverty. What is even more contentious about Keynes' perspective, and the broader secular tradition that he belongs to, is the contingent view of history that is implicit to his thought, that a future of high morality and minimal poverty is contingent on society passing through a necessary phase of wealth inequality and costly progress. Poverty (or scarcity), it would seem, must be tolerated for a while by a large number of people, until wealth (or abundance) can be realized for the greatest number of people. This argument, implicit to large sections of secular thought, can be reasonably charged with attempting to sanction the status quo of the rich and the poor, by offering the latter the promise of a better future, if only they deposit their trust with the former. It is precisely this trust that Andrew Carnegie referred to in his famous essay, "The Gospel of Wealth,"

Individualism will continue, but the millionaire will be but a trustee for the poor, entrusted for a season with a great part of the increased wealth of the community, but administering it for the community far better than it could or would have done for itself...

Such, in my opinion, is the true gospel concerning wealth, obedience to which is destined someday to solve the problem of the rich and the poor, and to bring "peace on earth, among men of goodwill." (Carnegie 2015, 92)

To Carnegie, the true stewards of God's wealth are the rich, and the poor, lest they are doomed to a state of poverty, would do well to offer their "obedience" to the incessant march of progress. And yet, it is this progress, of the type promised by the rich, that is believed by some to be the

primary cause of poverty. Such is the opinion of the great American economist, Henry George:

[T]hus all the advantages gained by the march of progress go to the owners of land, and wages do not increase. Wages cannot increase; for the greater the earnings of labor the greater the price that labor must pay out of its earnings for the opportunity to make any earnings at all. The mere labourer has thus no more interest in the general advance of productive power than the Cuban slave has in the advance in the price of sugar. (George 1992, 283)

And if the gains from progress do not accrue to the “owners of land,” they do to those of capital, as Keynes had argued. To justify such a state of affairs as the requisite pathway to solving the “problem of the rich and the poor” would be to ignore the “law which associates poverty with progress, and increases want with advancing wealth ...” (George 1992, 12). To George, therefore, the “problem of the rich and the poor” cannot be resolved by entrusting the former with the future of the latter, but by addressing the “causes which prevent social organization from taking its natural development and labor from securing its full return” (George 1992, 122). In a far more definitive tone than Keynes, George believed wealth to be the chief direct cause of poverty:

How contempt of human rights is the essential element in building up the great fortunes whose growth is such a marked feature of our development, we have already seen. And just as clearly may we see that from the same cause spring poverty and pauperism. The tramp is the complement of the millionaire. (George 1996, 129)

More importantly, George did not seem to subscribe to the notion that progress, which he did favor in principle, can only be realized at the cost of great scarcity and poverty. His views are believed to converge with those of Georg Hegel, the great philosopher of German Idealism. Hegel had recognized that “poverty constitutes a flaw in the modern social world,” and as such, “has no redemptive moment” (Siemens 1997, 618). Moreover, he believed that poverty was in “direct proportion to the amount of wealth created,” and is not due to a “lack of wealth but [of] a less-than-adequate distribution of it” (Siemens 1997, 634). These critical viewpoints, and despite their sharp rhetoric, did not consider wealth to be inherently evil, but deeply questioned the existing arrangements that allowed for such embarrassing conditions of wealth inequality. And yet,

they retained the intellectual tradition of the last few centuries whose underlying philosophy was fundamentally materialistic and secular in nature. This tradition, which had gradually displaced the ethical and religious traditions of the Greeks and the Christians, believed the problems of society to be largely structural, and that the solutions are mainly procedural, in the form of policies and institutional adjustments. Whenever ethics was even considered, it was always as a secondary matter, or as an afterthought, or merely as a byproduct of social and economic arrangements. It is rarely the case in modern intellectual thought, even to the critics of the Classical and neoclassical schools of economics, that a system of ethics and morality constituted the basis for social and economic reform; and even when an underlying ethics is identified, its significance is, for the most part, ignored or downplayed. It seems, therefore, that the age of modernity (and postmodernity) holds a conspicuous sensitivity toward ethical programs of change—and especially, of the religious kind. But it is precisely such a program that Islam has to offer, explicitly and unapologetically. This will constitute the topic of our last chapter in this Part, and specifically, on the issue of wealth and poverty.

## Wealth and Poverty: Islamic Economic Thought

The Islamic perspective on wealth and poverty that will be deliberated in this chapter will approach the topic from an unconventional angle, an approach that is unlike that adopted by most scholars and schools. So far, we have engaged in a comparative analysis of the views of various traditions on wealth and poverty, with a particular focus on moral and ethical appraisals. To be sure, this comparative analysis will be expanded to include the Islamic viewpoint on the subject. This viewpoint, however, will be presented as part of a broader theory of history and society. Considered to be “the fruit of his last discourse,” the *Trends of History in the Qur’an* is one of Baqir As-Sadr’s lesser-known scholarly efforts (As-Sadr 2011).<sup>1</sup> Consisting of 14 lectures delivered to a religious seminary, the book represents an evolution in his intellectual prowess, and a treasury of insights that go well beyond the foundations set in his two masterpieces, *Our Philosophy* and *Our Economy*.

In his introduction, As-Sadr proposes a series of questions that he hopes to provide answers for in the course of his lectures. These questions include, “Has human history any definite trends or norms in the Qur’anic sense? Are the developments in human history governed by any laws? What are these laws or trends? What is man’s role in history? And what is the role of God or prophecy in it?” (As-Sadr 2011, 47–48)<sup>2</sup> In addressing the first two questions, As-Sadr admits that any mention of “laws” or “trends” discussed in the Qur’an will be regarded with suspicion by most

scholars, on the basis that the Qur'an is a "book of guidance," and not of science. In this regard, As-Sadr notes that "when we recognize that the Qur'an is a book of guidance, not a book of scientific discoveries, it is improper to expect it to discuss the general principles of science. These principles should be discovered by man by means of understanding the laws governing them." While this "objection is valid in itself," As-Sadr believes that there is "a fundamental difference between the field of history and all other fields [such as science]," a difference that justifies the search for possible laws of history in the Qur'an, but not for scientific laws. This difference lies in the simple fact that as a "book of guidance," the Qur'an seeks to promote the "desired change in man" as stated in the following verse:

God is the Protector of those who believe. *He brings them out of the darkness into the light.* (2:257)<sup>3</sup>

This process of "desired change," argues As-Sadr, comprises a "divine" and a "human" aspect. It is divine in the sense that it represents adherence to the "divine laws revealed to the Prophet." And it is a human act when such adherence materializes into "embodied social action," as was the case with the change that "was originally carried out by the Prophet and his devoted companions" (As-Sadr 2011, 49–52). As-Sadr elaborates on the two aspects:

Thus, this process of change of which the Qur'an speaks and which was carried out by the Prophet, has two aspects. From the viewpoint of it having been connected with revelation and the source of revelation, it is divine and supra-historical. But as it had a historical background and involved human effort, we call it a historical act governed by the laws of history which God has enacted to regulate historical phenomena. (As-Sadr 2011, 51)

As a case in point, when the Qur'an speaks of the setback of Muslims in the Battle of Uhud, following their decisive victory in the Battle of Badr, it does not speak of it as the failure of a divine mission. Instead, it is regarded as the reasonable outcome of the human failure to adhere to the "laws of history" created by God. According to As-Sadr,

The Muslims gained victory at Badr because they fulfilled through their own efforts the objective conditions that necessitated their victory. At Uhud, the conditions necessitated their defeat, and hence they were defeated. (As-Sadr 2011, 52)

The following verse, specifically revealed to the Prophet in reference to the Battle of Uhud, supports this particular interpretation:

If a wound afflicts you, a like wound has already afflicted that people. And such days We hand out in turns to mankind. And [this is] so that God may know those who believe, and take witnesses from among you – and God loves not the wrongdoers. (3:140)

Nasr cites a similar interpretation of the verse, where it is “assumed [by some] that God will grant victory to the believers, but when the believers disobey or lose faith, their enemies get the better of them; that is, God does not support the disbelievers as such, but does so to test the believers with loss” (Nasr 2015, 168). In other words, what the Qur’an means to say is that “Muslims must not think that is their divine right to gain victory ..., [for victory] is the natural right of those who fulfill the conditions conducive to it. God has fixed laws and norms of victory in this world. He awards victory only to those who observe these laws” (As-Sadr 2011, 52). But the Qur’an goes even further than this, and provides a warning to believers that should they continue to disobey these laws, they may be replaced by “some other peoples who will fulfill the conditions of victory,”

O you who believe! Whosoever among you should renounce his religion, God will bring a people whom He loves and who love Him, humble towards the believers, stern toward the disbelievers, striving in the way of God, and fearing not the blame of any blamer. That is the Bounty of God, which He gives whomsoever He will. And God is All-Encompassing, Knowing. (5:54)

If you go not forth, He will punish you with a painful punishment, and will place another people in your stead, and you will not harm Him in the least. And God is powerful over all things. (9:39)<sup>4</sup>

It follows, from the verses and the discussion so far, that the Qur’an does present us with a view of the world and its history as governed by a set of divine laws or trends, whose particular manifestation is contingent on human action. If the Qur’an is a “book of guidance” offered to humanity as a way out of “the darkness and into the light,” then it is only reasonable that it contains a view of the objective conditions and the practical manifestations of this “desired change.” This is especially so when we realize that the historical episode of the Prophet and his companions represented a conscious attempt to achieve such “desired change.”

Other verses that support this view of history as governed by laws or norms include:

And for every community there is a term appointed. When their term comes, they shall not delay it by a single hour, nor shall they advance it. (7:34)

Never did We destroy a town, but that it had a known decree. (15:4)

No community can hasten its term, nor delay it. (23:43)

Or have they not contemplated the dominion of the heavens and the earth, and what things God has created, and that their term may already have drawn nigh? So in what discourse after this will they believe? (7:185)

And thou wilt find no change in Our wont. (17:77)

And thy Lord is Forgiving, Possessed of Mercy. Were He to take then to task for that which they have earned, He would have hastened the punishment for them. Nay, but theirs is a tryst, beyond which they shall find no refuge. And those towns, We destroyed them for the wrong they did, and We set a tryst for their destruction. (18:58–59)

Were God to take mankind to task for that which they have earned, He would not leave a single creature upon the surface of the earth. But He grants them reprieve till a term appointed. And when their term comes, truly God sees His servants. (35:45)

The last two verses, argues As-Sadr, emphasize the point that divine punishment, when ordered, affects the whole community, and not just the disbelievers:

And be mindful of a trial that will not befall only those among you who do wrong; and know that God is severe in retribution. (8:25)

More importantly, all the verses speak of a punishment in this world, and not in the next; they speak of the “natural consequences of the unjust deeds of a nation or community, consequences that do not remain confined to the oppressors, but affect all of society” (As-Sadr 2011, 56–57). That such punishment is of this world is also illustrated in the following verse:

Wonts have passed before you; so journey upon the earth and behold how the deniers fared in the end! (3:137)

While 3:137 urges everyone to look into past events and infer the trends of history, the following verse addresses the Prophet directly:

Surely messengers were denied before thee, and they bore patiently their being denied and persecuted till Our help came to them. None alters the Words of God, and there has already come unto thee some tidings of the messengers. (6:34)

The Prophet, like all the messengers before him, must endure the hardships of prophecy, as “there exists a norm which is equally valid in his case as it has been in the case of former messengers.” This norm stipulates that, given the requisite conditions of faithfulness, patience and perseverance, victory will come to you, as it did to the messengers before you (As-Sadr 2011, 59–60). That “this relation between success and the fulfillment of its conditions is a norm of history” is also alluded to in the following verses:

And they swore by God their most solemn oaths that, were a warner [messenger] to come unto them, they would be more rightly guided than any of the communities. Yet when a warner came unto them, it increased them in naught but aversion, waxing arrogant upon the earth and plotting evil; yet evil plotting besets none but its authors. So do they await aught but the wont of those old? Thou shalt find no alteration in the wont [law] of God, and thou shalt find no change in the wont [law] of God. (35:42–43)

If those who disbelieve had fought you, they would have turned [their] backs, and then would have found neither protector nor helper. [That is] the wont of God that came to pass aforetime; and you will find no alteration in the wont of God. (48:22–23)

But this “relation” is most evident in the following verse:

Truly God alters not what is in a people until they alter what is in themselves. (13:11)

This verse provides us with a clear relationship between the divine promise of success on the one hand, and its necessary conditions on the other. More importantly, it emphasizes that such conditions emanate from within humans, from their psychological and spiritual composition. Borrowing from Marxist terminology, As-Sadr believes the internal composition of man to represent the base and the social condition the superstructure, with the latter determined by the former. As-Sadr’s theory, however, and

in contrast to Marxism, believes the external to be derivative of the internal, and not the other way around. This, he argues, represents a principal norm or law of history, as verse 13:11 clearly shows, in addition to verses 8:53 and 2:214:

That is because God never changes a blessing by which He blesses a people until they change what is in themselves, and because God is Hearing, Knowing. (8:53)

Or did you suppose that you would enter the Garden without there having been come to you the like of that which came to those who passed away before you? Misfortune and hardship befell them, and they were so shaken that the Messenger and those who believed with him said, "When will God's Help come?" Yea, surely God's Help is near. (2:214)

The road to success, whether for prophets or communities, must pass through trials of "misfortune and hardship," with no exceptions, as verse 2:214 clearly states. Success is neither inevitable, nor is it a matter of chance; it is only by learning from the past, that present and future communities can hope to succeed. And the "desired change," although social in nature, originates from within, from the character and choices of individuals. As-Sadr compares this situation to the case of a patient and his medicine:

God's help is nigh, but to get it, it is necessary that we understand the logic of history. For it often happens that a patient has his medicine near at hand, but refuses to use it because he is unaware of its medicinal properties. The knowledge of the norms of history enables people to receive divine help. (As-Sadr 2011, 61)

And yet, there are "those who wish to be an exception to the norms of history,"

And We sent no warner unto a town, but that those living in luxury therein said, "We disbelieve in that wherewith you have been sent." And they say, "We are greater in wealth and children, and we shall not be punished." (34:34–35)

It is at this point in As-Sadr's general argument that wealth and the wealthy are first mentioned, and it is herein that we hope to derive his revealing perspective on wealth and poverty. Verses 34:34–35 offer a clear generalization: that in every community for which a messenger was sent,

it was “those living in luxury” that were most explicit and vigorous in their hostility toward prophets. And they did so with overflowing pride and confidence, citing their “wealth and children” as the source of their exceptionality. Their self-assurance that they “shall not be punished” can either be interpreted as a disbelief in the Qur’anic notion of history as governed by divine laws or norms, or that they believed themselves to be *divinely* excluded—by their wealth and status—from the practical implications of such norms. In either case, they stood in clear opposition to the mission of prophecy and its call for change. This opposition, argues As-Sadr, is itself a norm of history:

Throughout history and across societies, there has always been the same relationship between the prophets and the people living in luxury. This relationship points to a norm of history. It should not be regarded as a mere chance; had it been a mere chance, it would not have been repeated over and over again, and would not have acquired such generality in the Qur’anic verses.

Therefore, there is an antagonistic relationship and a contradiction between the social role of prophecy in history, and the social role of those living in luxury and indulgence. This relationship is part of an objective view of society ... which clearly shows that those who live in luxury are the natural opponents of prophecy. (As-Sadr 2011, 62)

This view is also supported by the following verse:

And when We desire to destroy a town, We command those who live a life of luxury within it; yet they commit inequity therein. Thus the Word comes due against it and We annihilate it completely. How many a generation have We destroyed after Noah! Thy Lord suffices as One Aware of the sins of His servants, Seeing. (17:16–17)

In his commentary on the above verse, Nasr states that,

Throughout the Qur’an, it is mentioned that it is often the privileged members of a community – its leaders and those who enjoy high social status – who are most resistant to the warnings of the prophets and most likely to be disbelievers (see 6:123c; 7:60–62c; 23:33–38; 34:34–35; 43:23). *We command those who live a life of luxury* is understood by most commentators to mean that God commands such people to belief and obedience, but that they disobey and *commit inequity*. (Nasr 2015, 699)

Thus, Nasr's interpretation and commentary clearly support As-Sadr's argument on the perennial conflict between prophets on the one hand, and "those living in luxury" on the other. But before proceeding analytically any further, we must explore the possible meanings of the Qur'anic phrase, "those living in luxury," which is used in direct reference to the group that is persistently hostile to prophecy. According to Nasr (2015, 1050), the Arabic word *mutrafu* "could be translated 'the indulgent' or the 'sybarites.'" Other English translations of the Qur'an have used different words or phrases, such as: "the affluent," "the pampered ones," "men who lived at ease," and "people who had lost themselves entirely in the pursuit of pleasures." Yusuf Ali (2004, 1094), in his translation, used the following: "the wealthy ones among them." In his commentary, he adds that,

Whenever the Message of God comes, the vested interests range themselves against it. Worldly power has made them arrogant: worldly pleasures have deadened their sensibility to Truth. They reject the Message because it attacks their false positions. (Yusuf Ali 2004, 1094)

Moreover, a brief perusal of Arabic commentaries of the Qur'an reveals common usage of the term "wealthy," or close variations of it, as in the respective exegeses of Al-Razi, Ibn Kathir, and Tantawi. But while it is evident that most commentaries include "the wealthy" among the groups believed to be addressed by the verses, it may be argued that such reference does not apply to all "the wealthy," but only "those living in luxury." Such an interpretation would argue that the Qur'an is referring to a specific behavior, and not a specific type; that it is possible to be wealthy but *not* "living in luxury." Such an argument would be similar to some of the views surveyed earlier in this chapter that consider wealth in a neutral stance, but whose *use* may be subject to moral appraisal. Granted that exegetical considerations may well complicate our search for the intended meaning of these verses, a closer inspection of As-Sadr's argument may alleviate some of these difficulties.

To recap, As-Sadr believes the Qur'an presents us with divine norms or trends of history. Of these norms is the notion that prophets have been, time and again, challenged by groups whose wealth and authority was threatened by their message. It is in this simple argument that we can find an answer to the question of the true identity of "those living in luxury." It is not the case that all "the wealthy" felt threatened by the Prophet's message; in fact, some of his closest companions were members of wealthy

families in Mecca. These companions fully embraced his message and dedicated their wealth to supporting the propagation of the faith. And so, while it is true that not all the wealthy were hostile to prophecy, it is more likely the case that those who were hostile were predominantly of the wealthy or ruling class. That the life of luxury and the vested interests of this class were directly endangered by this new faith is the cause for their outright hostility.

Clearly, what is at stake is a question of power, of who is worthy of leading a community, and who actually leads it. Prophets were intended to be more than just messengers, but leaders of their respective communities and beyond; that they posed a real and fundamental threat to the status quo of the “privileged” is an unequivocal fact. The prophets represented an entirely different worldview that was fundamentally in opposition to that of this class, as this tradition by the Prophet clearly suggests:

We the prophets do not leave gold, silver, or property as our inheritance. Our knowledge and wisdom are our legacy. (As-Sadr 2011, 181)

The conflict, therefore, was not only religious or ideological, but economic, social, and political; the message of the prophets bore practical implications that the “privileged” felt would unsettle the very foundations of what they have acquired and accumulated. This threat to their luxury simply had to be removed. To the prophets, on the other hand, the oppression and injustice of this group had to be stopped, lest it leads to the destruction of the entire community, as mentioned in the following verses:

And when We desire to destroy a town, We command those who live a life of luxury within it; yet they commit inequity therein. Thus the Word comes due against it and We annihilate it completely. How many a generation have We destroyed after Noah! (17:16–17)

Have they not considered how many a generation We destroyed before them? We had established them on the earth more firmly than We have established you, and We sent the sky upon them with abundant rains, and made rivers flow beneath them. Then We destroyed them for their sins, and brought into being after them another generation. (6:6)

We have indeed destroyed generations before you when they did wrong, and their messengers brought them clear proofs, but they would not believe. (10:13–14)

Have they not journeyed upon the earth and observed how those before them fared in the end? God destroyed them; and the disbelievers shall have the like thereof. (47:10)

How many a generation before them have We destroyed who were of greater prowess than them? Then they searched about in the lands: "Is there any refuge?" Truly in that is a reminder for whosoever has a heart, or gives ear as witness. (50:36–37)

Have they not journeyed upon the earth, that they might have hearts by which to understand or ears by which to hear? Truly it is not the eyes that go blind, but it is hearts within breasts that go blind. (22:46)

And We sent none before thee, save men unto whom We sent revelation among the people of the towns. Have they not journeyed upon the earth and observed how those before them fared in the end? (12:109)

The warning in these verses bears some similarity to those made by Solon and Plato for their respective cities. More importantly, the verses present a "definite relationship between the injustice of the rulers and the destruction that follows" (As-Sadr 2011, 62). These additional verses convey a similar meaning, but in the context of the relationship between prophecy and piety, on the one hand, and divine blessing, on the other:

Had they observed the Torah and the Gospel and that which was sent down unto them from their Lord, they would surely have received nourishment from above them and from beneath their feet. (5:66)

Had the people of the towns believed and been reverent, We would surely have opened unto them blessings from Heaven and earth. But they denied, so We seized them for that which they used to earn. (7:96)

And [say], "[It was revealed unto me] that if they hold firm to the path, We shall give them abundant water." (72:16)

According to As-Sadr, the above verses demonstrate a

special relationship between acting in accordance with God's commandments on the one hand, and prosperity and abundance of production on the other. In modern terminology, it is the relation between a fair distribution and increased production. The Qur'an emphasizes that there can be no shortage of production and no poverty where fair distribution prevails. Fair distribution increases wealth and boosts up prosperity. Some believe that fair distribution causes poverty, but that is untrue. To the contrary,

the trend of history proves that whenever divine rules of distribution are observed, national wealth increases and the blessings of the heavens and earth are showered. Thus, this is also a law of history. (As-Sadr 2011, 63)

Given all the above, we are now in a position to summarize As-Sadr's general argument on wealth and poverty, and to link this argument to the Islamic perspective on abundance and scarcity that was presented in the previous chapter:

In the divine order of creation, humanity was appointed to the special role of vicegerency upon the earth. This role entrusted to humans the creation of a just society, based on the proper preservation and fair administration of God's bounties. Moreover, humanity was endowed with an abundant creation, which provided for the commensurate means to fulfill this role. The function of prophecy, through the ages, was to offer divine guidance to humanity, and especially when societies were rampant with corruption and injustice. By exemplifying the role of vicegerency, prophets sought to instill in communities a life of faith and piety. The communities that remained faithful to "the Trust" were assured of nourishment, abundance, and blessings, while those that "did wrong" were promised inevitable punishment and destruction. In other words, a state of "prosperity and abundance" is the outcome of a life of piety, while poverty and scarcity will be the outcome of a life of luxury and injustice. The wealth of a community is not the wealth of some, but the collective wealth of all; that is, the affluence of some ought not disguise the poverty of others. This (true) wealth is only possible amidst a fair distribution, and poverty, therefore, is but the outcome of an unfair distribution of God's bounties. Wealth was never intended to "circulate among the wealthy," but to be shared by all, as is stated in verse 59:7. This meaning is especially manifest in the following excerpt from a sermon by Imam Ali, the fourth Muslim Caliph:

Verily, God the Glorious has placed the sustenance of the poor in the wealth of the affluent. Therefore, a poor does not remain hungry unless a wealthy is in excessive ease and gratification, and God the Exalted will certainly inquire to the wealthy of the hunger of the poor. (Quoted in Mohseni-Cheraghloou 2015, 29)

All of this, argues As-Sadr, represents a "law of history." But it is neither a "law" in the scientific sense of being unbreakable or irreversible, as is the case with natural laws, nor a case of historical determinism, as understood by scientific socialism. These "laws" represent "natural tendencies, which

though effective in the natural development of man and history, are not rigid enough and can be resisted. But still, they cannot be resisted or violated for long” (As-Sadr 2011, 93). To As-Sadr, the Qur’an provides an abundance of historical examples to support this view of communities that were repeatedly forewarned by their respective prophets of a looming destruction, but remained firmly obstinate in their injustice. And it also speaks of communities that responded positively to the call of prophets, and thus, were saved the tragic fate of others:

So why were there not among the generations before you those possessing merit, who would forbid corruption upon the earth, other than a few of those whom We saved among them? Those who did wrong pursued the luxuries they had been given, and they were guilty. And thy Lord would never destroy the towns unjustly, while their people were reforming. (11:116–17)

The fate of a community, whether one of wealth and abundance, or poverty and scarcity, ultimately falls in the hands of its members, as this verse clearly states:

Truly God alters not what is in a people until they alter what is in themselves. (13:11)

It is our choices and actions that shape the course of history. But history is endowed with divine “tendencies” that respond to our decisions, thus affecting the final outcome. The path to a general and just prosperity is only possible if we are to adopt a life of faith and piety. This piety, however, can only be sincere if untainted with the love of money or wealth, for he who desires this world cannot desire the next. In this regard, the Prophet is reported to have said that “love of this world is the root cause of every error,” and that “he who is mostly concerned with this world has nothing to do with God.” (As-Sadr 2011, 177–78) The Qur’an provides us with several verses that speak of this “abounding love,” its nature and consequences (89:20). The following verse depicts wealth as a trial aimed at testing our faith and piety:

You shall surely be tried in your wealth and your souls, and you shall hear much from those who were given the Book before you, and from those who are idolaters. (3:186)

That some have been endowed with wealth should not be misconstrued as a sign of blessing, but of impending punishment:

And let not their wealth or their children impress thee. God desires but to punish them thereby in the life of this world, and that their souls should depart while they are disbelievers. (9:55)

Do they reckon that, [on account] the wealth and children that We have provided them, We hasten unto good for them? Nay, but they are unaware! (23:55–56)

Woe unto every slandering backbiter who amasses wealth and tallies it, supposing that his wealth makes him immortal. Nay! He shall surely be cast into the crushing Fire. (104:2–4)

And let not those who disbelieve suppose that the respite We grant them is good for them. We only grant them respite that they may increase in sin, and theirs shall be a humiliating punishment. (3:178)

And let not those who are miserly with what God has given them from His Bounty suppose that it is good for them; rather, it is evil for them... God has certainly heard the words of those who said, “God is poor, and we are rich.” We shall record what they said, and their slaying of the prophets without right, and We shall say, “Taste the punishment of the burning.” (3:180–81)

Nay, truly man is rebellious in that he considers himself beyond need. (96:6–7)

As for those who disbelieve, neither their wealth nor their children will avail them aught against God. And it is they who shall be fuel for the Fire. (3:10)

Ultimately, it is not our wealth, but the good deeds of this world that will truly count:

[T]he Day when neither wealth nor children avail, save for him who comes to God with a sound heart. (26:88–89)

It is not your wealth or your children that bring you nigh in nearness unto Us, save those who believe and work righteousness – (34:37)

My wealth availed me not. (69:28)

Wealth and children are the adornment of the life of this world, but that which endures – righteous deeds – are better in reward with thy Lord, and better [as a source of hope] hope. (18:46)

His wealth avails him not, nor what he has earned. (111:2)

In the end, the legacy of the prophets shall prevail, and the kingdom of the wealthy shall be brought to an end. In one of his famous sermons, Imam Ali, the fourth Islamic Caliph, eloquently portrays the contrast between the two groups, and how this translates into their respective destinies:

Take instruction from how God's wrath, violence, chastisement and punishment fell upon the arrogant nations before you. Take admonition from the resting places of their cheeks and their bodies, and seek God's protection from the dangers of pride, as you seek His protection from calamities. Certainly, if God were to allow anyone to indulge in pride He would have allowed it to his selected prophets and vicegerents.

But God, the Sublime, disliked vanity for them and liked humbleness for them. Therefore, they laid their cheeks on the ground, smeared their faces with dust, bent themselves down for the believers and remained humble people. God tried them with hunger, afflicted them with difficulty, tested them with fear, and upset them with troubles. Therefore, do not regard wealth and progeny the criterion for God's pleasure and displeasure, as you are not aware of the chances of mischief and trials during richness and power as God, the Glorified, the Sublime, has said:

“What! Think they that what We aid them with of wealth and children, We are hastening unto them the good things? Nay! They (only) perceive not.” (3:55–56)

Certainly, God the Glorified, tries His creatures who are vain about themselves through His beloved persons who are humble in their eyes. (Ibn Abi Talib 1996, 158)

The sermon admonishes believers to take heed from the “dangers of pride” that characterized “arrogant nations” of the past, whose privileged, once superior and haughty, now rest their “cheeks and their bodies” below the ground; their “wealth and progeny” failed to redeem them from such a fate. Prophets, on the other hand, “laid their cheeks on the ground” in humility to other people, and thus, attained the highest of honors in this world and the next. This final chapter of history, argues As-Sadr, constitutes one of the principal “laws” in the Qur’an, and it is the sole “tendency” that cannot be reversed or altered. Then, the “reverent” and the “oppressed”—those “who desire neither dominance upon the earth nor

corruption”—will rule. Their patience and piety, amidst the gross oppression and injustice, will finally be rewarded:

Yet We desired to be gracious to those who were oppressed in the land, and to make them imams, and to make them the heirs. (28:5)

That is the Abode of the Hereafter, which We ordain for those who desire neither dominance upon the earth, nor corruption. And the end belongs to the reverent [or righteous]. (28:83)

### CONCLUSION

In 28:5, we are told that the “oppressed” will be made “the heirs” of the land, and in 28:83, that “the end belongs to the reverent.” In Psalms 37:11, we are told that the “meek shall inherit the land and delight themselves in abundant peace,” and in Psalms 37:29, that the “righteous shall inherit the land and dwell upon it forever.”<sup>5</sup> In both the Bible and the Qur’an, the account of the precise turn of events toward “the end” is quite similar, save for minor eschatological differences. Nevertheless, there exists a significant amount of controversy, within Christian and Islamic eschatology, surrounding the precise nature of the group that “shall inherit the land.” At one extreme, some religious opinions have argued that this group represents the poor, who, in the end, shall prevail over the rich. At the other extreme, it is argued that the rich represent the chosen ones, as evidenced by their many blessings of wealth. As-Sadr, and basing his interpretation on a careful reading of the verses, believes the pious to be the true heirs. The following verse clearly supports this particular reading:

O mankind! Truly We created you from a male and a female, and We made you peoples and tribes that you may come to know one another. Surely the most noble of you before God are the most reverent of you. Truly God is Knowing, Aware. (49:13)

It is neither the rich nor the poor that shall inherit the kingdom of God, but the pious. Wealth and poverty describe a worldly state of affairs, but say very little of the heart and soul. Piety, on the other hand, is to believe that “God is the rich and you are the poor” (47:38), and that He is the “Master of Sovereignty, Thou givest sovereignty to whomsoever Thou wilt, and wrestest sovereignty from whomsoever Thou wilt ...” (3:26). It is this piety that truly troubles the ruling classes, and not the class ideology

of the poor. A class ideology thrives on differences, while a worldview of piety believes in unity, and a class ideology seeks vengeance, while piety pursues justice. In a world measured not by wealth or power, but by faith and piety, the rich cannot claim to be the most fitting administrators of God's bounty, as argued by the likes of Andrew Carnegie; if any, it is the pious, who are most cognizant of the gravity of assuming such a role. More importantly, the poor can no longer be silenced with refined versions of the secular narrative, which offers dazzling promises of an abundant future, contingent on enduring the necessary hardships of scarcity and poverty. What the Qur'an offers is a choice, between a life of piety and equitable prosperity on the one hand, and a life of injustice and wealth disparity on the other. In the secular narrative, the path to general prosperity must pass through a costly phase of progress. In the Qur'anic narrative, prosperity is always within reach, but may be lost if squandered by corruption and injustice. With the former, morality is a luxury to be realized at "the end"; with the latter, morality is the real expression of the life of piety. But how can piety ever hope to realize morality or justice amidst the worldly contrasts of wealth and poverty? That is the question taken up by Part 3, wherein we examine charity as a moral system of justice, in contrast to usury, as one of injustice.

## NOTES

1. The English translation that is available for this book does not contain page numbers. Where possible, the page numbers of the original work in Arabic will be provided.
2. Despite the impressive effort that was put into translating this book, we believe the translation falls short of doing justice to the form and substance of the original work in Arabic. As such, we will be providing, where needed, a modified translation that we believe brings us closer to the intended meaning.
3. See also 5:16; 14:1, 5; 33:43; 57:9 and 65:11.
4. See also 5:54; 21:11; 36:81–82; 44:28; 46:33; 47:38 and 55:60–61.
5. See also Matthew 5:10 and Luke 6:20.

PART III

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## Charity and Usury

## Charity and Usury: Introduction

The choice of concepts for this chapter will likely strike some as a surprise, or at the very least, as an odd combination. That abundance is contrasted with scarcity or wealth is examined relative to poverty would raise no quibbles whatsoever, given that the concepts continue to share a rich tradition of public and intellectual discourse. But since the onset of modernity, we seem to have gradually lost the primordial link between charity and usury, a connection that, to past traditions of thought, was considered usual and crucial. To these traditions, and especially in the cases of Christian and Islamic scholarship, it was typical to contrast usury to charity, with the latter usually presented as the superior alternative to the former. There was a general opprobrium attached to usury and all actions that bore elements of usurious lending, while charity was normally praised for its exceptional qualities and moral significance. While the practitioners of usury were constantly admonished in the strictest of terms, those of charity were glorified for their kindness and selflessness. In short, usury was considered a system of oppression and exploitation, and charity, one of mercy and justice.

Humanity has come a long way indeed. Usury has quite simply lost its practical relevance, with the term receiving but scant mention in contemporary public discourse. In intellectual circles, the concept survives in the lonely pages of books and articles, with hardly any impact on the normal course of affairs, financial or otherwise. What is even more startling is the near absence of meaningful discussions on usury in religious discourse,

and especially, on the pulpits of churches and the *minbars* of mosques. The practice of usury today has become as ubiquitous as its reproach was in the past. Today, we can scarcely recreate the state of mind that refused to distinguish between usury and interest, that considered all interest oppressive and uncharitable. As for charity, its fate has not been any less poignant, albeit in a different sense. One is constantly at a loss to recognize in the charity of our times the spirit of the verse, “You shall love your neighbor as yourself,” or the Prophet’s saying, “None of you truly believes until he loves for his brother what he loves for himself.” Charity, as it stands today, has become largely usurped by the so-called champions of philanthropy, whose visions for society excite in the masses what was once the exclusive quality of prophets. Religion, theoretically at the least, seems to have succumbed to modernity, and charity to usury.

The purpose of this chapter is a very humble attempt at recreating the state of mind that views usury in relation to charity, and vice versa. It is my conviction that this approach to understanding usury and charity will enlighten us to aspects of both concepts that have been consistently overlooked in the relevant literature. I am well aware that my short introduction has put forward several unsubstantiated claims and arguments, and in a largely subjective and unreserved tone. It is my sincere hope that this chapter will succeed in providing the requisite substance, where needed. However, I have no intention whatsoever of assuming an impartial tone in my discussion, in line with the dogmatic political correctness of our age. Instead, my goal is to present a clear and candid case, one that I believe corresponds to the urgency of our current state, both in theory and practice. To do so, it is useful that we first take a brief intellectual tour of each concept separately, and then conclude with an analytical discussion of their singular connection.

## Charity: An Intellectual History

Derived from the Latin *caritas* and the Greek *charis*, charity has become synonymous with several terms over time, such as the Greek terms *agape*, *philoxenia*, *elos*, and *philanthropia*, the Hebrew terms *zedakah*, *gemilut hesed*, and *abeb*, the Latin terms *amor*, *amicitia*, and *beneficta*, and the Arabic terms *sadaqah* and *zakat*. Theoretically, “charity has meant both possessive and selfless love, as well as favor, grace, mercy, kindness, righteousness, and liberality.” For practical purposes, charity “denotes the distribution of goods to the poor and the establishment and endowment of such social-welfare institutions as hospitals, homes for the aged, orphanages, and reformatory institutions” (Constantelos 1993, 222–24). In defining the “practice of charity,” Frederick Bird (1982, 144) includes “involuntary as well as voluntary elements, unreciprocated as well as reciprocal activities, generous as well as begrudging contributions.” And according to Bird, “charity programs have been undertaken as public welfare policies as well as private benevolence; they have involved self-sacrificing altruism as well as quite self-serving philanthropy.” Just as the practice of charity is as old as humanity itself, the discourse on charity can be traced to the historical records of the earliest civilizations.

In ancient Mesopotamia and Egypt, documents “indicate that charity in the sense of social justice was considered a divinely decreed principle. The reforms of King Urukagina (c. 2400 BCE) were praised because ‘he freed the inhabitants of Lagash from usury ... hunger... The widow and

the orphan were no longer at the mercy of the powerful” (Constantelos 1993, 222). Herein, in one of the earliest human civilizations, the practice of charity was aimed at confronting usury, the crucial theme that we intend to explore later in this chapter. Another important theme that will also be encountered is the frequent reference to widows and orphans as key recipients of charity. According to the classical scholar Moses Finley, the “perennial revolutionary program of antiquity was to cancel debts and redistribute the land.” These reforms, among others, constituted some of the edicts declared by Urukagina after taking control of the Mesopotamian city-state Lagash:

He amnestied the citizens of Lagash who were imprisoned because of the debts they had incurred from gain taxes, barley payments, theft, or murder, and he set them free. Finally, Urukagina made a covenant with [the god] Ningirsu that a man of power must not commit an injustice against an orphan or widow. (Urukagina 2015, 74)

Similar reforms were also enacted by King Hammurabi, circa 1750 BCE, to “eliminate the social inequity that had been created by the malpractices of businessmen or other members of the enterprising Babylonian society” (Constantelos 1993, 222). As for ancient Egypt, “charity was perceived as an inner disposition toward fellow human beings and as a means of propitiating the gods for the purpose of achieving immortality, ...” The following is an excerpt from the *Instruction of Any*, written by the Egyptian scribe Any as teachings intended for his son:

Do not eat bread while another stands by  
Without extending your hand to him.  
As to food, it is here always,  
It is man who does not last;  
One man is rich, another is poor,  
But food remains for him who shares it. (Any 2015, 110)

In ancient India, the *Rigveda*, the oldest of the four canonical Hindu sacred texts, conveyed similar sentiments:

The gods surely did not ordain hunger alone for slaughter; various deaths reach the man who is well fed. The riches of the man who gives fully do not run out, but the miser finds no one with sympathy. The man with food who hardens his heart against the poor man who comes to him suffering and

searching for nourishment – though in the past he had made use of him – he surely finds no one with sympathy. The man who is truly generous gives to the beggar who approaches him thin and in search of food. He puts himself at the service of the man who calls to him from the road, and makes him a friend for times to come.... Let the stronger man give to the man whose need is greater; let him gaze upon the lengthening path. For riches roll like the wheels of a chariot, turning from one to another. (Rigveda 2015, 106)

Such sentiments are also present in the following recitation by a *devata*, a deity in Buddhist mythology, which “comes from the *Pali* canon, one of the oldest surviving records of the Buddha’s teaching,”

So when the world is on fire  
with aging and death,  
one should salvage (one’s wealth) by giving:  
what’s given is well salvaged. (Samyutta Nikaya 2015, 101)

And in ancient China, the teachings of Confucius, as recorded in the *Mencius*, also advocated “benevolence” toward others:

Mencius said, “No man is devoid of a heart sensitive to the suffering of others. Such a sensitive heart was possessed by the former kings and this manifested itself in compassionate government. With such a sensitive heart behind compassionate government, it was as easy to rule the empire as rolling it on your palm...

Confucius said, “The best neighborhood is where benevolence is to be found. Not to live in such a neighborhood when one has the choice cannot by any means be considered wise.” Benevolence is the high honor bestowed by heaven and the peaceful abode of man. (Mencius 2015, 135)

The founder of the Taoist philosophy and religion, Lao Tzu, in the *Tao Te Ching*, contrasts the “great way” to that of “robbery,”

Were I possessed of the least knowledge, I would, when walking on the great way, fear only paths that lead astray. The great way is easy, yet people prefer bypaths.

The court is corrupt,  
The fields are overgrown with weeds,  
The granaries are empty;

Yet there are those dressed in fineries,  
 With swords at their sides,  
 Filled with food and drink,  
 And possessed of too much wealth.  
 This is known as taking the lead in robbery.  
 Far indeed is this from the way. (Lao Tzu 2015, 147)

In ancient Greece, the discourse on charity “is present in the earliest Greek poetry, drama, and philosophy. Compassion for the afflicted and loving hospitality were greatly emphasized in Mycenaean and archaic Greek society (1400=700 BCE). The care of strangers and suppliants was an ethical imperative because such people had been placed under the direct aegis of the divinity” (Constantelos 1993, 222–24). Such care and compassion was partly due to the “influence of the great philosophers Socrates, Plato, and Aristotle and the Stoics, [as] charity was perceived as a duty toward all ‘broken and destitute humanity wherever found.’” In the *Nicomachean Ethics*, Aristotle argues that,

Those, then, who busy themselves in an exceptional degree with noble actions all men approve and praise; and if all were to strive towards what is noble and strain every nerve to do the noblest deeds, everything would be as it should be for the common good and everyone would secure for himself the goods that are greatest, since virtue is the greatest of goods.... [Thus], the conferring of a benefit where a return is not sought is morally acceptable, and the value of the gift is not to be judged by its intrinsic worth but by the spirit of the giver. (Aristotle 2014, 1169a; quoted in Constantelos 1993, 223)

On the practical side, “in the classical Greek city-states, whether in Athens, Thebes, or remote Aeragas, charity in the sense of self-less love, almsgiving, pity, and concern for the orphan, the widow, and the elderly was widely and generously practiced” (Constantelos 1993, 223). Just as is the case with most concepts and ideas, the influence of Greek thought on subsequent intellectual discourse cannot be overestimated. Their views on charity were later “adopted by such Roman thinkers as Cicero and Seneca, who in their exposition of *caritas* and *beneficia* echo Aristotle’s teachings and the Greek understanding of *philanthropia*. Whether for the sake of honor or other motives, much charity was practiced in the Roman empire, especially in the *alimenta*, measures introduced to assist orphans and poor

children” (Constantelos 1993, 224). The following excerpt from Cicero’s *On Duties* clearly demonstrates Aristotle’s influence:

There are, in general, two classes of those who give largely: the one class is the lavish, the other the generous. The lavish are those who squander their money on public banquets, doles of meat among the people, gladiatorial shows, magnificent games, and wild-beast fights – vanities of which but a brief recollection will remain, or none at all. The generous, on the other hand, are those who employ their own means to ransom captives from brigands, or who assume their friends’ debts or help in providing dowries for their daughters, or assist them in acquiring property or increasing what they have...

How much more true and pertinent are Aristotle’s words, as he rebukes us for not being amazed at this extravagant waste of money, all to win the favor of the populace...

The justification for gifts of money, therefore, is either necessity or expediency. And in making them even in such cases, the rule of the golden mean is the best. (Cicero 2015, 32–33)

The same can be said of Seneca, as he commented on Alexander’s “inflated” sense of giving:

Alexander, who was of unsound mind, and always full of magnificent ideas, presented somebody with a city. When the man to whom he gave it had reflected upon the scope of his own powers, he wished to avoid the jealousy that so great a present would excite, saying that the gift did not suit a man of his position. “I do not ask,” replied Alexander, “what is becoming for you to receive, but what is becoming for me to give.” This seems a spirited and kingly speech, yet really it is a most foolish one. Nothing is by itself a becoming gift for anyone: all depends upon who gives it, to whom he gives it, when, for what reason, where, and so forth, without which details it is impossible to argue about it. Inflated creature! If it did not become him to receive this gift, it could not become you to give it. There should be a proportion between men’s characters and the offices that they fill; and as virtue in all cases should be our measure, he who gives too much acts as wrongly as he who gives too little. (Seneca 2015, 121)

From this swift survey of charity, whether in theory or in practice, several themes can be identified that are common to most, if not all, of the ancient civilizations. One such theme, alluded to earlier, is the recurring mention of widows and orphans as primary recipients of charity. This

theme is also prevalent in the religious discourse of Judaism, Christianity, and Islam on the subject of charity. A second theme that is recognized is the special focus on the act of giving, and the state of mind of the giver. One notices a keen concern on the part of philosophers and religious sages in imparting precise instructions to potential givers on the preferred method of, and the ideal motives for, giving. A third theme that is explicitly or implicitly perceived in much of the discourse is the common tendency to depict charity within the broader context of grand contrasts, that is, as part of a more fundamental dichotomy that governs society, and even the universe. Examples of such contrasts include: wealth and poverty, abundance and scarcity, the rich and the poor, the strong and the weak, the powerful and the oppressed, the generous and the greedy, and the “great way” and the “bypaths.” These and other dualities will be examined in more detail as we progress with our discussion. The final and most important theme that is identified is the almost universal view of charity as a “divinely decreed principle.” In most of the discourse, charity is considered as primarily a “religious and moral obligation, [though] a social and economic need.” In addition to depicting charity as an obligation of divine origin, its reward is also divine in nature, whether material or spiritual, of this world or the next. That charity is a *religious* act will be one of the major themes examined in this chapter, and especially in the context of Judaic, Christian, and Islamic literature.

While it is clear that “early Hebrew thought was greatly influenced by the Babylonian, Egyptian, and other peoples of the ancient Near East, ... the Hebrews molded what they inherited and added their own religious and social thought as set forth in their scriptures, particularly the Hebrew Bible” (Constantelos 1993, 223). Some scholars would go even further than this in their estimation of the contrast between charity in Judaism and Christianity, on the one hand, and the ancient civilizations, on the other. In his impressive work on charity, Gary A. Anderson recalls the contrasting images that Paul Veyne wishes his readers to imagine in his book *Bread and Circuses*. According to Veyne, if one was to capture an aerial view of the ruins of a Roman city, the “public buildings erected by means of charitable bequests include the public theatre, the baths, and various basilicas devoted to governmental functions.” If, however, one was to view a Medieval city from above, “instead of theatres and baths, one sees the roofs of convents, hospices, orphanages, and soup kitchens for the poor” (Anderson 2013, 15). Moreover, the “charity ethic” that was developed in Judaism was “embodied in a number of norms addressed not to the ruler

but to heads of households, who were held responsible for their enactment.” This was in contrast to the “Greek city states, the Roman Republic, the Egyptian monarchy, and the Persian empire [who] had established programs of public philanthropy by means of which surplus foods were periodically distributed to the poor ...” The “charity ethic” of the Hebrews called for aid to be provided to orphans, widows, Levites, guest workers, indentured servants, and the landless; such charity took the form of hospitality, food, no-interest loans, material goods, and fair treatment (Bird 1982, 146). Examples of Old Testament verses that emphasize the obligation of charity include the following:

You shall not wrong a sojourner or oppress him, for you were sojourners in the land of Egypt. You shall not mistreat any widow or fatherless child. If you do mistreat them, and they cry out to me, I will surely hear their cry, and my wrath will burn, and I will kill you with the sword, and your wives shall become widows and your children fatherless. If you lend money to any of my people with you who is poor, you shall not be like a moneylender to him, and you shall not exact interest from him. (Ex. 22:21–25)

You shall not oppress a sojourner. You know the heart of a sojourner, for you were sojourners in the land of Egypt. (Ex. 23:9)

You shall tithe all the yield of your seed that comes from the field year by year... And you shall not neglect the Levite who is within your towns, for he has no portion or inheritance with you. (Deut. 14:22, 27)

If among you, one of your brothers should become poor, in any of your towns within your land that the Lord is giving you, you shall not harden your heart or shut your hand against your brother, but you shall open your hand to him and lend him sufficient for his need, whatever it may be... Therefore I command you, ‘You shall open wide your hand to your brother, to the needy and to the poor, in your land.’ (Deut. 15:7–11)

... then you shall say before the Lord your God, ‘I have removed the sacred portion out of my house, and moreover, I have given it to the Levite, the sojourner, the fatherless, and the widow, according to all your commandments that you have commanded me.’ (Deut. 26:13)

When you reap the harvest of your land, you shall not reap your field right up to its edge, neither shall you gather the gleanings after your harvest. And you shall not strip your vineyard bare, neither shall you gather the fallen grapes of your vineyard. You shall leave them for the poor and for the sojourner: I am the Lord your God. (Lev. 19:9–10)

Commenting on the theological meaning and historical context of the verses from Deuteronomy, Anderson believes the “law code of Deuteronomy” to be the “beginnings of the sacralization of gifts to the poor... the public declaration about the tithe taught the layperson that this donation to the poor was a sacred gift and so subject to the laws of purity that pertained to the altar.” Thus, “just as the altar is a conduit for food, so the hand of the poor is a conduit for money” (Anderson 2013, 28–29). But in addition to the depiction of charity as a tithe for the poor, it was increasingly viewed as a “loan to God,” a notion that Anderson believes became “immensely popular in early Judaism and Christianity.” This is especially evident in Proverbs 19:17:

Whoever is generous to the poor lends to the Lord,  
and He will repay him for his deed. (Prov. 19:17)

While Proverbs 19:17 depicts charity as a “loan to God,” other verses emphasize the case that lending is itself a form of charity, with the necessary provision that loans are interest-free, as in Exodus 22:25:

If you lend money to any of my people with you who is poor, you shall not be like a moneylender to him, and you shall not exact interest from him. (Ex. 22:25)

If among you, one of your brothers should become poor, in any of your towns within your land that the Lord is giving you, you shall not harden your heart or shut your hand against your brother, but you shall open your hand to him and lend him sufficient for his need, whatever it may be. (Deut. 15:7)

The wicked borrows but does not pay back,  
but the righteous is generous and gives; (Ps. 37:21)

He is ever lending generously,  
and his children become a blessing. (Ps. 37:26)

It is well with the man who deals generously and lends;  
who conducts his affairs with justice. (Ps. 112:5)

In addition to the above, Anderson cites the Jewish book of Sirach, written by Ben Sira and also known as Ecclesiasticus, in which lending is viewed as charity on the one hand, and charity as lending to God on the other:

The merciful lend to their neighbor,  
     by holding out a helping hand, they keep the commandments.  
 Lend to your neighbor in his time of need,  
     and pay back your neighbor in time.  
 Keep your promise and be honest with him,  
     and at all times you will find what you need.  
 Many borrowers ask for a loan  
     and cause trouble for those who help them.  
 Till he gets a loan, he kisses the lender's hand  
     and speaks softly of his creditor's money,  
 But at time of payment, delays,  
     makes excuses, and finds fault with the timing.  
 If he can pay, the lender will recover barely half,  
     and will consider that a windfall.  
 If he cannot pay, the lender is cheated of his money  
     and acquires an enemy at no extra charge;  
 With curses and insults the borrower will repay,  
     and instead of honor will repay with abuse.  
 Many refuse to lend, not out of meanness,  
     but from fear of being cheated needlessly.  
 But with those in humble circumstances be patient;  
     do not keep them waiting for your alms.  
 Because of the commandment, help the poor,  
     and in their need, do not send them away empty-handed.  
 Lose your money for relative or friend;  
     do not hide it under a stone to rot.  
 Dispose of your treasure according to the commandments of the Most High,  
     and that will profit you more than the gold.  
 Store up almsgiving in your treasury,  
     and it will save you from every evil. (Sirach 29:1–12)

In his commentary on Sirach, Anderson notes the reference to lending money to a neighbor in need as “merciful,” highlighting the fact that the Greek word for mercy (*eleos*) is the root of the modern English word *alms*. Furthermore, the verses consider the provision of a loan as “an act of obedience to a divine commandment.” As such, lending money is not simply “a good thing to do, it is *merit*-worthy – that is, it improves one’s standing with God.” In this regard, Anderson observes that only in Deuteronomy does biblical scripture present the giving of loans as a divine commandment (Anderson 2013, 42–43). In addition, that the treatment of charity is set in between the “opening unit on loans” and the “closing unit on

surety” would suggest that “almsgiving has been characterized as a type of loan.” But if that is the case, and Ben Sira is clearly aware of the many risks involved in lending, “why would one grant a loan to someone who is terribly impoverished?” Ben Sira’s answer, like that of Deuteronomy 15:7, is unequivocal:

Because of the commandment, help the poor,  
and in their need, do not send them away empty-handed.

What is even more, argues Anderson (2013, 46–48), Ben Sira calls on each of his students to:

Lose your money for relative or friend;  
do not hide it under a stone to rot.

And yet, it is in the nature of gainful lending that one should expect, at the very least, “the eventual return of one’s funds.” How is it then that such merciful acts are characterized as a loan, if no return whatsoever is to be guaranteed? The answer, Anderson believes, lies in the very next verse:

Dispose of your treasure according to the commandments of the Most High,  
and that will profit you more than the gold.  
Store up almsgiving in your treasury,  
and it will save you from every evil.

Herein lies the very essence of the biblical notion of charity as a “loan to God,” and it is in this sense that we hope, by the end of this chapter, to understand the precise link between charity and usury. Elaborating on this notion of charity, Anderson argues that,

Though Ben Sira does not provide any details as to how this works, one must presume that the poor person serves as a sort of conduit through which one can convey goods from earth to heaven. But the conduit must be of a very special nature because both the donor and the recipient stand to profit from this transaction. The money expended as charity returns to the donor as a credit to a heavenly bank account. It is also striking that Ben Sira says that the *silver* that was given away as alms (“Lose your silver ...”) becomes a deposit that is worth more than *gold* (“it will profit you more than gold”). In antiquity as in the modern era, gold was a far more precious metal than silver. In giving away something of a lesser value one attained something far greater. (Anderson 2013, 49)

Thus, the practice of charity becomes a “loan to God” that He promises to repay with “something far greater.” This promise, however, is only comprehensible to a believer, for it is solely on the basis of faith that one can risk all of this world for the next. That is, it is by funding a “heavenly treasure” that a believer can forego all earthly treasures, a point made lucid by Ben Sira in the following verses:

Store up almsgiving in your treasury,  
and it will save you from every evil.  
Better than a mighty shield and a sturdy spear  
it will fight for you against the enemy.

According to Anderson (2013, 53–54), “the concept of the treasury in heaven originates in a fundamental economic concern: how to prepare for the uncertainties of the future.” But the strategy that Ben Sira has in mind is not of the human inventions of financial planning, but simply in charity to the poor. It is such spending that truly insures against the “the uncertainties of the future. Almsgiving provides a far better form of security than could be gained from earthly wealth.” That charity serves as insurance to the faithful is also evident in the following verses from the Old Testament:

Treasures gained by wickedness do not profit,  
but almsgiving [*tsedaqa*] delivers from death. (Prov. 10:2)

Riches do not profit in the day of wrath,  
but almsgiving [*tsedaqa*] delivers from death. (Prov. 11:4)<sup>1</sup>

This view of charity, however, is only possible if accompanied by an indifference to the “eerie power [of wealth] over its possessor . . .” The point of Ben Sira, argues Anderson (2013, 59–60), is a caution to the “considerable spiritual danger that reside in money. ‘Who has been tested by it and found perfect?’ Ben Sira asks. Almost no one, he implies; only those who made their wealth a resource for others.” The key insight to be inferred from all this is that a paradox is presented in that “what constitutes an almost certain loss of wealth in earthly terms becomes the privileged means of securing it in heaven. Ben Sira introduces an idea that will emerge as a key theme in the preaching of Jesus – the treasury in heaven” (Anderson 2013, 49). It is to the New Testament that we now turn our attention, to that “treasury” that Jesus so painstakingly urged that we look, away from this world and its treasures.

The main references in the New Testament to the “treasury in heaven” are to be found in the three Synoptic Gospels (Matthew, Mark, and Luke). The pertinent verses are the following:

Do not lay up for yourselves treasures on earth, where moth and rust destroy and where thieves break in and steal, but lay up for yourselves treasures in heaven, where neither moth nor rust destroys and where thieves do not break in and steal. For where your treasure is, there your heart will be also. (Matt. 6:19–21)

And Jesus, looking at him, loved him, and said to him, “You lack one thing: go, sell all that you have and give to the poor, and you will have treasure in heaven; and come, follow me.” Disheartened by the saying, he went away sorrowful, for he had great possessions.

But Jesus said to them again, “Children, how difficult it is to enter the kingdom of God! It is easier for a camel to go through the eye of a needle than for a rich person to enter the kingdom of God.” (Mark 10:17–27)

He said to his disciples, “Therefore I tell you, do not worry about your life, what you will eat, or about your body, what you will wear. For life is more than food, and the body more than clothing...”

“Do not be afraid, little flock, for it is your Father’s good pleasure to give you the kingdom. Sell your possessions, and give alms. Make purses for yourselves that do not wear out, an unfailing treasure in heaven, where no thief comes near and no moth destroys. For where your treasure is, there your heart will be also.” (Luke 12:22–34)

In the parable of the Rich Fool in Luke, we are presented with the contrast between those who “store up treasures for themselves” and those who are “rich toward God.” Since the latter is presented as the opposite of the former, “it must refer to the act of distributing goods to the poor.” But Jesus is well aware of the strong temptation to do otherwise, to accumulate for oneself and not “give alms.” This temptation to accumulate is primarily driven by worries about the “uncertainties that the future might hold,” to which Jesus responds: “Therefore I tell you, do not worry about your life, what you will eat, or about your body, what you will wear. For life is more than food, and the body more than clothing” (Anderson 2013, 64). In the previous two chapters, we had discussed the feeling of “worldly anxiety” that is characteristic of “little faith” and weak piety, of a world-view predicated on the postulate of scarcity. What Jesus is calling for is

faith in God's infinite generosity and the abundance of His creation. A true believer lacks the capacity to worry about this world because his eyes are set on the next; a true believer never worries about herself, for her concern is for others. Such faith, therefore, cannot but express itself in daily acts of charity to the poor. And such acts of charity, no matter how trivial or small, will build up an "unfailing treasure in heaven" to which the hearts of the faithful drift, away from the fleeting treasures of this world. Hence, the call in Mark and Luke to give up our possessions as charity to the poor is but the ultimate test of such faith and piety, for our hearts cannot "serve God and mammon." That the notions of anxiety, faith, and "heavenly treasure" all contribute to a profound view of charity can be seen in Anderson's concluding statement on Ben Sira's notion of charity as a "loan to God":

What Ben Sira does not explicitly say, though it can be clearly inferred, is that his teaching can be trusted only to the degree that one has faith in God. As we have noted, a creditor is an aptly named individual – in order to make a loan he must believe that he has a reasonably good chance of seeing his money returned. On the face of it a divine treasury might seem to the safest place to store one's wealth. But its true value is directly proportional to the faith one has in the divine being who underwrites the deposits. Or to put it another way, the safety of the divine treasury is a dependable notion only for those who have a deep faith in God. If it were otherwise, everyone would be in a race to share their goods with the poor. *Almsgiving, it turns out, becomes an extraordinary index of the faith of the believer* through his financial generosity as a creditor. (Anderson 2013, 52, emphasis added)

As is the case with Ben Sira, the verses from Matthew, Mark, and Luke clearly emphasize the link between faith and charity, with the former as the prerequisite of the latter. It is only logical, therefore, that as the practical equivalent of faith, piety became synonymous with charity. Christianity had forever changed charity, both its nature and form. Jesus presented to the world, in theory and practice, an example of charity that was impossible to ignore, let alone dissipate. This deeply religious view of charity was to be challenged by the rise of secular thought, which sought to establish a radically different vision of charity, one that does not look to the "treasury in heaven," but to the treasures on earth.

It is not surprising, given their overly secular worldview, that the Classical economists viewed the issue of charity in a very different light than that of Christianity; in fact, charity assumed only a secondary position

within their broader vision of a social and economic system. As a case in point, “the core theoretical argument in *The Wealth of Nations* would appear to be that economic altruism is largely unnecessary in a competitive market system inhabited by just and prudent individuals.” In his more ethically-minded work, *The Theory of Moral Sentiments*, “beneficence (which includes acts of charity, kindness, love, friendship and the like) ... is described by Smith ... as ‘the ornament which embellishes’ society rather than being a virtue essential to social order or economic growth.” But Smith was very much aware of the “imbalances of economic power prejudicial to the poor created by the mercantilist system which, he argued, largely benefited the capitalist class of merchants and manufacturers.” As such, he believed his “obvious and simple system of natural liberty” to be a “utopian vision which ‘not only the prejudices of the publick, but what is more unconquerable, the private interests of many individuals, irresistibly oppose.’” At best, therefore, the “issue of charitable giving to benefit the poor is therefore highly relevant in a ‘second best’ world created by rent-seeking capitalists or other market failures” (Birch 1998, 25). Charity was to be viewed mainly in terms of its “social utility” as a probable instrument that can be called upon to complement the established roles of government and markets. This instrumental view of charity also applies to individuals, as Smith implicitly suggests in the opening passage of the *Moral Sentiments*:

How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he desires nothing from it except the pleasure of seeing it. (Smith 1982, 9)

According to Birch (1998, 27), “Smith here acknowledges self-regarding motives of personal utility as a possible rationale for caring about the happiness of others,” though he does not exclude the possibility of “benevolence or, more broadly, an altruistic sense of duty as alternative reasons for caring about others.” This possibility, Smith believes, is “rooted in a human capacity for ‘fellow-feeling,’” or the “‘sympathy’ with another person’s situation obtained through imagination, breadth of understanding and reason ...” (Birch 1998, 27–35). This “imagination” is both internal, in the form of an imaginary “impartial spectator,” and external, from “third party spectators” who also derive utility from observing charitable activity:

Generosity, humanity, kindness, compassion, mutual friendship and esteem, all the social and benevolent affections, when expressed in the countenance or behavior, even towards those who are not particularly connected with ourselves, please the indifferent spectator upon almost every occasion ... We have always ... the strongest disposition to sympathize with the benevolent affections. They appear in every respect agreeable to us. (Smith 1982, 38)

On the one hand, and viewed as possible externalities, such charitable acts are likely to be undersupplied, “as a free market society may lead to too little expression of benevolent feelings from a social utility-maximization perspective.” In addition, a sense of “natural disapprobation” develops toward the poor, because “our propensity to sympathize with joy [and wealth] is much stronger than our propensity to sympathize with sorrow [and poverty],”

It is agreeable to sympathize with joy ... But it is painful to go along with grief, and we always enter into it with reluctance... The wretch whose misfortunes call upon our compassion feels with what reluctance we are likely to enter into his sorrow, and therefore proposes his grief to us with fear and hesitation: He even smothers the half of it, and is ashamed, upon account of this hard-heartedness of mankind, to give vent to the fulness of his affection. (Smith 1982, 45–46)

And on the other hand, since individuals are “most powerfully driven by a desire for social approbation and not wealth per se, ... private charitable activity may actually lead to *over*provision of aid as when, for example, donations are used to signal social or economic status” (Birch 1998, 32–33). This is quite similar to Veblen’s arguments on charity, and the instrumental use of charitable institutions by the leisure class (Ganley 1998, 436).

Given this theoretical background that he had established in his *Moral Sentiments*, Smith’s general “theory of charity” was to be fully developed and presented in his *Wealth of Nations*. Birch provides us with a succinct summary:

In *An Inquiry into the Nature and Causes of the Wealth of Nations*, Adam Smith presented a first-best theory in which the need for charity diminishes in the long run as the condition of the poor improves under the prudent and just behavior of capitalists in a competitive free-market economy... Removed from the economic mainstream, the poor have a natural tendency to conceal

their misfortune out of shame, and the wealthy have an inclination to distance themselves from the poor out of contempt. (Birch 1998, 37)

Smith is generally believed to be most adept at describing the world as it is, and less so in outlining how it ought to be. In the case of charity, while he does allow for the possibility of purely selfless aims, he believed that acts of charity are generally driven by “self-regarding motives,” which are, in turn, rooted in personal considerations of social approbation and disapprobation. The following words, by Smith, are especially suggestive:

It is not the love of our neighbor, it is not the love of mankind, which upon many occasions prompts us to the practice of those divine virtues. It is a stronger love, a more powerful affection, which generally takes place upon such occasions; the love of what is honorable and noble, of the grandeur, and dignity, and superiority of our own characters. (Smith 1982, 137)

The underlying logic of the above excerpt is quite similar to Smith’s self-interest argument that he presented in the context of the “butcher, the brewer, or the baker” example; charity, just like about everything else, is *primarily* driven by considerations of self-interest, and not by pure benevolence. If this “stronger love” is not “of our neighbor,” or “of mankind,” or of God, then it must be of one’s self, of the “superiority of our own characters,” one that is “decidedly more Stoic than Christian” (Birch 1998, 28). To Smith, the world that he was attempting to make sense of was not driven by love, but by self-interest, and thus, the poor have no recourse but to address themselves not to the “humanity [of others], but to their self-love.”

We feel ourselves to be under a strict obligation to act according to justice, than agreeably to friendship, charity, or generosity. (Smith 1982, 80)

In this world, “if one were to lose his little finger tomorrow, he would not sleep tonight.” But this same person, “provided he never saw them, he will snore with the most profound security over the ruin of a hundred millions of his brethren, and the destruction of that immense multitude seems plainly an object less interesting to him, than this paltry misfortune of his own.” But such “natural misrepresentations of self-love, [Smith argues], can be corrected only by the eye of [the] impartial spectator.” It is this “great judge and arbiter of our conduct ... who shows us the propriety of

our generosity and the deformity of injustice; the propriety of resigning the greatest interests of our own, for the yet greater interests of others, and the deformity of doing the smallest injury to another, in order to obtain the greatest benefit to ourselves” (Smith 1982, 136–37). But this “great judge,” in its attempt to guide our conduct, must ultimately appeal to our self-interest:

The man within immediately calls to him, in this case too, that he is no better than his neighbour, and that by this unjust preference he renders himself the proper object of the contempt and indignation of mankind; as well as of the punishment which that contempt and indignation must naturally dispose them to inflict, for having thus violated one of those sacred rules, upon the tolerable observation of which depend the whole security and peace of human society. There is no commonly honest man who does not more dread the inward disgrace of such an action, the indelible stain which it would for ever stamp upon his own mind, ... (Smith 1982, 138)

Ultimately, it is the forces of approbation and disapprobation, both of the self and of society, that determine our conduct. The “sacred rules” that Smith is referring to are but the product of these forces, the violation of which pits any one of us against the “whole security and peace of human society.” But the process by which such rules are produced and disseminated is an endogenous one, as are the corresponding rewards and punishments. It is society that determines what is approbatory or disapprobatory, and it is society that is the ultimate judge of our conduct and its requisite reward or punishment. This is the essence of Smith’s moral system, with implications that are most profound and crucial to charity, and the broader categories of wealth and poverty. Society is not an aggregation of equitably endowed individuals whose beliefs and interests weigh equally in the general state of affairs, but is a blend of conflicting interests directly engaged in a struggle for social power and control; the “sacred rules” are really the social rules that result from such an interplay of opposing interests, the result of which must naturally weigh more heavily in favor of the dominant set of interests. It follows that within the logic of Smith’s moral system, attitudes toward charity are derivative of the broader social viewpoint on wealth and poverty, on the rich and the poor. There is no room for an exogenous point of reference, a moral compass per se, to which the poor and the disadvantaged can appeal to for salvation or deliverance. Prophecy and revelation are absent from Smith’s system, and so is an

objective, permanent, and universal order of morality. And yet, Smith's system is but the logical outcome of a theoretical progression that had started much earlier, with the likes of Locke and Kant. The following statement by Locke is usually referred to in discussions of his views on welfare rights:

God, the Lord and Father of all, has given no one of his children such a property in his peculiar portion of the things of this world, but that he has given his needy brother a right to the surpluseage of his goods; so that it cannot justly be denied him, when his pressing wants call for it; and therefore no man could ever have a just power over the life of another by right of property in land or possessions; since it would always be a sin, in any man of estate, to let his brother perish for want of affording him relief out of his plenty. As justice gives every man a title to the product of his honest industry, and the fair acquisitions of his ancestors descended to him; so charity gives every man a title to so much out of another's plenty as will keep him from extreme want, where he has no means to subsist otherwise. (Quoted in Lomasky and Swan 2009, 503)

As for Kant, he argues that:

To the supreme commander there belongs indirectly, that is, insofar as he has taken over the duty of the people, the right to impose taxes on the people for its own preservation, such as taxes to support organization providing for the poor ... usually called charitable or pious institutions. (Quoted in Lomasky and Swan 2009, 503)

Both Locke and Kant have been interpreted to be in favor of welfare rights, but derived from the "general will of the people." The state, where the activities of voluntary charity fall short, are entitled to act upon such "will" and provide the requisite welfare support. The wealthy, and given the "significant benefits [they derive] from civil society, as compared with the state of nature, ... [will accept] an obligation to help those who are not so fortunate" (Lomasky and Swan 2009, 504).

It is not surprising, therefore, that charity has come to be viewed by a utilitarian mindset, and that acts of voluntary charity or government welfare programs are evaluated on the basis of their social utility. After all, a world that is far more keen to sympathize with the rich, than with the poor, will be naturally one where the virtue of charity is wanting. And in such a world, the general intellectual interest in the subject of poverty and

charity will be equally lacking. This intellectual dearth is especially conspicuous in the neoclassical school of economics, itself the (post)modern embodiment of the liberal tradition (Ganley 1998). This is in contrast to Alfred Marshall, the economist who is largely credited for setting the theoretical foundations of the neoclassical school. In his own words, Marshall explains the significance of poverty as a lifelong intellectual pursuit:

I have devoted myself for the last twenty-five years to the problem of poverty and ... very little of my work has been devoted to any inquiry which does not bear on that ... (Quoted in Ganley 1998, 435)

This intellectual interest was also translated into active participation in charitable institutions, an undertaking that few intellectuals of our age can claim to be pursuing. Instead, some contemporary intellectuals, and in the spirit of Smith, are especially keen to remind us that any one poor person today “has more of the conveniences and luxuries of life than an Indian prince at the head of 1000 naked savages” (quoted in Gilbert 1997, 282). Hence, if any one of us happens to be better off than this “Indian prince,” he or she has no reason whatsoever to complain! And thus, the poor, by losing any meaningful voice in the intellectual sphere, are either banished to the fringes of society, to be cared for by those who are irrational enough to be selfless in this world, or are abandoned to the mercy of modern philanthropists, who are ever so innovative in their ritualistic displays of “charity.” Even worse, the poor are endlessly sacrificed at the altar of profit, to a system predicated on the logic and practice of usury. It is to the topic of usury that we now turn our attention.

## NOTE

1. Anderson (2013, 197) translates the Hebrew term *tsedaqa* as “almsgiving” instead of “righteousness,” as was “the norm in the Second Temple period.”

## Usury: An Intellectual History

No topic in the broad discipline of economic thought is more controversial than usury, even though the intellectual interest in the subject matter has been steadily declining for centuries. This steady decline is in no way a testament to the final settlement of the debate, or even the partial resolution of impending questions, but was the reflection of a conscious decision to eschew a topic that was becoming increasingly unpopular. In an increasingly secular world, predicated on a material worldview and driven by a strictly economic rationality, an unusual degree of intellectual courage was needed to resist such a trend. Such courage, one must admit, was becoming increasingly scarce, even as the means of expression became more abundant. Today, we have all but lost the moral and theoretical vocabulary with which to engage in an intellectual discourse on usury, choosing instead to remain safely within the confines of political and economic correctness. To raise the issue of usury, whether in relation to finance, business, or economics, is to expose oneself to the likely possibility of social ridicule and political mockery, to be branded as a regressive scholar in an allegedly progressive age. But if the experience of the last few years bears any indication, it is that the topic of usury is as pertinent as ever, in spite of our collective desires and efforts to the contrary. All attempts at calling things with different names, of eliminating distinctions when they truly matter, and assigning differences where they do not exist, of trivializing norms and generalizing exceptions, have failed to completely eradicate

from our collective consciousness and conscience, the *sin* of usury. And it is precisely the conceptualization of usury as a sin, a tradition that is inherently religious, that our secular world has emphatically abandoned. And yet, it is in the spirit of this religious tradition that we seek to examine the topic of usury, as it relates to a religious life of piety and charity. We hope to revisit, albeit very briefly, the religious and moral tradition that, for the most part, directed the theoretical discourse on usury. Before we do so, however, three opening remarks are worth mentioning.

The first remark is that for a considerable span of intellectual history, there was no theoretical distinction between interest and usury. According to Rothbard (2006, 42–43), “Classically, ‘usury’ means *any* rate whatsoever charged on a loan, no matter how low. The prohibition of usury was a prohibition against any interest charge on a loan.” This view is shared by many scholars, such as John Noonan in his *Scholastic Analysis of Usury*, who argued that usury was considered the taking of *any* interest on any sort of loan, and Diana Wood in *Medieval Economic Thought*, who states that usury “did not mean, as now, taking an exorbitant rate of interest on a loan; it meant the taking of any interest on a loan” (Wood 2002, 75). This chapter subscribes to this view, and will make an effort to provide evidence in support. The second remark, and one that is historically obvious, is that this tradition had a much more favorable record on the theoretical front than the practical one; that is, its intellectual predominance did not translate into a practical one. Even though the extent to which usury was practiced was influenced by the moral opprobrium attached to usury, its practice was not uncommon, but persisted across time and place. The third remark, and one that is arguably less obvious, is that the divergence between theory and practice did not entirely result from the influence of nonreligious or secular elements. Much of the departure from the traditional position of religious scripture on the topic of usury can be traced to transformations in the structure of religious authority and, more importantly, in the nature and quality of religious piety and charity. Prophecy was slowly losing its role as the prime source of religious instruction, and this translated into a corresponding decline in the practical significance of piety and charity. It is this essential interrelationship between the concepts of prophecy, piety, charity, and usury that we seek to highlight in the remainder of this chapter. But first, a little bit of history is in order.

The history of usury is closely intertwined with the history of debt, for as long as humans have engaged in debt, the issue of usury has been

present. Nevertheless, the “earliest [intellectual] roots of the concept are found in the Old Testament and in Aristotle” (Taeusch 1942, 291). In the writings of Aristotle, we have one of the earliest condemnations of usury as “unnatural”:

Of the two sorts of money-making one, as I have just said, is a part of household management, the other is retail trade: the former necessary and honourable, the latter a kind of exchange which is justly censured; for it is unnatural, and a mode by which men gain from one another. The most hated sort, and with the greatest reason, is usury, which makes a man gain out of money itself, and not from the natural use of it. For money was intended to be used in exchange, but not to increase at interest. And this term usury, which means the birth of money from money, is applied to the breeding of money because the offspring resembles the parent. Wherefore of all modes of making money this is the most unnatural. (Aristotle 1948, 20)

According to Aristotle, those who “engaged in commerce for money thus have a propensity to *pleonexia* (greediness or overreaching); they tend to devote their lives to gaining more and more without limit or reflective purpose.” But the “most suspect form of commerce was the making of money from money,” defined as usury (Muller 2002, 5). One argument of Aristotle against the charging of interest is that “money cannot be used directly, and is employed only to facilitate exchanges.” As such, money is “barren and cannot itself increase wealth” (Rothbard 2006, 15). Another argument rested on the concept of commutative justice that Aristotle developed in his *Nicomachean Ethics*, which “required equality in all exchange transactions between individuals in society.” The charging of interest was believed to violate the principles of “proportional reciprocity” and moderation, resulting in injustice and excess, respectively. A third argument that can be inferred from Aristotle is that usury also violated the concept of distributive justice, with its harmful effects on the “distribution of wealth among all in society” (McCall 2008, 561). Aristotle’s arguments will later have considerable influence on the intellectual discourse on usury, with the greatest influence on the theologians of medieval Christianity. Though Aristotle’s contributions to this debate enriched the theoretical and analytical literature that the Scholastics borrowed from, their primary inspiration in formulating a position on usury derived from their religious convictions, the basis of which was the doctrine of the Old and New Testaments.

In the Old Testament, the “earliest edict . . . concerning interest is in the Elohist Code of the Covenant. This Code is part of the Book of Exodus (chs. 21–23), and it dates from the ninth century BC or earlier” (Gordon 1982, 407). In Exodus, the Code declares:

If you lend money to any of my people with you who is poor, you shall not be like a moneylender to him, and you shall not exact interest from him. If ever you take your neighbor’s cloak in pledge, you shall return it to him before the sun goes down. (Exodus 22:25–26)

Some of the sayings of the sages on borrowing and lending are presented in the Book of Proverbs:

The rich rules over the poor,  
and the borrower is the slave of the lender. (Pr. 22:7)

Be not one of those who give pledges,  
who put up security for debts.

If you have nothing with which to pay,  
why should your bed be taken from under you? (Pr. 22:26–27)

Whoever multiplies his wealth by interest and profit  
gathers it for him who is generous to the poor. (Pr. 28:8)

According to Barry Gordon, “there is a clear recommendation [in Exodus 22:25–26] against the demand for a surplus in excess of the principal in making consumption loans to the needy”; although, he admits, the “clause allows scope for interpretation as an even broader prohibition.” In Proverbs 22:7, the verses “reflect on the degradation of the poor,” while 28:8 “remind[s] the rentier of the transitory nature of his gains.” And in 22:26–27, there is warning against the “danger of acting as surety for the borrowing of others.” To Gordon (1982, 407–8), “the plain message of Proverbs is that any sensible individual will stand clear of any type of involvement in credit relationship,” a message that, nonetheless, did not prevent the fact that “credit arrangements among the Israelites had become vehicles for a substantial degree of communal exploitation.” This situation prompted a protest from the prophet Amos, who accuses the Israelites that “they have sold the virtuous man for silver and the poor man for a pair of sandals” (Amos 2:6). A similar “theme of exploitation by means of loans is continued by another [prophet] of rustic origin, Micah,” as he protests against the affluent class of the city:

But lately my people have risen up as an enemy;  
 you strip the rich robe from those who pass by trustingly  
 with no thought of war.

The women of my people you drive out  
 from their delightful houses;  
 from their young children you take away  
 my splendor forever.

Arise and go,  
 for this is no place to rest,  
 because of uncleanness that destroys  
 with a grievous destruction. (Micah 2:8–10)

Sometime in the seventh century BC, the Deuteronomic Code was established, which “superseded the Code of the Covenant, and it remained definitive for the regulation of the life of the devout through the period of the Babylonian exile and beyond.” A function of the Code, among others, is to set “guidelines for credit arrangements, ... [and] in particular, they seek to ameliorate the consequences of failure to repay debts.” In Deuteronomy 15:1–2, “those who have been bound in contracts for their creditors must be released from their obligation when the ‘year of remission’, the sabbatical year, occurs.” In 24:6 and 24:10–11, bans were imposed on “taking certain items of fixed capital as security for a loan, and on the manner in which possessions of securities is to change hands.” And in 15:7–8, a “special status” is awarded to the poor who present themselves as prospective borrowers:

If among you, one of your brothers should become poor, in any of your towns within your land that the Lord your God is giving you, you shall not harden your heart or shut your hand against your poor brother, but you shall open your hand to him and lend him sufficient for his need, whatever it may be.

On the taking of interest, a distinction is believed to have been established with regard to “members of the community,” on the one hand, and “the case of foreigners,” on the other. The relevant passage is in Deuteronomy 23:20–21:

You may charge a foreigner interest, but you may not charge your brother interest, that the Lord your God may bless you in all that you undertake in the land that you are entering to take possession of it.

If you make a vow to the Lord your God, you shall not delay fulfilling it, for the Lord your God will surely require it of you, and you will be guilty of sin.

According to Gordon (1982, 410), the above passage has been “interpreted as indicating that the authors of Deuteronomy recognized that the rate of interest can be positive, in the absence of injustice and oppression, when there is a positive rate of profit of trade.” Gordon cites the opinion of Meislin and Cohen (1963–64, 264–65), among others, to support this interpretation:

The implications of permitting loans at interest to such foreigners may evidence an indulgence in permitting *commercial* investments at interest. ... although private trading was still relatively small, investment with foreign merchants undoubtedly took place. The ability to take profits in such trade required the legality of interest. ... while permitting these investment loans to the non-resident foreigner, the commands against taking interest on *poor* loans remain uniformly imperative and inclusive of resident foreigners.

What this means, argues Gordon, is that “a loan to a foreigner is identified with a business loan, and a loan to a brother is identified with a consumption loan. Deuteronomy finds a basis for interest taking in the former, but not in the latter. The key distinction is not that between brother and foreigner, but that between business and consumption.” Other scholars, such as Benjamin Nelson, are of the different view that the code on “interest taking ‘formed a cornerstone of the blood brotherhood morality of the Hebrew tribesmen.’ The duality of the commandment, as Nelson understands it, is not that of business versus consumption loans.” Though Gordon seems to side with the interpretation of Meislin and Cohen, he does concede that “such a finding is open to the charge of putting too modern a construction on economic relationships in ancient societies.” While lending to the poor is often distinguished from lending to others, it is not the case that a “poor loan” is synonymous with a “consumption loan” (Gordon 1982, 410–11). Additional references to usury in the Old Testament can be found in Leviticus, Ezekiel, and Psalms:

He does not oppress anyone,  
     but returns what he took in pledge for a loan.  
 He does not commit robbery  
     but gives his food to the hungry  
     and provides clothing for the naked.

He does not lend to them at interest  
 or take a profit from them.  
 He withholds his hand from doing wrong  
 and judges fairly between two parties. (Ezek. 18:7–8)

In you are people who accept bribes to shed blood; you take interest and make a profit from the poor. You extort unjust gain from your neighbors. And you have forgotten me, declares the Sovereign Lord. (Ezek. 22:12)

If any of your fellow Israelites become poor and are unable to support themselves among you, help them as you would a foreigner and stranger, so they can continue to live among you. Do not take interest or any profit from them, but fear your God, so that they may continue to live among you. (Lev. 25:35–46)

who lends money to the poor without interest;  
 who does not accept a bribe against the innocent.  
 Whoever does these things  
 will never be shaken. (Ps. 15:5)

Good will come to those who are generous and lend freely,  
 who conduct their affairs with justice. (Ps. 112:5)

The wicked borrow and do not repay,  
 but the righteous give generously;  
 those the Lord blesses will inherit the land,  
 but those he curses will be destroyed. (Ps. 37:21–22)

In Ezekiel 22:12, the people of Jerusalem are promised a punishment for the crimes of “the charging of usury and interest,” while in 18:7–8, Ezekiel “reaffirms the ideal [of] the upright man.” In Leviticus 25:35–46, argues Gordon, the distinction between “brothers” and “foreigners” that was introduced in Deuteronomy is given little thought. Other scholars, such as Tausch (1942, 292), believe the distinction to have disappeared altogether. The Psalms also reiterated the “prescriptions of earlier literature,” by calling for a “zero” rate of interest “in a community of just brothers, and [that] no virtuous and upright individual would seek such a return” (Gordon 1982, 412–15). Elsewhere in the Jewish literature, circa 190 BC, we have the author of Ecclesiasticus, Ben Sirach, whom we had discussed at length in the previous section, also wrestling “at length with the problem of loans” (Gordon 1982, 418). To reiterate, Sirach advocated the

giving of loans to one's neighbor as an "act of mercy, [that] to lend him a helping hand is to keep the commandments" (Ecclus. 29:1).

Given the above, it is clear that differences of opinion and interpretation typify the scholarly view of the Old Testament's position on interest and usury. The distinction between "brother" and "foreigner" introduced in Deuteronomy has been interpreted as a possible, yet selective, legitimization of interest. And yet, in Leviticus, argues Tausch (1942, 292), the distinction "breaks down," and we are left "without sufficient context to determine whether all interest is forbidden, or merely usury," defined as an "increase" charged to the needy borrower. Other scholars, such as McCall (2008, 559), reiterate Benjamin N. Nelson's observation in *The Idea of Usury* that the restriction of usury to strangers is consistent with the sanctioning of killing as "morally permissible in a just war against an enemy." Based on this interpretation, the distinction assumed to have allowed the charging of interest becomes practically irrelevant, save for the extreme case of a "just war." This is based on Nelson's general thesis that "much of the history of usury theory in the West can be understood in light of changing ideas of universal brotherhood." Based on this thesis, one may reasonably interpret the ubiquity of usury in modern society as a consequence of the complete and utter waning of "universal brotherhood."

Tausch (1942, 294) concludes his view by arguing that what is unique about the Hebrew idea of usury and its prohibition are "distinctions of the context," that is, the "status of the borrower." This would seem to support the more common view in the literature, highlighted earlier by Gordon (1982), of the distinction between consumption loans and business loans. This distinction, once allowed, would unfold possibilities for more ambitious efforts at overturning most, if not all, of the religious and ethical objections to the charging of interest. More importantly, it sanctioned a permanent theoretical division between usury and interest, thus giving free rein to the boundless thrust of the latter. These developments, however, were to be deferred to a later age, an age that was characteristically friendly to the insatiable quest for profit, where the traditional defenses of religion and morality were quickly yielding to the intellectual and public stride of economic rationality. But this historical interruption was not the outcome of objective conditions that were uncondusive to the practice of usury, nor did it result from any sudden awakening on the part of moralists or the religious class to the dangers of a world where interest

is ubiquitous. Instead, it was initiated by the message of a single man, Jesus of Nazareth. His prophecy, consisting of his life and teachings, was to forever alter the human view of giving, of which credit and interest are a crucial part. It is to this legacy that we now turn our attention.

In his concluding section, Gordon (1982, 425) argues that,

The New Testament left open the question of why the rate of interest is not zero. This is not surprising, since as Rudolf Schnackenburg writes: ‘Jesus no more intended to change the social system than he did the political order. He never assumed a definite attitude on economic and social problems.’

He then continues by stating that, “Yet the New Testament was to help promote a variety of fresh approaches to interest taking and related socio-economic issues in the centuries to come.” And elsewhere, Gordon (1982, 418) contends that in the period of “four hundred years [that] separate the works of Aristotle from the first writings of the Christian era, ... by far the most important episode for the future of Western thought was the life and teaching of Jesus of Nazareth.” This inconsistency in Gordon’s assessment of the impact of the New Testament and the life of Jesus raises the following questions: if the “life and teaching of Jesus of Nazareth” did have this unprecedented impact on Western thought, society, and politics, how is it possible that such change was never his direct intention or mission? Are we to believe that the entire edifice of Christianity that spanned many centuries was the *unintended* consequence of the short life of this simple man from Nazareth? If Jesus truly had no intention to “change the social system,” or even have a decisive say “on economic and social problems,” what explains his singular level of sacrifice? It is odd that an age unique for its utilitarian mindset should decide, in this very case, to assess a man solely on the basis of his intentions. And even so, the case that is made is quite weak and unsubstantiated; Jesus, in his words and works, was clearly a social revolutionary whose message threatened the very foundations of the existing political and economic order. And as for the argument that the New Testament does not seem to provide a definite and conclusive condemnation of taking interest, this was not the view of the vast majority of the Church Fathers who were adamantly opposed to interest and usury.

In his impressive work on the history of capitalism in Western thought, Jerry Z. Muller states that,

Of all the forms of commerce disdained by the classical authors, the Fathers of the Church, and the medieval theologians, none was so reviled as the lending of money for the sake of earning interest. This practice, which Aristotle had considered blameworthy, Christian theologians found sinful. (Muller 2002, 8)

On the distinction introduced in Deuteronomy, Muller argues that,

Medieval Christian and Jewish theologians strove to define the terms “brother” and “stranger” and to provide contemporary applications. By the twelfth century, Christian theologians had concluded that “brother” applied to all men, and that the lending of money at interest was always sinful. Usury was expressly forbidden by the second Lateran Council in 1139.... On a more popular level, the fable of the usurer’s demise and passage to hell was a stock genre of the Middle Ages and one that appears in Dante’s *Inferno*. (Muller 2002, 9)

Gordon’s opinion regarding the ambiguity of the New Testament on the subject of interest, a position shared by many in the intellectual arena, is based on a particular interpretation of Luke 6:35, the verse generally believed to be the most crucial reference to lending in the New Testament. In Luke 6:35, the following call is made to believers:

But love your enemies, and do good, and lend, expecting nothing in return, and your reward will be great, and you will be sons of the Most High, for he is kind to the ungrateful and the evil.

Gordon (1982, 420–21) points to discrepancies in the translation of the phrase “expecting nothing in return,” stating that it “is a matter of dispute among philologists. The phrase has been translated alternatively as ‘nothing despairing’ or ‘despairing of nobody’ or ‘causing no man to despair.’” With regard to the verse’s historical context, Gordon argues that the “author of Luke, since he was writing at a further remove than Mathew from the Jewish context and since he may have been more influenced by Socratic and post-Socratic attitudes, was the more prone to understanding Christ’s words on lending as compatible with the condemnation of interest by leading pagan moralists.” Edmund Whittaker (1940, 519) also comments on the verse, arguing that it was “in a passage which told believers to love their enemies, so that it might have been an exhortation to charity rather than a specific prohibition of usury.” While we are in no

position to evaluate the precise translation of the verse, it is clear that a thorough perusal of most available versions of the New Testament reveals a majority of translations consistent with the above. As for the observation that Luke's "understanding [of] Christ's words on lending as compatible with the condemnation of interest by leading pagan moralists," is this to be interpreted to say that these "pagan moralists" were more concerned than Jesus with the justice and ethics of lending at interest? On what grounds are we to believe that Luke and the "later Christian scholars ... were well educated in the forms and mores of the pagan schools but knew little of Palestinian Judaism[?]" Christianity was conceived in the very midst of Judaism, and in a real sense, Jesus sought to reform the religious order of his day. Such reform would be incomplete if it overlooked matters of social and economic justice. If we are to accept, reluctantly and only for the sake of argument, that the Old Testament did allow for lending at interest, is it inconceivable that Jesus may have sought to clarify certain ambiguities related to this position, or altogether reverse such a stand? The position in Luke, and elsewhere in the New Testament, may well have been a call to a return to the true prophetic position on interest, a position that had been tarnished over time as usury spread and intensified. And this leads us directly to Whittaker's contention that the passage from Luke "might have been an exhortation to charity rather than a specific prohibition of usury." But it is precisely the objective of this chapter to argue that charity and usury are essentially interlinked, that each can only be comprehended in contrast to the other, and that this contrast is the norm, and not merely an extreme or exceptional case. In his brilliant work, *Divine Economy*, D. Stephen Long makes a very strong case in this direction:

Central to the life of charity for premodern theologians was the ancient philosophic and biblical admonition to lend without expectation of gain. The usury prohibition was, until the emergence of the modern economists, the dominant economic regulation put forth by the church. In fact, modern economists freed the market from the theological and political interference that the usury prohibition represented. Adam Smith objected to the usury prohibition, arguing that a fee should be paid for the use of money since gain could be made from it. The resounding judgement of the economists on the church's teaching was that it was irrational, based on a false notion of economics which was assumed to be a zero sum game wherein all loans were by their nature exploitative of the debtor. Thus, the economists suggest, the theologians were incapable of recognizing how loans may be productive. (Long 2000, 238)

This superior attitude of modern economists to the economic thought of the medieval schoolmen has been adequately countered by the likes of John Maynard Keynes, Jacob Viner, Raymond de Roover, Joseph Schumpeter, and Odd Langholm. Long also rebukes this “false reading” of the medieval position on usury, and in particular, of the “theologians’ efforts to integrate the ancient philosophic prohibition of usury with Luke 6:35, where Jesus says ‘Lend expecting nothing in return.’” He cites from Thomas Aquinas a passage that reflects the latter’s advanced conception of lending and its potential gains:

He that entrusts his money to a merchant or craftsman so as to form a kind of society does not transfer the ownership of his money to them, for it remains his so that at his risk the merchant speculates with it, or the craftsman uses it for his craft and consequently he may lawfully demand as something belonging to him part of the profits derived from his money. (Quoted in Long 2000, 238)

Acknowledging the “fruitfulness of exchange,” what Aquinas and the ancient prohibition “sought to insure, was a connection between one’s labor and one’s compensation. As St. Albert the Great, Thomas’ teacher, stated it: ‘Usury is a sin of avarice; *it is against charity* because the usurer without labor, suffering or fear gathers riches from the labor, suffering and vicissitudes of his neighbor.’” Thomas’ view that usury is “intrinsically evil [is] because ‘we ought to treat every man as our neighbor and brother, especially in the State of the Gospel whereunto we are called’” (Long 2000, 239, emphasis added). Based on this reading of Aquinas and the Church’s position on usury, Long concludes that,

The principle behind the ancient prohibition is not as absurd as the modern economists tell us it is. The principle is quite simple: money does no work; people do. So when we assume our money to be working for us to make more money, we have not accurately described God’s economy. We lose the ability to describe how our lives are embedded in the narratives of others... And we are incapable of receiving the virtue of charity that directs our lives toward our neighbors adequate to our redemption in Christ.

The usury prohibition did not deny the legitimacy of profit. To use one’s money to assist another in a joint-venture could be an act of charity. But to use one’s money only to make money, especially when it is made through layoffs, exploitation, and the production of unjust things, is

intrinsically evil because it cannot be ordered to that which should become natural to us – a life of charity.

Long points to an alternative to usurious lending, the formation of partnerships and joint ventures that was common in medieval times but generally overlooked in modern discussions on usury and interest. Such business arrangements allow for a more equitable distribution of risk and reward between debtors and creditors, while encouraging the mutual pursuit of fruitful exchange. But since the onset of modernity, the theoretical history of usury has been a conscious and incessant attempt at establishing rationalizations for lenders to receive a fixed and predetermined level of reward, irrespective of the conditions of borrowers. In their regular way of doing things, economists, for the most part, have adopted a “presentist” view of usury, by choosing to evaluate its history through the lens of modernity, where usury is practically ubiquitous and ostensibly impervious. As a case in point, Rothbard (2006, 15) accuses Aristotle of “hasty moral condemnation,” and that he, Aristotle, “would have done better ... to try to figure out why interest is, *in fact*, universally paid. Might there not be something ‘natural’, after all, about a rate of interest?” Later, he declares that “there is nothing in the Gospels or the early Fathers, despite their hostility to trade, that can be construed as urging the prohibition of usury.” And in a theoretical manner quite characteristic of modern economists, he expresses the usury prohibition of medieval Christianity as a “campaign against usury,” a “tragic flaw in the economic view of medieval jurists and theologians,” and an outcome of an “all-embracing totalitarian regime.” The usury prohibition, we are also told, is but a market strategy employed by the Church to thwart economic and political competition; this approach has been especially true of rational choice theorists, the likes of Robert B. Ekelund Jr. and Robert D. Tollison, in the growing subfield of the economics of religion. An additional argument against the usury prohibition, and one that is especially popular among the scholars on this side of the debate, is an empirical one, and accuses the ecclesiastical community of the Church as having “often flagrantly violated these sanctions. [That] they themselves granted loans at interest, even while they were punishing others for doing so.” This accusation against the Church, though crucial, can be easily countered by arguing that, theoretically at the very least, we are more concerned “in the values and motives of the period than in the sins and infractions of the rules” (Hunt 1972, 13). The divergence between theory and practice can be charged to any ideology or

school of thought, and not just to religious authorities. More importantly, it is in the history of ideas that we are primarily interested, and not in the history of practical iniquity.

To begin with, Rothbard falls into the same theoretical flaw that he accuses others of committing, namely, the tendency toward “presentist” assessments of past ideas and opinions. He provides no theoretical grounds for his opinion that there is “something ‘natural’, after all, about a rate of interest.” That the taking of interest (may have) existed at all times and places is an argument void of any moral or ethical substance, for it can be easily applied to any human action; the same can be said of murder, for instance. The ubiquity of anything does not render the thing morally acceptable. One can easily view human history from a different angle, and then pose a similar question to that of Rothbard, about what qualifies to be “natural.” In his impressive work on the history of debt, David Graeber argues that “the most obvious manifestation [of this history] is that most everywhere, one finds that the majority of human beings hold simultaneously that (1) paying back money one has borrowed is a simple matter of morality, and (2) anyone in the habit of lending money is evil” (Graeber 2014, 8–9). Interest may well have existed in most places, but the apprehensive view of those who charge interest is no less common. As such, the issue of usury and interest was, and will always remain, a matter of justice and morality. It is on this basis that Aristotle condemns the taking of interest, and his characterization of commerce and usury as “unnatural” is a strictly moral standpoint. As such, it is Rothbard who “would have done better” to dispute Aristotle on grounds of morality and justice, rather than accusing the latter of lacking the theoretical foresight to anticipate the many splendors of modern economic theory. As for his contention that “there is nothing in the Gospels or the early Fathers ... that can be construed as urging the prohibition of usury,” a brief survey of this literature proves otherwise.

Saint Clement of Alexandria presents one of the “earliest extant writings denouncing usury.” In his *Stromateis*, Clement mentions the usury prohibition as an example of the scripture’s teaching on “generosity and fellowship”:

Regarding generosity and fellowship, though much might be said, let it suffice to remark that the law prohibits a brother from taking usury: designating as a brother not only him who is born of the same parents, but also one of the same race and sentiments, and a participator in the same *Logos*; ... (Quoted in Maloney 1973, 243)

Tertullian, who writes around the beginning of the third century, believes the New Testament “goes beyond” the Old Testament in the prohibition of usury, by calling on believers “not even to seek the principal loan from one who is in need.” Eusebius and Saint Jerome echo similar sentiments toward usury, by citing the position of Apollonius, a bishop in Asia, who “reproved Montanists because they lent money at interest,”

Does a prophet stain her eyelids with antimony? Is a prophet adorned with fine garments and precious stones? Does a prophet play with dice and tables? Does he accept usury? Let them respond whether this ought to be permitted or not, it will be my task to prove that they do these things. (Quoted in Maloney 1973, 244)

Additional Fathers of the Church who shared a similar view on the subject of usury included Cyprian, Lactantius, Athanasius, Cyril, and Hilary of Poitiers. But, according to Maloney (1973, 247), the “greatest of the opponents of usury among the Greek Fathers are two of the Cappadocians, Basil the Great (330–79) and Gregory of Nyssa (335–94).”

Saint Gregory of Nyssa, in condemning the “unjust acquisition of wealth,” describes usurers as a “brood of vipers” or “poisonous serpent[s].” According to Ihssen (2008), Gregory “personifies money-lending as an evil, beast-like spirit, rapacious and valueless, delighting in banquets and producing that which it has not tilled.” Those who practice usury will often be “praying for ‘affliction and misfortune,’ despising ‘people contented with their possessions,’ watching ‘courts of law to find distress in persons,’ and using their wealth as dangled ‘bait as a wild beast to those in distress in order to ensnare them in their need.’ This evil daily ‘counts its gain and cannot be satisfied, and is disconcerted by gold hidden in a person’s home because it remains idle and unprofitable’” (Ihssen 2008, 414). Elsewhere, Gregory “considers usury to be equivalent to theft,” and provides this stern call to believers:

Starve to death your greed for Mammon! Let there be nothing in your house that has been acquired by violence or theft. What good is it to keep meat out of your mouth if you bite your brother with wickedness? ... (Quoted in Ihssen 2008, 416)

Gregory’s position on usury was that “sacred scripture forbids the taking of any surplus over and above capital, no matter what pretense at legality is made” (Maloney 1973, 251). He also addresses the anxiety felt by the usurer:

If the usurer has loaned to a sailor, he would sit on the shore, worry about the wind's movement, constantly examine their diminishment and await the report of a wreck or some other misfortune. His soul is disquieted whenever he sees the sea angered; he examines dreams and reveals his disposition through the events which had transpired during the day. (Quoted in Ihssen 2008, 418)

This anxiety has often resulted in “misery and despair,” with many who have “killed themselves under the burden of usury.” He thus calls on the usurer to ready himself for the ultimate Judge, and His inevitable judgment:

What will you answer when accused by the judge who cannot be bribed, when he says to you, “You had the law, the prophets, the precepts of the gospel. You heard them all together crying out with one voice for charity and humanity: ‘You shall not be a usurer to your brother’ (Dt. 23:20), or in another place, ‘He did not lend at usury’ (Ps. 14:5), or again, ‘If you lend to your brother, you shall not oppress him?’” (Ex. 22:25) (Quoted in Maloney 1973, 250–51)

Similar sentiments on usury and usurers were uttered by St. Basil the Great. According to Ihssen (2008, 415), Basil considered the act of usury to be full of “deceit” and “falsehood,” that the usurer will use as a “ruse in order to bring about the desired result”:

[F]irst, the usurer claims that he has no money; second, the usurer has taken oaths to this end; third, the usurer claims that the money on his person is actually not his own, but is the possession of a friend or relative to whom the funds have been entrusted in order to remove himself from the act of usury itself; finally, the amount of interest is “lowered” for the debtor, as the usurer feigns that he is taking a loss – no doubt on account of his great humanitarianism, for which the debtor should be appropriately grateful.

And he derides usurers for their cold and calculating indifference to the plight of the needy debtor:

Tell me, do you seek money and means from a poor man? If he had been able to make you richer, why would he have sought at your doors? Coming for assistance, he found hostility. When searching around for antidotes, he came upon poisons. (Quoted in Maloney 1973, 247)

As for anxiety, Basil considers this from the perspective of the debtor:

He who has received the money is at first bright and cheerful, ...[But as repayment looms], he sees in his sleep the money-lender standing at his head, an evil dream; if he is awake, his whole thought and care is the interest. (Quoted in Ihssen 2008, 417)

He therefore “pleads with the debtor not to approach the money-lender,”

Are you rich? Do not borrow. Are you poor? Do not borrow. If you are prospering, you have no need of a loan; if you have nothing, you will not repay the loan. Do not give your life over to regret, lest at some time you may esteem as happy the days before the loan. Let us, the poor, surpass the rich in this one thing, namely, freedom from care. (Quoted in Maloney 1973, 248)

Labor and even begging, Basil argues, are better options for the poor than to go into debt. In the following passage, he describes the “terrible plight of debtors he has known,” a sight that history has encountered far too often:

O, how many have been destroyed by the possessions of other men? How many men, after building castles in the air, have as their only benefit, a loss beyond measure? ‘But many,’ he says, ‘grow rich from loans.’ (Quoted in Maloney 1973, 248)

The next Father to consider is Saint Ambrose, who is believed to have given some of the “most detailed treatment of usury.” Ambrose “condemns the practice [of usury] as contrary to divine positive law ... [and] against nature” (Maloney 1973, 252). In the following passage, he provides a striking account of the aftermath of interest:

... always the wave of interest is in motion. It overwhelms the shipwrecked, casts out the naked, despoils the clothed, abandons the unburied. For you seek money and you incur shipwreck. ... And truly their whole fortune is made, but you remain bereft of your possessions. (Quoted in Maloney 1973, 253)

And admonishes usurers for their utter lack of sympathy:

Even the poor man is fruitful to you unto gain ... You are merciful men, certainly, who enslave to yourselves him whom you free from another! He pays usury who lacks food. Is there anything more terrible? He asks for bread, you offer him a sword; he begs for liberty, you impose slavery; he prays for freedom, you tighten the know of the hideous snare. (Quoted in Maloney 1973, 253)

Some usurers, Ambrose states, even held corpses as “pledge and denied them burial until the interest had been paid by the heirs.” In this next passage, he contrasts the cruelty of the usurer with the mercy of the Lord:

How different is the wickedness of the prince of this world! The usurer or moneylender has a mortgage on one’s head, he holds one’s signature, he reckons his capital, he exacts his hundredth ... The Lord freed the hundredth sheep – that was the hundredth of salvation, this, of death – and the good earth return fruit a hundred-fold ... (Quoted in Maloney 1973, 254)

In short, Ambrose considered interest-taking as a “serious sin,” and “condemns any type of interest-taking, whether of money, or food, or clothing, or anything else.” The only exception that he allowed was in the case where an “enemy cannot be easily defeated in war, then his opponent certainly has a right to inflict harm on him by other means, as, for example, taking interest.” As such, he called for a society where the rich and the poor can learn to live without lending and borrowing at interest:

But the ears of men have been deaf to such salutary precepts, and especially the rich have their ears closed by that brazen din of money. While they are counting their money they do not hear the words of Scripture ... But when mention has been made of usury or of a security, then, with arrogance thrown aside, the money-lender smiles...

You are poor: consider the difficulty of paying. Wealth is diminished by interest, poverty is not lightened by interest; for never is evil corrected by evil nor is a wound healed by a wound, but is made worse by an ulcer. (Quoted in Maloney 1973, 256)

Saint John Chrysostom, one of the greatest of the early Fathers, maintains the tradition of his predecessors in condemning usurers and the taking of interest. In explaining why usury is forbidden, he argues that “it inflicts damage on both parties. The debtor is afflicted with want, and the creditor, though increasing his riches, heaps up a multitude of sins.” More

importantly, since usury “is injurious to the poor, ... [it] involves sin on the part of the rich.” He also describes the usurer as worse than a “thief” or “house-breaker.” As for the familiar “objection that debtors are grateful to get a loan and that some are willing to pay interest,” Chrysostom responds that “this happens only because of the inhumanity of creditors. If they offered loans free of charge, debtors would not be reduced to feigning gratitude.” What creditors must seek, Chrysostom argues, is not the profit from a loan, but “eternal life.” Furthermore, by appealing to their “sense of honor,” he calls upon the rich to give of the abundance that God has given them, instead of taking from the poor and creating even more scarcity and poverty:

... what is considered more disgraceful, to beg of the rich or of the poor? Everyone sees the answer at once, I suppose – of the poor. Now this, if you notice, is what the rich do; for they do not dare to apply to those who are richer than themselves. Those who beg, on the other hand, do so of the wealthy, for one beggar asks not alms of another, but of a rich man. Yet the rich man tears the poor in pieces. (Quoted in Maloney 1973, 258)

We conclude this brief survey of the positions of the early Fathers with Saint Augustine, arguably the greatest of the Church Fathers. Like his predecessors, Augustine compares the usurer to a “thief,” and “affirms that usury is forbidden for all.” Augustine even calls on moneylenders, who claim that interest-taking is their sole livelihood, to “look for a new job.” But ultimately, usury is a sin because “it is Christ to whom the usurer lends. It is Christ who is in need when the poor man is in need. It is Christ who is waiting to receive and to give eternal life in return” (Maloney 1973, 260). It is precisely this point, overlooked by a world driven by money and not by love, that the intellectual discourse of modernity fails to comprehend. The Fathers, in addition to using text from the Old and New Testaments as the basis for condemning usury, had passionately argued for a second reason as to why usury is immoral and sinful, and that is, its fundamental contradiction with Christian love and charity. While this continued to inspire the positions of the Scholastics in the Middle Ages, their focus, in line with a world increasingly inundated with commerce and finance, shifted to a more analytical, and less of a moral, treatment of the question of interest. This change is evident in the teachings of the most prominent of the Scholastics, Saint Thomas Aquinas.

According to O'Donovan (2001, 55), "Aquinas' treatment of usury moves more entirely within the ambit of Aristotle's economic ethic, at the expense of the patristic, Stoic-Platonic legacy." This is similar to de Roover's position that, "What the Doctors of the Middle Ages were really interested in was to determine the rules of justice governing social relations" (quoted in Poitras 2000, 6). Likewise, Poitras (2000, 6) argues that "while charity was an important element of scholastic tradition, it was justice that governed scholastic thinking." Of the two forms of justice that are relevant to usury, distributive and commutative, it was the latter that formed the crux of Aquinas' argument. In his "two extended treatments of usury in *De malo* 13.4 and in *Summa Theologica, Secunda Secunda* 78, Thomas' 'natural law' arguments begin and end with usury as a sin against justice in exchange, a violation of the requirement of equality of value in the things exchanged" (O'Donovan 2001, 56). The theoretical bases for Aquinas' case against usury are concisely summarized by O'Donovan (2001, 56):

[Aquinas'] arguments presuppose property-right in a morally unambiguous manner. This is consistent with his Aristotelian orientation to property and wealth: with his endorsements of the benefits of ownership for communal peace, productive efficiency and social order, ... and with his view of moderate possessions as an instrument of virtue as much as an impediment to it. Similarly, he holds to the Aristotelian and patristic view of usury as *necessarily* motivated by avarice, in its specific meaning of an inordinate desire for money – which he shows to be potentially idolatrous and destructive of charity, and as such, a mortal sin. Nevertheless, he confines his consideration of usury proper to the objective violation of justice that avarice commits.

And with regard to usury's "objective violation of justice," O'Donovan continues:

In demonstrating this injustice, Thomas expounds Aristotle's theory of the sterility of money as a theory of the consumptibility of money... To charge separately for the thing and its use, says Thomas, is to sell 'something non-existent' or to sell 'the same thing twice over' ... Usury, says Thomas, 'diversifies the measure' because it upsets this formal equivalence of money in exchange. In other words, usury treats as a vendible commodity that which is non-vendible.

Two additional arguments, related to the sterility of money, were forwarded by Aquinas:

One is the objection from compulsion: that the usurer inflicts on the needy borrower a kind of ‘moral violence’ in subjecting him to the ‘onerous’ condition of returning more than he left. Thomas compares the extortion of usury to that of a seller forcing a buyer to pay more for a good that it is worth. The other argument is that human industry and not money is the principal cause of profit, ... that profit made from money ‘is the fruit, not of [the good] itself but of human industry.’ (O’Donovan 2001, 56–57)

But despite this intellectual feat, of producing a theoretical synthesis of Aristotelian and Christian arguments in his case against usury, Aquinas did make “notable concessions to current practice” that were to have a lasting influence on the religious and moral campaign against usury and interest. An important concession is that the “lender is entitled to interest (*interesse*, meaning compensation or damages) for actual loss sustained, apparently from the beginning of the loan, and not only in delayed repayment. Officially, the church only allowed *interesse* for losses incurred (*damnum emergens*) in the case of delayed repayment” (O’Donovan 2001, 57). But while Aquinas allowed for restitution if the lender realizes an “actual loss” of his money (*damnum emergens*), he did not allow it as compensation for foregoing the use of his money (*lucrum cessans*). This position, however, was gradually overturned by later Scholastic thinkers, most notably, Peter Olivi and John Duns Scotus. Both allowed that the “lender is entitled to seek compensation (*interesse*) for potential loss of profit (*lucrum cessans*) as well as actual loss sustained, in the event of delayed repayment.” Gradually, this was to become the main theoretical basis for justifying lending at interest, since if “lending prevents [the lender from] bringing to fruition this inherent potential of his property, the lender may claim compensation for profit forgone” (O’Donovan 2001, 59). This late Scholastic “innovation” represented no less than a revolution in theological thought on the subject of interest and usury. According to O’Donovan,

It should be evident that such a conception of fungible goods as economically fertile, i.e. as containing the seeds of profit, runs contrary to the Roman juristic and Aristotelian conviction of their economic sterility (at least in a loan contract). In it Olivi is condoning a spiritual orientation to property, especially to money, repudiated not only by Aristotle but by the Church Fathers and the earlier medieval theological tradition. Moreover, his conception undermines the whole objection to usury from equivalence in exchange by implying that property intended for a profitable purpose is worth more in exchange than it would otherwise be, ... To whatever extent

Olivi and Duns Scotus actually grasped the challenge to usury theory presented by the title of *lucrum cessans*, their acceptance of it witnesses a tendency to acquiesce occasionally in the inevitable avarice and self-contained rationality of commerce. (O'Donovan 2001, 60)

Another theoretical concession made by Aquinas was in distinguishing between taking and giving interest. While it was “unjust for the lender to require interest to be paid, [the] borrower need have no scruples in paying it”:

It is by no means lawful to induce a man to sin, yet it is lawful to make use of another's sin for a good end, since even God uses all sin for some good. ... Accordingly ... it is by no means lawful to induce a man to lend under a condition of interest; yet it is lawful to borrow for usury from a man who is ready to do so and is a usurer by profession; provided the borrower have a good end in view, such as the relief of his own or another's need. (Quoted in Whittaker 1940, 521)

Commenting on the “increasing list of exceptions to the ban on usury” in medieval times, Whittaker (1940, 522) argues that the “exceptions covered cases where loans were used productively or for charity.” The relaxation of the usury prohibition in the name of charity will constitute one of the main arguments that will be deliberated in the next chapter. This relaxation, however, was to receive a major religious boost with the advancement of the Protestant Reformation.

Early in the Reformation, the position of Luther was a “return to the rigorous attitude on interest” that was characteristic of the early Scholastics. Calvin, on the other hand, and in an open letter to the public in 1575, denied that “interest, in itself, was sinful.” According to Calvin, a position on interest is conditional on the particular circumstances:

Although I do not visit usuries (payment for the use of money) with wholesome condemnation, I cannot give them my indiscriminate prohibition, nor, indeed, do I approve that any one should make a business of money-lending. Usury for money may lawfully be taken only under the following conditions... That usury should not be demanded from men in need ... he who receives a loan on usury should make at least as much for himself by his labour and care as he obtains who gives the loan. (Quoted in Whittaker 1940, 523)

Calvin's position proved to have a greater influence, both theoretically and practically, than he may have intended.<sup>1</sup> By altering the nature of the debate from "*forbidden except in certain defined cases*" to "*allowable under given conditions*," he inadvertently allowed for much farther implications, a possibility that he himself had anticipated and warned against:

if we make the least concession, many will use it as a pretext, and will snatch at a bridleless licence, which can never afterwards be checked by any moderation or exception. (Quoted in Whittaker 1940, 523)

And in a world increasingly governed by an instrumental rationality, that is precisely what happened. Interest was freed from all the shackles of religion, tradition, and morality, and what was once confined to the category of exceptions became the very logic of normalcy. It is not just the case that interest is now ubiquitous, or even morally praised, but that its logic is the very standard by which gain or profit is rationalized. It is only "just" that lenders receive compensation for the opportunity cost of waiting, and that borrowers pay a price for the use of another's property. It follows that the "supply of capital or 'waiting,' in relation to the demand for this factor, has been the explanation most widely adopted by teachers of economics in recent years" (Whittaker 1940, 565). It should not come as a surprise, therefore, that economists made up the bulk of intellectuals who argued in favor of usury and developed elaborate theories to justify the taking of interest. But no economist was as passionate in repudiating the prohibitions against usury as the English philosopher of Utilitarianism, Jeremy Bentham. In fact, G. K. Chesterton is of the opinion that Bentham's letter to Adam Smith, *Defence of Usury*, "marked the beginning of the modern world." Joseph Persky, in *From Usury to Interest*, offers a clear explanation for Chesterton's view:

Chesterton yearned for a reestablishment of the traditional communitarian ethics of Aquinas. In that system, loans were a manifestation of charity. Usury was a sin precisely because it took advantage of the needs of others. Little wonder that Chesterton bemoaned a modern world built on the principles of British liberalism. From Chesterton's vantage point, Bentham's *Defence* offered the clearest and least adorned early statement of those principles. Without excuses, Bentham insisted on the individual as the locus of responsibility... Where Smith sensed a new world abuilding, Bentham declared its manifesto. (Persky 2007, 235)

What is especially interesting in this regard is that the movement away from a charity view of lending, which was characteristic of traditional religion and ethics, was accomplished in the name of charity. Bentham argued that the poor are more duly served with lower rates of interest if capital markets were competitive, and that “regulation did more harm than good” (Whittaker 1940, 525). It would seem that modernity chose to only see in Luke 6:35 the demand to “lend freely,” while ignoring the very essence of the call, “expecting nothing in return.” Thus, the essential relationship between charity and usury was fundamentally altered. Charity is no longer the superior alternative to usury; usury has become the superior form of charity.

#### NOTE

1. Some scholars, such as Moehlman (1934, 10), have even argued that “John Calvin wondered at times whether a Christian might charge interest at all,” as it may “violate the Christian law of love.”

## Charity and Usury: Reunified

In his attempt to identify the precise religious moment at which the “Christianization of interest” occurred, Moehlman (1934) examines the economic thought of the late Scholastics, and in particular, Salmasius. In his *De Usuris*, in 1638, Salmasius questioned why rent for money, that is interest, is prohibited while rent for a house is not. He argued, as such, that “unless the borrower pays interest, the situation of equality existing before the loan was made is not restored.” Commutative justice, which had constituted a central argument for Aristotle and the Church Fathers in their case against usury, was now utilized in arguing against the usury prohibition. More importantly, Salmasius also “observed that the banker was a necessity and not a luxury. The abolition of banking would merely make the borrower the prey of worse usurers.” It follows that the “money-lender is a public benefactor even when he charges interest... *Interest ethically is the gratitude experienced by the borrower toward his benefactor!*” (Moehlman 1934, 13). This view of Salmasius provides us with a specimen of the emerging and revolutionary mode of thought of the late Scholastics. The theoretical bases for the traditional Christian prohibition of interest, namely, justice and charity, were now employed in overturning the prohibition. Interest is now positively sanctioned in the name of justice and charity. When questioned whether he considered “interest Christian,” Salmasius answered, “[Y]es. For Christ nowhere forbade interest. The Sermon on the Mount directs that in lending a man’s ability to repay

should not form the basis of the loan.” But should a “Christian lend not expecting the return of the loan?” “That would be ideal,” Salmasius argued, “Yet every Christian cannot realize the ideal. There are perfect and imperfect Christians.... A Christian voluntarily gives interest. Therefore, he certainly can raise no objection to the taking of interest. But to make the taking of interest a business, to turn capitalist, would be unethical” (Moehlman 1934, 13). And yet again, as in the case of Calvin, Salmasius paved the way for theoretical and empirical implications that transcended his more limited objectives. In his attempt to see in the money-lender more than what the traditional view ever allowed, he may have lacked the theoretical sagacity to imagine the consequences of such a sympathetic viewpoint. For not only did the taking of interest become a business, it now constitutes the very essence of the capitalist system. One does sense in Salmasius some implicit remnants of the traditional view of lending, as he emphasizes the “voluntary” aspect of interest, as a reciprocal expression of gratitude. But any appeal to charity is untenable in the presence of interest, for the very nature of charity precludes the expectation of a return. As such, Salmasius’ solution to this inevitable contradiction was in admitting that the taking of interest did not represent the Christian ideal, but is a necessary sin in an imperfect world. This rationalizing view of usury was to gain currency with the steady decline of Christianity and the gradual rise of secularism. But it was a view that was unyieldingly rejected by the Church Fathers and the great theologians of medieval Christianity. Their collective belief in the possibility, and even obligation, of achieving a just and ideal society was unyielding, despite the seemingly insurmountable obstacles of the world. This conviction of theirs is brilliantly articulated by O’Donovan (2001), in her brilliant survey of medieval usury theory:

The pivotal place occupied by the usury prohibition in medieval economics was owing to its wedding of the claims of evangelical love and natural justice in the command of Christ to ‘lend, expecting nothing in return’.

And within this vision of what constitutes the ideal,

[T]hey conceptualized the just exchange and distribution of material goods under the conditions of fallen human and non-human nature: conditions of scarce resources, arduous labour, uncertainty and risk of acquisition and possession, of human avarice and the remedial institutions of property.

As for the place of the usury prohibition within this vision,

In repudiating the profit motive in loans, usury theory focused on the dangers to loving and just economic relationships; the dangers of avaricious wealth accumulation, the exercise of economic coercion, the reduction of economic reasoning to calculation of private self-interest and of freedom to the making of binding covenants; the dangers of money as a stimulus to unbounded desire and the will to power over the future, and as a mechanism of the perverse human valuation of material goods under the species of profitability. (O'Donovan 2001, 63–64)

The totality of these theoretical and practical considerations prompted the Fathers and the Scholastics to take a strong stand against usury. This standpoint, O'Donovan explains, rested on the Christian “claims of evangelical love and natural justice.” The intellectual transformation that had started in late Scholasticism, continued into the Enlightenment, and reached its zenith with modernity, represented a conscious attempt at upsetting this traditional view of usury. As mentioned before, this was primarily accomplished by rationalizing usury on the basis of justice and charity, the very foundations that constituted its prohibition.

In his *History of Balance*, Joel Kaye highlights the contributions of the Franciscan theologian Peter of John Olivi (c. 1248–98) to the continuing debate on interest and usury. Olivi had argued that “the merchant who loses the use of his money, by virtue of being forced to lend it, is ... permitted to charge an indemnity ‘equivalent’ to the ‘probable profit’ he would have made had he retained the use of his money.” As a case in point, “a merchant who, out of ‘special’ *grace* and *charity* sells his wheat soon after the harvest when the community values it less, rather than holding off its sale, as he had intended to do, for a time when the price would most ‘probably’ be greater, is allowed to request the price that the future sale would ‘probably’ have brought.” This same line of reasoning, argued Olivi, can be applied to the case of “someone who is firmly determined to invest his money in profitable trade but who instead lends it to another in need, solely out of *piety* and *concern* for the other’s condition.” If that is the case, should this “person require a return on his loan *ultra sortem* without committing usury?” Olivi’s response was, “yes: the lender may require of the borrower an additional sum in return, equivalent to the lost probable profit that the lender would likely have earned on his money, had he invested it in commerce rather than loaned it” (Kaye 2014, 68–69,

emphasis added). Essentially, “Olivi has transferred the terms of acquiring capital from a loan to a sale” (Kaye 2014, 72). Thus, Olivi and Salmasius, as representatives of a wider spectrum of theologians, rationalized the giving and taking of interest on the basis of charity: that the borrower is obligated to reciprocate the kindness of the lender with a fitting and timely compensation. Given the centrality of charity in the traditional case against lending with interest, it is not surprising that it represented a central theme of the arguments in favor of interest. But though this approach reflects an ingenuity on the part of the theologians adopting it, it accentuates the significance of charity to any discussion regarding usury—that regardless of one’s position in the debate on usury, the issue of charity can never be overlooked. This approach, and despite its theoretical and practical vigor, was not the only factor that contributed to the demise of the traditional association between charity and usury. Another approach, and one that we have alluded to before, is the attempt to trivialize the relevance of charity to the Christian prohibition of usury. Rothbard, in his *Economic Thought Before Adam Smith*, is especially keen on highlighting the contributions of the late Scholastics to the usury debate, so as to demonstrate the theological inconsistency on the subject. He considers the Dominican Domingo de Soto (1494–1560), at the School of Salamanca, who, “while anxious to reverse the tide of liberalization of usury, ... contributed to the long-run demise of the usury ban.” The significance of de Soto’s contributions, argues Rothbard, was in casting the “first stone” at the relationship between charity and usury, by belittling the relevance of Luke 6:35 to the debate on usury:

We remember that Pope Urban III, in his decretal *Consuluit* in the late twelfth century, had suddenly pulled a forgotten quotation from Luke 6:35 out of the hat: ‘Lend freely, hoping nothing thereby’, and used this vague counsel to charity as a stick with which to prohibit all interest on loans. More remarkably, all later scholastics had followed this dubious divine ban on interest-taking; even the radical Summenhart had conceded the divine injunction against interest and simply narrowed it down to virtually nothing. It paradoxically now fell to the conservative de Soto to cast the first stone. The Luke statement, he declared contemptuously, has no relevance to lending at interest, and Christ most definitely did not declare usury to be sinful. Therefore, he concluded, if usury is not against the natural law, it is perfectly licit. *Theologically*, there is no problem with usury. (Rothbard 2006, 104–5)

In contrast to Rothbard, our discussion has clearly demonstrated the central role of Luke 6:35 in the position of the Church Fathers and the Scholastics against usury, and that their interpretation of Christ is that he considered usury to be sinful. A final note in this regard is the observation by some scholars that the place of charity in the overall Christian position against usury diminished with time, and that considerations of justice slowly dominated the theoretical case against usury.

According to Kaye (2014, 50), Aquinas “set himself the task of constructing an absolute argument against usury in a way that would be consistent with the ancient canons.” To do so, argues Kaye, Aquinas sought to develop an argument mainly predicated on the basis of commutative justice. And so, “although [Aquinas] suggests that men should be motivated to lend by friendship and charity without hoping for reward, his goal is not to show that demanding usury is a sin against charity. Rather, it is to demonstrate that usury is a sin against justice, and in particular that aspect of justice that is quantifiable and knowable ...” John Noonan, in his *Scholastic Analysis of Usury*, presented a similar idea by arguing that “a momentous change in the Church’s attitude toward usury occurred during the eleventh century, when it began to be treated as a sin of injustice rather than uncharitableness” (Mancini 1989, 221). This historical observation can explain, albeit only partially, the gradual disassociation of charity and usury that had commenced during the Middle Ages, and culminated in modernity’s wholesale embracing of usury. The decline in emphasis of charity, in favor of justice, may have rendered the medieval usury theory vulnerable to a broader onslaught of competing theories in a world increasingly dominated by material notions of justice and equity. That, by abandoning notions of Christian love and charity to mathematical notions of justice, Christian theologians were being led, unawares, to an intellectual playing field more conducive to a secular worldview. But while this argument may be used to partly explain the changing nature of the relationship between charity and usury, it is an exaggeration to suggest that a major shift occurred in the Christian position from a charity basis for the usury prohibition to one of justice; one can easily recognize elements of both in the Christian literature that extends from the Church Fathers to modern times. Though a change of emphasis may have occurred, the change is more formative than substantive, as charity continued to inform the overly apprehensive view of usury. What did occur, we believe, is a more fundamental shift in the collective human view of charity, and not a mere intellectual change of tone. The very place of charity in our lives changed,

caused by a steady decline in piety, which allowed for the triumph of usury. It is this essential relationship, between piety, charity and usury, that we intend to examine in the context of Islamic scripture and thought.

Without exception, the study of any topic from the perspective of Islamic thought must commence with an examination of pertinent Qur'anic verses. In the case of usury, it is customary to start with the relevant verses from the second and largest chapter in the Qur'an, *al-Baqarah* (The Cow). These verses are especially significant, not only with respect to their key position within the Qur'anic view on usury, but also with respect to the fundamental relationship between charity and usury. A careful interpretation of the verses reveals that this relationship is central to the Qur'anic view of usury, and consequently, to the general Islamic position on lending and interest. But to fully comprehend the nature and significance of this relationship, it is essential that we cite copious sections of these verses. In *al-Baqarah*, though direct references to usury are first made in verse 275, a fundamental contrast with charity is gradually developed starting with verse 261. The following are the relevant verses:

The parable of those who spend their wealth in the way of God is that of a grain that grows seven ears, in every ear a hundred grains. And God multiplies for whomsoever He will, and God is All-Encompassing, Knowing. Those who spend their wealth in the way of God and then follow not what they spent with preening or injury shall have their reward with their Lord, and no fear shall come upon them, nor shall they grieve. An honorable word and forgiveness are better than an act of charity followed by injury. And God is Self-Sufficient, Clement. O you who believe! Do not annul your acts of charity through preening and injury, like he who spends his wealth to be seen of men and believes not in God and the Last Day. His parable is that of a smooth rock with dust upon it: a downpour strikes it, and leaves it barren. They have no power over anything of what they earned. And God guides not the disbelieving people. And the parable of those who spend their wealth seeking God's Good Pleasure, and out of a confirmation in their souls, is that of a garden upon a hill: a downpour strikes it, and brings forth its fruit twofold. And if a downpour strikes it not, then a soft rain. And God sees whatsoever you do. Would any one of you wish to have a garden of date palms and grapevines with rivers running below, partaking therein of every kind of fruit, old age then befalling him while he had weakly progeny, and a whirlwind with fire then befalling it, such that it is consumed? Thus does God make clear unto you the signs, that haply you may reflect.

O you who believe! Spend of the good things you have earned and of that which We have brought forth for you from the earth, and seek not the bad, spending of it though you would not take it without shutting your eyes to it. And know that God is Self-Sufficient, Praised. Satan threatens you with poverty and commands you to indecency. And God promises you forgiveness from Him, and bounty. And God is All-Encompassing, Knowing. He grants wisdom to whomsoever He will. And whosoever is granted wisdom has been granted much good. Yet none remember save the possessors of intellect. And whatsoever sum you spend, or vow you vow, truly God knows it. And the wrongdoers shall have no helpers. If you disclose your acts of charity, that is well. But if you hide them and give to the poor, that is better for you, and will acquit you of some of your evil deeds. And God is Aware of whatsoever you do. Thou art not tasked with their guidance, but God guides whomsoever He will. Whatever good you spend, it is for yourselves, when you spend only seeking the face of God. And whatever good you spend shall be paid to you in full, and you shall not be wronged. [It is] for the poor who are constrained in the way of God, who are not able to travel the earth. The ignorant one supposes them to be wealthy because of their restraint. Thou knowest them by their mark: they do not speak of people importunately. And whatever good you spend, truly God knows it. Those who spend their wealth by night and by day, secretly and openly, shall have their reward with their Lord. No fear shall come upon them, nor shall they grieve.

Those who devour usury shall not rise except as one rises who is felled by the touch of Satan. That is because they say, "Buying and selling are simply like usury," though God has permitted buying and selling and forbidden usury. One who, after receiving counsel from his Lord, desists shall have what is past and his affair goes to God. And as for those who go back, they are the inhabitants of the Fire, abiding therein. God blights usury and causes acts of charity to grow. And God loves not any sinful ingrate. Truly those who believe, perform righteous deeds, maintain the prayer, and give the alms shall have their reward with their Lord. No fear shall come upon them, nor shall they grieve. O you who believe! Reverence God, and leave what remains of usury, if you are believers. And if you do not, then take notice of a war from God and His Messenger. If you repent, you shall the principal of your wealth, and you shall neither wrong nor be wronged. And if one is in difficult circumstances, let there be respite until there is ease, and it is better for you to give [it] as charity, if you but knew. And be mindful of a day when you shall be returned to God. Then every soul will be paid in full for what is earned, and they shall not be wronged. (2:261–81)

Verses 261–66 present us with a clear view of the Qur’anic conception of charity. According to the Qur’an, a fundamental characteristic of charity is *sincerity*; that true charity is by those “who spend their wealth seeking God’s Good Pleasure, and out of a confirmation in their souls,” and not by one “who spends his wealth to be seen of men and believes not in God and the Last Day.” In his commentary on verses 262–63, Nasr (2015, 115) states that “exulting in one’s generosity or reminding the needy of their neediness destroys the virtue in charitable giving... One should be kind and gentle with the poor, and if their asking causes one trouble or discomfort, one should forgive them for it.” In verses 264–65, Nasr continues, “the worst model of charity is one who gives only for appearance’s sake, ...” According to Nasr, a contrast is presented between “two kinds of giving through the symbolism of rain striking the earth. When a down-pour strikes the earth on a smooth stone, it can only wash it away, meaning it produces no real benefit. When it lands on a fertile garden, the surplus of water causes the garden to double its yield, symbolizing the fruit of charity with the right intention.” This leads us to the second fundamental characteristic of charity, *multiplicity*, understood as a manifold increase or “yield” in the material and spiritual reward for good deeds. Charity, when accompanied by sincerity, is promised a return as “that of a grain that grows seven ears, in every ear a hundred grains.” A similar sentiment is expressed by the Prophet, in his *hadith*, that “God makes the good deed of the son of Adam to be tenfold, or seven hundred fold, ...” (quoted in Nasr 2015, 115). This divine promise, however, is only fully comprehensible to one who believes in such possibilities, whose faith transcends the corporeal and the temporal. In 265, “out of a confirmation in their souls” refers to “givers [who] affirm and have certainty of faith in their act of giving ...” From this faith in the “Truth of God,” we can deduce the third fundamental characteristic of charity, *piety* (Nasr 2015, 116). Charity is a basic act of piety, of faith expressed through good deeds. In verse 266, we are given a “parable of those who follow up their charitable giving with ‘preening and injury’ ... Their charity is like the fruits of the garden, and their insults and boasting are like the fiery whirlwind that devours it, and they have no progeny who could protect or support them.” What this means is that charity cannot simply be an isolated act of kindness in the midst of a sea of cruelty and injustice. Charity, as is piety, is a way of life. And it is so, because the order of creation is predicated on a view of charity, of sincerity, multiplicity, and piety.

These same themes are reiterated in verses 267–74. Verse 267 establishes a direct relationship between charity and piety, as we are called to “spend of the good things” and “seek not the bad.” A similar message is offered in verse 3:92, which states: “You will never attain piety till you spend from that which you have.” Also, a *hadith* by the Prophet states: “None of you believes until he desires for his neighbor what he desire for himself.” Verse 270 reminds the believer that God keeps a perfect account of his intentions and deeds, and that charity done in secret is “better for you.” Sincerity is attained “when you spend only seeking the Face of God.” The multiplying nature of charity is also alluded to in the contrast presented between the promises made by God on the one hand, and those made by Satan on the other. In 267–68, we are called to spend of “that which [God] have brought forth for you from the earth” and that “God promises you forgiveness from Him, and bounty.” In contrast, “Satan threatens you with poverty and commands you to indecency.” While God seeks to remind us of his abundance and bounty, Satan offers us a conflicting view of the world, one of poverty and scarcity. The former view encourages us to lead a life of charity, while the latter “makes one dread poverty, causing one to refrain from giving charity, ...” And so, Satan “inspires one to commit other sins and acts of disobedience, whereas God causes the soul to remember forgiveness and generosity.” According to Nasr (2015, 117), Al-Razi argues that “ideally people should give from the best that they have, and that what begins as a desire to part only with the dregs can lead to a fear of giving any charity at all. This miserliness then infects the rest of the soul, which struggles to keep all that it desires while relinquishing nothing of what is of value to him.” So far, we have been offered a subtle preview of the later contrast that will be developed in the Qur’an, between charity on the one hand, and usury on the other. Charity represents a worldview and way of life that is associated with sincerity, generosity, piety, and abundance. Its counterpart, on the other hand, is characterized by boastfulness, miserliness, irreverence, and poverty. This contrast is made explicit in verses 275–81.

In the commentary on verse 275, Nasr (2015, 119–20) presents the following introduction:

Usury is the usual translation for *ribā*, and this commentary follows this common rendering. However, it must be noted that these terms are not strictly synonymous. Insofar as “usury” is understood as an unreasonably high rate of interest or simply any interest at all, it can be a misleading

translation for *ribā*. Not all interest is *ribā*, and moreover not all *ribā* is interest. *Ribā* simply means “increase,” “gain,” or “growth,” and in the Quran and *Hadīth* it refers to two main types of transactions: “growth through deferment” (*ribā al-nasīʿah*) and “growth through surplus” (*ribā al-faḍl*). It is one of the most complex and multifaceted aspects of Islamic Law.

While the translation offered above is accurate, we have certain reservations regarding its precise interpretation of the Qur’anic prohibition of usury. Based on the views of the prominent Muslim theologian and exegete, Tabatabai, and the celebrated jurist and exegete, Fadlallah, we consider *riba* to mean “any interest at all.” Several opinions, such as those of Kula (2008), Khan (1995), Ahmad (2005), Kuran (2004), and Rahman (1964), have called for a reconsideration of the traditional Islamic ban on interest, and argued in favor of reasonable interest rates on selective loans, such as investment loans. The predominant jurisprudential and exegetical view, however, remains that of a general prohibition on all forms of interest. The proposed recourse, according to this view, is in the use of profit-sharing arrangements, which constitute the underlying logic (theoretically at the very least) of modern Islamic banking. The underlying principle of Islamic banking is the Islamic legal maxim, “*alghorm bil ghoonm*,” which is translated as, “no reward without risk.” Interest, as a predetermined risk-free return, is *not* to be rewarded. However, risk-taking is praised and to be rewarded, with the reward distribution negotiated on a mutual consent basis. But whereas some Muslim scholars have argued in favor of interest as compensation for risk-taking, Tabatabai and Baqir as-Sadr reject such a justification, by insisting on the role of labor in any legitimately earned income. According to as-Sadr, who subscribes to a modified labor theory of property, “any interest payment can be described as illegitimate earnings, as it will not be based on work expended,” and is therefore unfair or unjust (As-Sadr 1984, 344).

Thus, as was the case with the traditional Christian view of usury, we do not distinguish between usury and interest based on the magnitude of interest charged on a loan, as is the case with modern interpretations of the usury prohibition. The distinction is valid, however, when usury or *riba* is employed as a broader category that encompasses all economic practices that are considered immoral or sinful, and this includes the charging of any interest on lending. It follows, that while “not all *ribā* is interest,” it is not entirely clear on what basis the authors of Nasr (2015) conclude that “not all interest is *ribā*.” If, by “interest,” we mean a fixed

and predetermined rate of return on a loan, then all such interest *is riba*. But we will have more to say on this issue later, as we now continue with the analysis of the above verses. With regard to the “two main types of transactions” mentioned earlier, *ribā al-nasīʿah* is explained as follows:

In pre-Islamic Arabia the *ribā* of deferment was the charging of a fee on an interest-free loan once it came due... The deferment often led to doubling of the principal in a year and then redoubling when the deferment period expired and another deferment became necessary. This radical compounding is mentioned in 3:130: ‘O you who believe! Devour not usury, doubling and multiplying.’ A debtor could eventually lose all his possessions to the creditor through the doubling and redoubling mentioned in the Quran.

And in the case of *ribā al-faḍl*:

When it comes to the lesser-known but equally important *ribā* of surplus, there is a *ḥadīth* that says, “Gold for gold, silver for silver, wheat for wheat, barley for barley, dates for dates, and salt for salt; like for like, hand to hand, in equal amounts; and any increase is *ribā*.” The “surplus” (*faḍl*) in this type of *ribā* refers to the disparity in amounts between the two objects traded. For example, it is reported in a *ḥadīth* that the Companion Bilāl visited the Prophet with some high-quality dates, and the Prophet inquired about their source. Bilāl explained that he traded two volumes of lower-quality dates for one volume of higher quality. The Prophet said, “This is precisely the forbidden *ribā*! Do not do this. Instead, sell the first type of dates, and use the proceeds to buy the other.” Moreover, the stipulation “like for like, hand to hand, in equal amounts” was understood to prevent trading, for example, an ounce of gold now for an ounce of gold at some point in the future.

Elaborating on the latter type, Nasr (2015, 120) argues that:

In such a transaction the time factor creates an inequality: an ounce of gold is worth more now than in the future because one loses the ability to use it in the meantime, and this disparity is a “surplus” (which applies in matters of trade, not charitable loans).

Again, we disagree with the rationalization offered for the prohibition, that “one loses the ability to use [the gold] in the meantime,” since this can ultimately sanction any interest on a loan; in fact, this argument represents the bedrock of the modern rationalization of usury and interest. Notwithstanding these reservations, the general view of the commentary

in Nasr (2015) is consistent with the perspective we hope to offer in this chapter, and especially with regard to the relationship between charity and usury. But prior to introducing its particular vision of the relationship between charity and usury, the Qur'an presents a contrast between trade and usury.

In verse 275, we are offered a striking image of the state of a usurer, as one who "shall not rise except as one rises who is felled by the touch of Satan." Khalidi (2009) and Arberry (1996) also use "rise from" or "rise again" to translate the Arabic word "*yaqumu*," while Yusuf Ali (2004) and the translation in Tabatabai opt for "stand" instead. The former translation pictures an act of resurrection on the Day of Judgment as interest-takers "rise from their graves" in a manner very much like one afflicted with madness or epilepsy. Tabatabai disagrees with this interpretation, arguing that the verse refers to a *worldly* state in which one's reasoning ability is seriously confounded, and instead of living a "straight path" or a "normal way of life," he loses his bearing and falls into a state of confusion and disorientation. This explains the use of the word "*al-khabt* [which] means to walk unevenly," to illustrate the mental turmoil affecting the interest-taker. Moreover, invoking Satan's "touch" should be treated as a simile, symbolizing evil in its many forms and origins. It follows then, that the association established in the verse is to picture the state of mind of interest-takers *akin* to that of a "lunatic who is confounded by the touch of Satan" (Tabatabai, 2:275).

The "normal way of life," according to Tabatabai, is one where man is guided by a "power ingrained in his nature ... that discriminates between good and bad, differentiates between beneficial and harmful, and distinguishes virtue from evil." A usurer, however, has ceased to distinguish between these opposites; in fact, he no longer recognizes any opposition between such divisions. The usurer still has a vague comprehension of the notions of good and bad, or evil and virtue, but the meaning he attaches to such concepts are discolored and arbitrary. This confused state of mind leads him to believe "evil to be virtue, and virtue to be evil." Ultimately, the failure to reason wisely leads him to equate the notions of virtue and evil, good and bad, *trade and usury*. This explains the answer given by the usurers when confronted with the accusation of engaging in the sin of usury:

That is because they say, "Buying and selling are simply like usury,"

Tabatabai offers an interesting analysis of the above response. The fact that trade was compared to usury, and not the other way around, signifies the

“confounded” state of the interest-takers. Had their response been, “usury is like buying and selling,” it would imply that they acknowledge the superiority of trade over usury, but believe the latter to be good as well. Their state of mind in this case would not be characterized as “disoriented” or “confounded,” but that of a “sane person who is mistaken in his view.” This is because he believes that trade is good, but “mistakenly thinks” the same of usury. But by comparing trade to usury, one would seem to have lost moral direction and is arbitrarily equating opposing practices. Even more, by adopting usury as the yardstick by which trade is *morally* evaluated, would indicate a profound revolution in the ethical core and language of the group or society. And this may well reflect the intellectual transformations in modern economic theory of the last few centuries. Today, the concept of opportunity cost serves as the underlying logic of modern profit theory, and is the same logic that was originally used to justify usury or the taking of interest. But *what* explains, according to the Qur’an, this fundamental difference between trade and usury?

The difference lies in the nature of the exchange taking place: whereas trade involves the exchange of goods for money, usury is the “exchange of one commodity for the same commodity with an increase in repayment.” In trade, the “thing given is always different from the thing received in exchange, [and] it is this difference upon which commercial life is based.” Essentially, trade allows humans to exchange their “excess property” to satisfy deficiencies on both sides. According to Tabatabai, this exchange serves an important social function, and “is the dictate of human nature.” But in the case of usury, receiving something similar in return, plus an increase, “nullifies the demands of nature and destroys the basis of the economy.” It follows that the Qur’an considers trade as “natural” and usury as “unnatural.” Given this contrast between trade and usury, developed in verse 275, the Qur’an advances to the contrast between charity and usury, in verse 276:

God blights usury and causes acts of charity to grow. And God loves not any sinful ingrate.

Commenting on the above verse, Nasr (2015, 121) states that in the original Arabic of the phrase “causes acts of charity to grow,” *grow* is the verbal form of *riba*. That God “causes charity to grow,” while He “blights usury,” signifies the stark contrast in the multiplying nature of each. In the case of the latter, the multiplying return of interest is of a strictly worldly and material nature that will be dissipated upon divine judgment; with the

former, the multiplying return of charity is of a divine and spiritual nature, and is thus eternal. For verse 277, Nasr provides the following commentary:

Alms, mentioned here and in many other places, are obligatory and an integral dimension of Muslim devotional and social life. As a form of institutional charity, they are contrasted with the moral opposite, *ribā*. It is reported that the Prophet said, “The ultimate result for anyone who engages in *ribā*, even if that *ribā* brings growth, is loss.” (Nasr 2015, 121)

Much of the contrast between charity and usury that we hope to highlight is expounded in the above commentary. Usury or *riba* is the “moral opposite” of charity, which is “obligatory and an integral dimension of Muslim devotional and social life.” The cited *hadith* by the Prophet points to the paradoxical nature of the purported multiplicity of usury, for that which is considered “growth” by worldly measures is but “loss” by divine standards. To avoid such loss, believers are called upon, in verses 278–79, to “leave what remains of usury,” and should they choose not to, they are to “take notice of a war from God and His Messenger.” It is a clear testament to the gravity of the sin of usury, that those who practice it are forewarned of a direct confrontation with God. In his extensive commentary on the Qur’an, the Muslim scholar and jurist Muhammad Hussein Fadlallah also highlights the significance of the contrast between charity and usury:

The discussion in these verses on usury is between the confused state of the usurer on the one hand, and that of the charitable giver on the other. It may be the case that this particular sequence of verses is the Quranic approach to highlighting the purity and kindness of charity, and those who practice it, in contrast to the moral transgressions inherent in usury and its practitioners. (Fadlallah 1998, vol. 5, 124–25)<sup>1</sup>

This compassionate quality of charity is reiterated in verses 280–81, where lenders (of interest-free loans) are instructed to give a borrower who “is in difficult circumstances ... respite until there is ease, and it is better for you to give [the loan] as charity, if you but knew.” This compassionate character of the lender is emphasized by several sayings by the Prophet. On one occasion, the Prophet explains to believers that he had seen written on the doors of paradise, “An act of charity is worth ten, while a loan is worth eighteen.” When he asked the archangel Gabriel as to why an act of charity that requires no refund is worth less than an act of lending that requires repayment, Gabriel replies that one who receives charity may or may not

need real assistance, but one who requests money from another is almost certainly driven by such need. On another occasion, the believers witness the Prophet saying that one who lends to others receives its equivalent in charity deeds. The very next day, the Prophet is reported saying that one who lends to others receives the equivalent in charity deeds for every day onward. Ali, the Prophet's son-in-law and fourth Caliph, then asks the Prophet the reason why his statement has changed since the previous day. The Prophet responds that in his latter statement, he was referring to those who delay soliciting their debt beyond the due date (quoted in Reda 2013, 36). These *hadith* highlight the superiority of charitable lending, compared to usurious lending. Commenting on the above verses, Nasr (2015, 121) argues that,

In the Islamic tradition, loans (as opposed to investments) were ideally charitable in nature, owing to the time factor in giving and taking money and since other transactions and financial instruments, such as credit sales and leases, were available for non-charitable investments and the raising of funds.

Not only are acts of charity morally superior to those of usury, but the very logic of charity should govern our lives. In the case of lending, and in addition to the interest-free requirement, lenders are called upon to be patient, compassionate, and if need be, to “give [the loan] as charity.” Commenting on these verses, Fadlallah remarks:

The Qur'an presents the able believer with the spiritual situation that allows him to rise to a state of sacrifice and giving. He then starts to contemplate the benefits of such charitable giving, as opposed to the material considerations of profit and loss associated with the loan. It is God's prerogative on the lender, as gratitude for His Bounty, that he presents the loan as charity. (Fadlallah 1998, vol. 5, 149)

Much of the arguments developed in the above verses are reiterated in these additional verses from the Qur'an:

O you who believe! Devour not usury, doubling and multiplying. And reverence God, that haply you may prosper. And be mindful of the Fire that has been prepared for the disbelievers. (3:130–31)

And for the wrongdoing among those who are Jews, We forbade them certain good things that had been made lawful unto them, and for their turning many from the way of God, and for their taking usury, though they had

been forbidden it, and for their consuming men's wealth falsely. And We have prepared for the disbelievers among them a painful punishment. (4:160–61)

Have they not considered that God outspreads and straitens provision for whomsoever He will? Truly in that are signs for a people who believe. So give unto the kinsman his right, and unto the indigent and the traveler. That is better for those who desire the Face of God. It is they who shall prosper. That which you give in usury that it might increase through other people's wealth does not increase with God. But that which you give in alms, desiring the Face of God – it is they who receive a manifold increase. (30:37–39)

That which God has given in spoils to His Messenger from the people of the towns is for God and His Messenger, and for kinfolk, orphans, the indigent, and the traveler, that it not come to circulate among your wealthy. (59:7)

Verse 3:130 highlights the multiplying, but equally destructive, nature of usury; hence, the use of the word “devour.” More importantly, it ascribes to usury an association with impiety, and warns usurers of “the Fire that has been prepared for the disbelievers.” In verses 4:160–61, the “*disbelievers among the Jews* (i.e. those who neglected or broke their covenant ...)” who engaged in *riba* are “strongly denounced.” Here, Nasr (2015, 264) reiterates that several verses in the Qur'an prohibit usury, and that “it is contrasted with the spiritual profit one gains through charity.” This contrast, however, is most explicit in the chapter of *al-Rum* (The Byzantines), verses 37–39. Verse 37 begins by reminding believers of the abundance of God's creation, and that He “outspreads and straitens provision for whomsoever He will.” By stating that, “Truly in that are signs for a people who believe,” the verse emphasizes the fact that only the pious can appreciate the abundance of such creation. Given such piety, verse 38 instructs believers to give such that they only “desire the Face of God.” And by giving as such, verse 39 restates the contrast between the multiplicity of charity on the one hand, which results in a “manifold increase” with God, and that of usury on the other hand, which “does not increase with God.” In a similar form to the verses examined earlier, these verses highlight the three main characteristics of charity that distinguish it from usury: *piety*, *sincerity*, and *multiplicity*. It is only with piety that we can be truly sincere in our giving. And with such sincerity, we can expect divine rewards that surpass any earthly profit or gain. This is especially so if such profit from usury results from an “increase through other people's wealth...” As such, verse 39 presents us with an explanation for the Qur'anic view of the

destructive multiplicity of usury—that its property of multiplying the wealth of some is by means of destroying that of others. Nasr (2015, 993) shares similar sentiments, stating that the “*manifold increase* from paying alms (*zakah*) is meant as a contrast to the practice of *riba* in pre-Islamic Arabia, where loans could compound exponentially, to the point of leaving the borrower in complete ruin.” The Quranic view of usury, therefore, is that of an immoral and unjust system where the wealth of some results in the poverty of others. This contrasts with a system of charity, where wealth is meant to be shared and distributed, rather than accumulated and concentrated. And this is precisely the message of verse 59:7 where believers are directed to share their wealth lest it “circulate[s] among [the] wealthy.” In one of several interpretive essays following the commentary in Nasr (2015), Maria M. Dakake presents this succinct summary of the Quranic view of charity and usury:

The Quran is also insistent upon the virtuous management and use of wealth. As in so many things, believers are instructed to handle their wealth with moderation, neither hoarding it greedily and anxiously, nor squandering it with prodigality. Wealth spent wisely and virtuously for charity and the good of others is described as bringing one true “profit” in this world and the next; it is the commerce that will never perish (35:29) and a source of spiritual growth (92:17–21). In addition to the “spiritual investment” of wealth in the form of charity, the Quran also endorses the use of wealth in worldly commerce, but insists repeatedly on the maintenance of fair trade practices.

Perhaps most important, the Quran forbids the practice of usury, that is, the predatory taking of interest by individuals on loans without risk of loss, which in effect makes the wealthy members of society wealthier on account of their wealth and the poor poorer on account of their poverty. The Quran rejects out of hand those who would argue that usury is a legitimate means of acquiring wealth (2:275–76). It is charitable spending (*zakāh*), not usury, that brings true profit. (30:38–39)

Muslims are encouraged to lend their money freely to those in need, granting them ample time to repay the debt or else forgiving it as a means of charity (2:278–80). By prohibiting predatory economic practices, especially usury, the Quran ensures that although rich and poor will always exist in society, the economic divide between the two never becomes excessive and unbreachable. At the same time, the mandatory alms it ordains and the voluntary charity it strongly encourages are meant to ensure that wealth circulates within the community and that no one is left without some provision. (Nasr 2015, 1800)

Dakake's reading of the Quranic view matches ours, by highlighting the essential link between charity and usury, with the former regarded as a superior alternative to the latter; such superiority is on account of the morality and justice of a system of charity, as opposed to the immorality and injustice of usury. Specifically, the Qur'an establishes this contrast on the basis of the piety, sincerity, and multiplicity of charity, while usury is characterized by impiety, falseness, and blight. A life inspired by charity is one that believes in a generous and just God who created an abundant world to be shared with others, and that such sharing can only be meaningful if genuine and sincere. In such a world, wealth is circulated rather than accumulated, distributed rather than concentrated. In contrast, a life motivated by usury believes in a world of scarcity where giving is always conditional, and nothing is ever done "seeking the Face of God." In such a world, the wealth of some increases with the poverty of others, with the latter forever beholden, body and soul, to the former. This socio-economic outcome is alluded to by the fourth Caliph, Imam Ali, who stated that, "When God intends to destroy a town, interest appears among them" (quoted in Tabatabai).

In the final verses that we examine, the Qur'an approaches the relationship between charity and usury by metaphorically depicting charity as a "goodly loan" that believers make "unto God,"

Who shall lend unto God a goodly loan, which He will multiply for him many times over? And God withholds and outstretches, and unto Him shall you be returned. (2:245)

Who is it that will lend unto God a goodly loan? He will multiply it for him, and his shall be a generous reward. (57:11)

Truly men who give in charity and women who give in charity and lend unto God a goodly loan, it will be multiplied for them, and theirs shall be a generous reward. (57:18)

Your property and your children are only a trial; and God – with Him is a great reward. So reverence God as much as you are able. Listen, obey, and spend; that is better for your souls. And whosoever is shielded from the avarice of his soul, it is they who shall prosper. If you lend unto God a goodly loan, He will multiply it for you and forgive you; and God is Thankful, Clement. (64:15–17)

In Reda (2013), we engaged in a detailed explication of the use of economic metaphors to depict religious phenomena. In this case, the “goodly loan” is employed as a metaphor to portray sincere acts of charity and the “generous reward” that such acts yield. According to Tabatabai, “God has named what is spent in His way as a loan to Himself, to exhort people to spend, and because it is done in His way, it will surely be returned to them manifold.” Spending in the “way” of God is considered superior and unique, because the rewards far exceed the act itself, and are not necessarily realized in this world. More importantly, the loan described here is categorically unlike that of usury. In this case, the believer or “lender” is the one in need of such an arrangement, and God, to whom the “loan” is intended, has no need for it whatsoever, but acknowledges it as a sign of piety and sincerity. These conditions thus qualify the loan to be characterized as “goodly.” A similar meaning to the above is expressed in Proverbs 19:17,

Whoever is generous to the poor lends to the Lord, and he will repay him for his deed.

That charity is explicitly or implicitly portrayed in religious scripture as a “loan to God” must not be regarded as awkward or peculiar. On the contrary, one can argue that metaphors, in addition to their explanatory power, can serve an educational or enlightening purpose, by presenting an ideal to which our more mundane acts should aspire. That is, from dealing with God, we better learn how to deal with others; from His charity and generosity, we learn to be charitable and generous. As models for enlightenment, metaphors inform our lives on the proper conduct, thereby bridging the elusive gap between theory and practice.

In his commentary on Proverbs, Charles Bridges (1846, 321) describes the nature of this special relationship with God,

The Lord considers it as a loan to himself. It is lending to the Lord. Selfishness would evade the obligation under the cover of prudence. But what we give is only a loan, to be paid again, and that with such security, as can never fail. The Lord of heaven condescends to be the Surety for the poor. He takes the debt upon himself, and gives us the bond of his word in promise of payment.

Bridges' view is similar to that of Saint Basil in his commentary on Proverbs 19:17. Anderson (2013, 30–31) states that Basil “begins by observing that when one assists the poor, one both offers a gift and issues a loan. It is a gift, Basil explains, ‘because of the expectation of no repayment, but a loan because of the great gift of the Master who pays in his place.’” Believers, conscious of the Master and eager for His “great gift,” must therefore lend, “expecting nothing in return.” It follows that lending cannot be charitable or righteous if there is any expectation of interest. This is clearly explicated in the saying by Muhammad al-Baqir, the fifth of the Shia Imams, that “every loan that generates profit is usury.” The only morally acceptable form of lending is one that is free of interest. And such “non-interest bearing loans,” argues Anderson (2013, 29), “were one of the primary means to assist the poor in biblical times. ... [And] that continued into postbiblical Judaism as well.” Yet another alternative to usurious loans, and one that is empirically grounded in history, is in the form of profit-loss partnerships, a type of business arrangement that existed in Jewish, Christian, and Islamic societies (often known as *commenda* in Jewish and Christian societies, and *mudarabah* in the more recent Islamic finance literature).

To conclude, we believe that usury must be understood in relation to charity, and that a life of charity altogether precludes usury. One of the obstacles to fully comprehending this relationship is our changing conception of charity; we no longer perceive of charity as a way of life, but merely as the occasional help offered to the poor and needy. In the case of both charity and usury, the changes that have occurred to the meaning and use of each concept inhibit us from understanding the essential link between the two. Charity was meant to be much more than what the conventional wisdom of our day allows it to be, and it certainly is not the deceptive philanthropy of modern-day culture. The original form and essence of charity can be gleaned from the following *hadith* by the Prophet:

Every good act is charity; and verily it is a good act to meet your brother with an open countenance, and to pour water from your own water-bag into his vessel.

Your smiling in your brother's face, is charity; and your exhorting mankind to virtuous deeds, is charity; and your prohibiting the forbidden, is charity; and your showing men the road; in the land in which they lose it, is charity; and your assisting the blind, is charity.

Doing justice between two people is charity; and assisting a man upon his beast, and lifting his baggage, is charity; and pure, comforting words are charity; and answering a questioner with mildness, is charity; and removing that which is an inconvenience to wayfarers, such as thorns and stones, is charity.

Prayers lighten the heart, and charity is a proof of Iman (Faith), and abstinence from sin is a perfect splendor; ...

Charity is a duty unto every Muslim. He who hath the means thereto, let him do a good act or abstain from an evil one. That is his charity. (Al-Suhrawardy 2001, 44–45)

Charity is love in action, while there is no love in usury. Only by viewing charity in this light, will the prohibition of usury be not only reasonable, but natural.

Furthermore, usury, or the taking of any interest, runs counter to humanity's appointed role as the steward or vicegerent of God's abundance, and contradicts the charitable and generous order of His creation. If all that we have is from Him, then it is only natural that we follow His instructions on the proper administration of His wealth and bounty. This message is clearly stated in verse 57:7,

Believe in God and His messenger and spend from that over which He has appointed you as trustees. For those of you who believe and spend, theirs shall be a great reward.

The call is reiterated in verse 36:47, when the disbelievers refused to admit to this logic:

And when it is said unto them, "Spend of that wherewith God has provided you," those who disbelieve say to those who believe, "Are we to feed one whom, if God willed, He would feed him? You are in naught but manifest error."

In his commentary, Fadlallah (1998, 87) emphasizes the essential link between vicegerency and charity: if charity is predicated on our role as vicegerents or trustees, it is therefore not a secondary or voluntary act, but a primary duty or obligation. As such, it is not an act for which we may seek or expect praise, gain, or even gratitude. It is incumbent upon any trustee to execute the orders of the trustor; that we "spend" and lend,

“expecting nothing in return,” represents a fundamental element of this role, and one that cannot, and does not, allow for concessions. It is in the nature of divine revelation that positions, once declared, remain absolute and unwavering. Such is the legacy of Jesus or Muhammad. Modernity, with all its secular enthusiasts and religious apologists, is incapable of countering the truth that in the world that is after Christ, the taking of interest exposes any lender to insurmountable religious and moral burdens; put very simply, it is a thing that Jesus would never have done.

#### NOTE

1. There are no available English translations of Fadlallah’s commentary of the Qur’an. The translations used in the book are mine.

PART IV

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Self-Interest and Rationality

## Self-Interest and Rationality: Introduction

The contrast between charity and usury, the subject of Part 3, serves as an appropriate pathway into the topic of this section, self-interest and rationality. We concluded the previous section on the note that charity, understood as love in action, is morally superior to usury, whose essence is gain or profit. This view of charity, we argued, is a reflection of the divine order of creation, and is fundamentally consistent with humanity's role of vicegerency. But a careful examination of the religious evidence presented in support of this view, whether from Christian or Islamic sources, reveals a multiplicity of basic arguments or approaches. One approach has been to present charity as a duty or obligation, a key manifestation of humanity's role as steward or trustee. Any failure in fulfilling this appointed task will subject humanity to a certain *punishment*, whether in this world or the next. A second approach, closely linked to the first, promises a requisite *reward* to humanity for fulfilling this task, reward that may also be realized in this life or the afterlife. Away from the considerations of reward and punishment, a third approach posits charity as an act of *love*, love toward fellow humans and, ultimately, toward God. Such love requires no expectations of possible gain or loss, but expresses simple affection or gratitude, utterly earnest and spontaneous. In this latter approach, the love of God is the basis for all action, including charity, while self-love is the primary consideration in the cases of reward and punishment. For the most part, as will later become evident in this chapter, the approaches are *not* depicted

in a necessarily antagonistic or even mutually exclusive relationship, but believed to coexist, in varying forms, individually and socially. This relationship, however, and in the broader context of the history of ideas, has represented one of the great intellectual debates from antiquity to modernity.

Scholars, from the earliest records of philosophical inquiry, have debated the nature of man and the forces that direct human action. In the relevant literature, the debate has been characterized as comprising two distinct and opposing paradigms, each with a rich intellectual tradition spanning many centuries. On the one hand, there exists the view that human action is primarily (or exclusively, as some scholars have argued) driven by considerations of self-interest, with little or no regard for the interests of others, whether humans, creatures, gods, or God. On the other hand, there is the view that humans are not inherently self-interested, but instead possess a benevolent nature that is especially considerate of the interests of others. The majority of intellectual opinions do not subscribe to one extreme viewpoint or the other, but believe in a specific blend of the two, with different scholars emphasizing one side or the other. The primary objective of this Part is to examine the position of Islamic social and economic thought within this broad debate in the history of ideas, granted that any drawn conclusions will represent but one assessment of this position. In particular, we are interested in exploring the Islamic view of human nature: Does Islam believe humans to possess an innate nature, and if so, what is its form and substance? Moreover, does Islam subscribe to the “self-interest” hypothesis, or the opposing “concept of disinterestedness”? Or, does it advocate a unique perspective that is altogether independent of the categories employed in Western thought? Is this Islamic position, whether similar or unique, a descriptive or positive account of humanity? Or is it a normative standpoint that seeks to transform man and society by means of an ethical and moral blueprint? These questions will lead us to examine the relevant concepts of egoism and altruism, which are closely linked to the debate on self-interest. In addition, they will lead us to examine the Islamic position on the “invisible hand” hypothesis, as part of the broader debate on the relationship between private and public interests. Furthermore, an intellectual history of the concept of self-interest will naturally lead to a discussion of rationality, a concept that has gained singular predominance in modern social and economic thought. In the realm of rationality, we will inevitably survey several pertinent concepts, such as efficiency, pareto-optimality, maximization, economizing, reciprocity, the golden rule, prudence,

choice, economic and instrumental rationality. And as we examine the positions of Greek philosophy, Christianity, and Islam, we will encounter additional concepts of direct significance to our discussion, such as wisdom, justice, reason, moderation, balance, the mean, and equilibrium.

That a discussion of charity, in the context of a direct contrast with usury, is a useful prelude for studying the concepts of self-interest and rationality should now be clear. The contrast between charity and usury is in fact part of a greater contrast, that between charity and love on the one hand, and self-interest on the other. This contrast, however, is clearly more difficult to identify and explicate, and not just for the obvious reason that the concepts are broader in scope and usage. With self-interest, the position of theology, whether Christian or Islamic, is arguably more intricate and nuanced than in the case of usury. While usury is, for the most part, condemned by both religions, self-interest is not entirely shunned, but judiciously acknowledged as a natural aspect of man and society. Furthermore, as was highlighted in the previous chapter, these concepts are not always depicted as opposing one another; often, one concept is employed in justifying the other. While usury was justified in the name of charity, likewise, self-interest is often justified in the name of love or charity. Even more, charity and love have been frequently explained in terms of self-interest, an argument that has become increasingly popular in modern intellectual thought. The same applies to self-interest and rationality, with each concept repeatedly justified in terms of the other. These questions and issues, among others, will comprise the subject matter of this Part. We begin with a brief and selective history of the concept of self-interest, followed by a similar history of the concept of rationality. We conclude with the Islamic perspective on both concepts, and its position within the pertinent debates surrounding them.

## Self-Interest: An Intellectual History

Self-interest remains one of the most contentious concepts in the history of economic thought. After many centuries of intellectual squabbling, which culminated with its palpable triumph at the heart of modern economics, the concept of self-interest continues to attract ambiguity and restiveness. The ambiguity surrounding the concept is mainly due to its varying definitions and applications, the result of which has been a rather pliable notion of human nature and action that can accommodate just about anything and everything. And this is precisely the source of the restiveness that is felt toward the concept of self-interest, as any motive or action can ultimately be justified or rationalized. Moralists, keen on advocating specific rules of behavior or conduct, will find little support in a world governed by the logic of self-interest. But such is the current state of our world, where self-interest, diversely understood, is the final arbiter of all motives, actions, and consequences. We do however subscribe to the opinion, held by many intellectuals, past and present, that such a state is not representative of all epochs of human history and thought, but is especially symptomatic of the modern era. The following survey, though brief and selective, will provide some basis for this viewpoint.

According to Rogers (1997, 5), “thoughts of self-love and self-interest were never far from the minds of the classical philosophers. Theirs was a tradition in which self-concern was not only considered acceptable, but the foundation of the moral life.” The principal ethical position at the time

was that the objective of “each individual is to promote his own personal happiness (*eudaimonia*).” While most of the classical philosophers did not question the pursuit of self-interest, they differed on the “best means for doing so.” One influential view was that argued by the Sophists, the likes of Callicles and Thrasymachus, who argued that “self-interest consists in having the power to do what one desires, whatever the consequences for others.” It follows, that the weak, in resisting the strong, “have devised a conventional conception of justice” that can temper the latter’s effective power. To the strong, however, “justice is ‘nothing but the advantage of the stronger’” (quoted in Rogers 1997, 5). This view was adamantly rejected by Socrates, who refused the Sophists’ conception of happiness.

“Virtue and law,” argued Socrates, were “expressions of man’s natural condition. Indeed, rationality and virtue are definitive of human nature.” As such, “it is only people who exercise reason and virtue that are capable of discovering true happiness.” This view was to influence the philosophy of Plato, Socrates’ preeminent pupil. Plato believed happiness to be the outcome of the “proper functioning of the soul, and the soul operates correctly to the extent that reason regulates the appetites and emotions.” Such a soul achieves “inner harmony” when it “exhibits balance and virtue,” which, in turn, translates into a social life of justice and well-being. This correspondence between the state of one’s soul and his social life is evident in the following excerpt from Plato’s *Republic*:

Justice ... means that a man must not suffer the principles in his soul to do each the work of some other and interfere and meddle with one another, but that he should dispose well of what in the true sense of the word is properly his own, and having first attained to self-mastery and beautiful order within himself, and having harmonized these three principles, the notes or intervals of three terms quite literally the lowest, the highest, and the mean, and all others there may be between them, and having linked and bound all three together and made of himself a unit, one man instead of many, self-controlled and in unison, he should then and then only turn to practice if he find aught to do either in the getting of wealth or the tending of the body or it may be in political action or private business, in all such doings believing and naming the just and honorable action to be that which preserves and helps to produce this condition of soul, and wisdom the science that presides over such conduct; and believing and naming the unjust action to be that which ever tends to overthrow this spiritual constitution, and brutish ignorance, to be the opinion that in turn presides over this. (Quoted in Rogers 1997, 19)

Granted the significance of this correspondence in Plato's general argument, some believe Plato to have advocated a "collectivist" mindset that subordinates individual self-interests to the overall interests of society. This may be inferred from the following:

For we shall say that while it would not surprise us if these men thus living prove to be the most happy, yet the object on which we fixed our eyes in the establishment of our state was not the exceptional happiness of any one class but the greatest possible happiness of the city as a whole.... If then we are forming true guardians and keepers of our liberties, men least likely to harm the commonwealth, but the proponent of the other ideal is thinking of farmers and 'happy' feasters as it were in a festival and not in a civic community, he would have something else in mind than a state. Consider, then, whether our aim in establishing the guardians is the greatest possible happiness among them or whether that is something we must look to see develop in the city as a whole, but these helpers and guardians are to be constrained and persuaded to do what will make them the best craftsmen in their own work, and similarly all the rest. And so, as the entire city develops and is ordered well, each class is to be left, to the share of happiness that its nature comports. (Quoted in Rogers 1997, 21)

Moreover, this interpretation of Plato is thought to be supported by his views on private property, which he believed to be incompatible with his vision of an ideal society. A more balanced view of Plato, however, holds that "though there are undoubtedly collectivist elements to Plato's thought, we should not lose sight of his enduring concern with the personal benefits to be had from practicing virtue within the framework of a righteous state." But Plato's "concern" with self-interest is quite unlike the meaning or significance attributed to the concept in modern economic and social thought. For Plato, "self-love consists in obedience to reason; for if the self's good consists in being properly ordered, and if proper order is achieved only through rational control, one who loves one's self and wants its good will obey reason." More importantly, this "obedience to reason" ensures that for the righteous or virtuous person, the primary "concern lies with justice." In other words, our self-interest consists in committing to the dictates of justice, which also guarantees the best interests of society (Rogers 1997, 6). Therefore, though Plato was ultimately concerned with the realization of his vision of an ideal society, he believed the starting point to be the individual, his soul, mind, and body. Plato's student, Aristotle, would later support much of his mentor's views, albeit with some significant variations.

Although Aristotle believed in the import of an “internal harmony – summed up in his doctrine of the mean – as the essence of happiness, he denies that an individual’s interests can be specified entirely in terms of the soul.” He believed that happiness or well-being depended on both spiritual and material factors, though the relative weight he attached to each remains a topic of debate among scholars. On self-interest, Aristotle believed we are “naturally [predisposed to] love ourselves most of all, however, there may be people in our lives – particularly, our equals in virtue – to whom we can extend this love, and come to regard as ‘second selves.’” Friendship, therefore, becomes true when “friends love each other for their own sakes ...” As for everyone else, the practice of nobility and virtue will ensure that our self-interest coincides with the interests of others:

When everyone competes to achieve what is noble and strains to do the noblest actions, everything that is right will be done for the common good, and each person individually will receive the greatest of goods, since that is the character of virtue. (Quoted in Rogers 1997, 8)

This congruence between self-love and the interests of others will often be breached when the “non-rational elements of [the] soul” are given free reign; such “vicious self-lovers, ..., heedless of reason, they end up doing harm to everyone, themselves included.” For Aristotle, “it is not human nature or institutions that corrupt people, but corrupt people that put these things to their improper use.” Thus, “self-love, far from the source of the vice, is transformed into a manifestation, as well as a reward, of virtue” (Rogers 1997, 8). Clearly, both Plato and Aristotle believed happiness and well-being, whether at the individual or the social level, consisted in leading a life of virtue. Such a life, however, is the external manifestation of a spiritual harmony of the soul, which equips the mind with the requisite reason and rationality to overcome the dissipations of appetite and emotion. Moreover, it is only by leading such a life that we can hope to match our self-love with the interests of others. In other words, the best interests of society are not served by the unintended consequences of arbitrary self-interest, but by a conscious and collective effort to establish social justice.

The Epicureans, though they shared with Plato and Aristotle much of their views on virtue, offered the “narrowest conception of self-interest in antiquity, identifying it strictly with pleasure.” Their understanding of

pleasure, however, was not in the indulgent pursuit of desires, but by the regular practice of “prudence”; happiness, “in their view, consists less in satisfying the needs of the body – which can be trained to require very little – than in cultivating peace of mind.” That pleasure is the ultimate measure of happiness may allow for cases where vice is believed to be in one’s interests, though the Epicureans insisted “that ‘it is impossible to live pleasantly without living prudently, honorably, and justly’” (Rogers 1997, 8–9).

For the Stoics, their position on self-interest was consistent with their view of nature and the universe. The Stoics believed the universe to be a “coherent and orderly Whole in which all occurrences are determined by preceding events. Most of what happens, therefore, is beyond our control – everything, in fact, other than the operation of our souls.” And in “the operation of our souls,” it is wise that we pursue a life of virtue, which alone can ensure that we serve our “true interests.” But since humans are part of a broader system that exhibits harmony and order, the Stoics “deny the possibility of antagonism between the interests of the self and those of other people.” In other words, “nature has created us in such a way that we cannot attain our self-interest in a way that does not at the same time contribute to the commonweal.” One can thus clearly identify the Stoical influence on the moral and economic thought of Adam Smith, whose important views on self-interest will be discussed later. To the Stoics, therefore, our self-interest is but a reflection of the “proper ends” that nature has intended for us, since “by endearing each thing to itself, it is brought about that every being repels injury and is drawn to that which furthers its natural purpose.” From this existential concern for our self-interest, we later develop concern for others, for our family, friends, fellow citizens, and eventually, all of humanity (Rogers 1997, 10–11).

The theologians of medieval Christianity echoed much of the views of the Classical philosophers on virtue and the pursuit of happiness. These similarities notwithstanding, Christian theology sought to establish the primacy of the sacred and the eternal, relative to the temporal and the profane. The greatest of the Church Fathers, Saint Augustine, believed that our “true interests lie ... in the eternal life we share with God. Our trespass through life is merely a detour, a consequence of original sin, ...” This temporal world is but a passage to another life, the one that truly matters, and to hope for the pleasures of this world is “nothing but the sign of an unsound mind.” And yet, argues Augustine, this is precisely the “mind” of most people, eagerly seeking their interests in this world, regardless of any

ensuing consequences or conflicts. A true believer realizes that our self-interest “lies in God, and we secure it, essentially, by not attempting to secure it” (Rogers 1997, 48). This calm indifference to what this world has to offer is believed to be the symptom of a pious mind and soul, one that lives solely for the sake of God:

Neither ought any one to have joy in himself, if you look at the matter clearly, because no one ought to love even himself for his own sake, but for the sake of Him who is the true object of enjoyment. ... If, however, he loves himself for his own sake, he does not look at himself in relation to God, but turns his mind in upon himself, and so is not occupied with anything that is unchangeable. And thus he does not enjoy himself at his best, because he is better when his mind is fully fixed upon, and his affections wrapped up in, the unchangeable good, than when he turns from that to enjoy even himself. For this is the law of love that has been laid down by Divine authority: ‘Thou shalt love thy neighbor as thyself’; but, ‘Thou shalt love God with all thy heart, and with all thy soul, and with all thy mind’; so that you are to concentrate all your thoughts, your whole life, and your whole intelligence upon Him from whom you derive all that you bring. (Quoted in Rogers 1997, 54)

All love, therefore, whether for ourselves or our neighbors, must naturally flow from our love for God:

Seeing, then, that there is no need of a command that every man should love himself and his own body – seeing, that is, that we love ourselves, and what is beneath us but connected with us, through a law of nature which has never been violated, and which is common to us with the beasts (for even the beasts love themselves and their own bodies), – it only remained necessary to lay injunctions upon us in regard to God above us, and our neighbor beside us. “Thou shalt love,” He says, “the Lord thy God with all thy heart, and with all thy soul, and with all thy mind; and thou shalt love thy neighbor as thyself. On these two commandments hang all the law and the prophets.” Thus the end of the commandment is love, and that twofold, the love of God and the love of our neighbor. Now, if you take yourself in your entirety, – that is, soul and body together, – and your neighbor in his entirety, soul and body together (for man is made up of soul and body), you will find that none of the classes of things that are to be loved is overlooked in these two commandments. (Quoted in Rogers 1997, 55)

Augustine does not deny the existence or significance of self-love, but believes it to be most sublime when derived from our love of God; only

then can we extinguish from our souls and minds pride, which is the “origin of sin”:

The first destruction of man, was the love of himself. For if he had not loved himself, if he had preferred God to himself, he would have been willing to be ever subject unto God; and would not have been turned to the neglect of His will, and the doing his own will. For this is to love one’s self, to wish to do one’s own will. Prefer to this God’s will; learn to love thyself by not loving thyself. For that you may know that it is a vice to love one’s self the Apostle speaks thus, ‘For men shall be lovers of their own selves.’ And can he who loves himself have any sure trust in himself? No; for he begins to love himself by forsaking God, and is driven away from himself to love those things which are beyond himself; to such a degree that when the aforesaid Apostle had said, ‘Men shall be lovers of their own selves,’ he subjoined immediately, ‘lovers of money.’ Already you see that you are without. You have begun to love yourself: stand in yourself if you can. Why do you go without? Have you, as being rich in money, become a lover of money? You have begun to love what is without you, you have lost yourself. When a man’s love then goes even away from himself to those things which are without, he begins to share the vanity of his vain desires, and prodigal as it were to spend his strength. (Quoted in Rogers 1997, 56)

Augustine’s call to “learn to love thyself by not loving thyself” is, at once, understandably paradoxical and astonishingly simple: We can only truly love God if we forget and forego the whole world for His sake; and by loving God as such, sincerely and utterly, we come to love all that He loves. While Augustine’s views are a clear departure from Aristotle’s, Saint Thomas Aquinas sought a Christian reevaluation of the Aristotelian position. In particular, Aquinas concurred with Aristotle’s view that happiness can be achieved in this world, that though “man is fallen, he can in this life attain *human* happiness – an incomplete form of beatitude, but beatitude nonetheless” (Rogers 1997, 50). On self-love, he is closer to Augustine in denouncing the “negative” type that results from the sin of pride, and is the source of our insatiable desire for temporal goods. On the cause of sin, Aquinas states:

Properly speaking, the cause of sin is assigned by reason of man’s turning to the perishable good, and from this point of view every sin presupposes an inordinate desire for some temporal good. Man’s inordinate love for a temporal good comes from an inordinate love of himself, for when we love someone we wish him good. Quite clearly, then, it follows that inordinate self-love is the cause of all sin. (Quoted in Rogers 1997, 62)

And later, he adds:

A man is loving himself when he wills his own prominence: to love yourself is to will good to yourself. Thus it amounts to the same thing whether pride or self-love be called the beginning of sin. (Quoted in Rogers 1997, 63)

The opposite kind, “positive” self-love, is instead directed toward God and the afterlife, away from the tempting distractions of this world:

Since then the good, taken quite universally, is God himself, and since all angels, all men and all other creatures exist as contained within that good – because every creature, precisely in respect of what it is by nature, belongs to God – it follows that the instinctive natural love of each angel and each man is for God first of all and for God more than for self. Otherwise, if this were not true, if creatures by nature loved themselves more than God, then natural loving would be perverse; and would not be perfected, but destroyed, by charity. (Quoted in Rogers 1997, 68)

From this love for God, continues Aquinas, we can derive the true nature of our love for others:

But as between two things of which one is the entire reason why there is any being or goodness in the other, then of its nature the latter must love the former more than itself: every part, as we have said, by nature loves the whole more than itself. And so too each individual of a species tends naturally to the good of the species more than its own private good. Now God is not just the good of this or that species; he is the universal good, simply and absolutely. Hence each and every being, each in the way appropriate to it, by nature loves God more than itself. (Quoted in Rogers 1997, 68)

It follows that the interests of society or the whole must always outweigh our private interests, and that all interests, private or public, ultimately derive from our submission to the love of God. And since the love of God is the beginning and the end, Christian theology did not perceive any fundamental conflict or contradiction between private and public interests. The potential for such conflicts, however, became the primary concern of intellectuals in Europe as the era of medieval Christianity was coming to an end. These intellectuals sought to establish a secular alternative to Christianity that would legitimate the individual pursuit of self-interest, while providing for the social adhesive necessary to sustain the

community of men. Foremost among such intellectuals were the two principal founders of modern political philosophy, Niccolo Machiavelli and Thomas Hobbes.

In the opening paragraph of chapter XV of his *Prince*, Machiavelli states the general objective of his counsel to the ages:

But my intention being to write something of use to those who understand, it appears to me more proper to go to the real truth of the matter than to its imagination; and many have imagined republics and principalities which have never been seen or known to exist in reality; for how we live is so far removed from how we ought to live, that he who abandons what is done for what ought to be done, will rather learn to bring about his own ruin than his preservation. (Machiavelli 1950, 56)

In his typical cavalier style, Machiavelli aims to dismiss the philosophical and moral traditions of the Greeks and Christians, openly mocking what he considered to be their inane constructs of “imagined republics and principalities.” He believed that any meaningful discourse should focus solely on “what is,” rather than on “what ought to be”; in a sense, morality becomes synonymous with reality. Curiously, his opinion of what human nature is was far narrower than what his general view of reality contends:

For it may be said of men in general that they are ungrateful, voluble, dissemblers, anxious to avoid danger, and covetous of gain; as long as you benefit them, they are entirely yours; they offer you their blood, their goods, their life, and their children, as I have before said, when the necessity is remote; but when it approaches, they revolt. (Machiavelli 1950, 61)

Thomas Hobbes shared a similar view on morality and what truly mattered to human thought:

But whatsoever is the object of any man’s Appetite or Desire; that is it, which he for his part calleth *Good*: And the object of his Hate, and Aversion, *Evill*; And of his Contempt, *Vile* and *Inconsiderable*. For these words of Good, Evill, and Contemptible, are ever used with relation to the person that useth them: There being nothing simply and absolutely so; nor any common Rule of Good and Evill, to be taken from the nature of the objects themselves; but from the Person of the man ... (Quoted in Rogers 1997, 85)

Likewise, his views on human nature shared much of Machiavelli's cynicism, believing humans to be naturally inclined to serving their self-interest:

For being distracted in opinions concerning the best use and application of their strength, they do not help, but hinder one another, and reduce their strength by mutual opposition to nothing; whereby they are easily, not only subdued by a very few that agree together, but also, when there is no common enemy, they make war upon each other for their particular interests. (Quoted in Force 2003, 142)

That humanity would have done better by concerning itself with reality as it is, rather than as some would wish it to be, was an opinion even more fervently argued by Bernard Mandeville at the beginning of the eighteenth century. In his *Fable of the Bees*, Mandeville argues that:

One of the greatest Reasons why so few People understand themselves, is, that most Writers are always teaching Men what they should be, and hardly ever trouble their heads with telling them what they really are. (Quoted in Campbell 1971, 21)

He then continues to present *his* view of man as he *is*:

As for my part, without any Compliment to the Courteous Reader, or my self, I believe Man (besides Skin, Flesh, Bones, etc. that are obvious to the Eye) to be a Compound of various Passions, that all of them, as they are provoked and come uppermost, govern him by turns, whether he will or no. To shew, that these Qualifications, which we all pretend to be ashamed of, are the great support of a flourishing Society, has been the subject of the foregoing Poem. (Quoted in Campbell 1971, 23)

Even a swift perusal of Mandeville's poem, also titled *Private Vices, Public Benefits*, will confirm this self-alleged "courage" at exposing the hypocrisy of that "which we all pretend to be ashamed of,"

Thus every Part was full of Vice,  
 Yet the whole Mass a Paradise;  
 Flatter'd in Peace, and fear'd in Wars  
 They were th'Esteem of Foreigners,  
 And lavish of their Wealth and Lives,  
 The Ballance of all other Hives.

Such were the Blessings of that State;  
 Their Crimes conspired to make 'em Great;  
 And Vertue, who from Politicks  
 Had learn'd a Thousand cunning Tricks,  
 Was, by their happy Influence,  
 Made Friends with Vice: And ever since  
 The worst of all the Multitude  
 Did something for the common Good.

The Root of evil Avarice,  
 That damn'd ill-natur'd baneful Vice,  
 Was Slave to Prodigality,  
 That Noble Sin; whilst Luxury.  
 Employ'd a Million of the Poor,  
 And odious Pride a Million more  
 Envy it self, and Vanity  
 Were Ministers of Industry;  
 Their darling Folly, Fickleness  
 In Diet, Furniture, and Dress,  
 That strange, ridic'lous Vice, was made  
 The very Wheel, that turn'd the Trade.  
 Their Laws and Cloaths were equally  
 Objects of Mutability;  
 For, what was well done for a Time,  
 In half a Year became a Crime;  
 Yet whilst they alter'd thus their Laws,  
 Still finding and correcting Flaws,  
 They mended by Inconstancy  
 Faults, which no Prudence could foresee. (Mandeville 2003, 209–210)

It is no surprise, therefore, that Mandeville's poem is regarded as the "clearest, most univocal, and most famous presentation of the doctrine of self-interest" (Force 2003, 14). The significance of Mandeville's argument is not in emphasizing the reality of self-interest as a powerful stimulus for human action, a truth that was acknowledged by even the harshest critic of selfish motives, but in making the case that self-interest, even in its extreme manifestations in the form of *vices*, is the principal cause of any society's progress and prosperity. "Ambition, greed, and pride, which Mandeville called 'vices,'" were the main drivers for industry and growth (Whittaker 1940, 147). If, instead, a society was driven by virtues, the result would be the "Bane of Industry" (Mandeville 2003, 216). That

Mandeville's views faced vigorous criticism from some of his contemporaries does not conceal the fact that his position signified a major intellectual departure from the heritage of Greek philosophy and Christian theology; he just happened to unleash an imminent intellectual bang that would have erupted sooner or later. And yet, despite the outrageousness of Mandeville's assertions, it is not at all clear that he personally advocated a life of selfishness and vice.

According to Force (2003, 48), "because Mandeville sees the quest for pleasure as the source of human actions, he may be called an Epicurean. E. J. Hundert reminds us that Mandeville was defending 'an ancient insight into the fundamentally egoistic sources of human behavior – a thesis still associated in the early eighteenth century with Lucretius (ca. 94–ca. 50 BC), whose epic *De rerum natura* contained the most detailed classical exposition of the atomist, hedonist and purportedly atheist doctrines of Epicurus (341–271 BC).'" And yet, argues Force (2003, 56), Mandeville's views can be easily interpreted as subscribing to the "Augustinian theory of the will standing in opposition to itself." Mandeville, Force adds, "makes an explicit reference to [Augustine's theory] in the first volume of the *Fable of the Bees*: 'It is impossible that man, mere fallen man, should act with any other view but to please himself.'" Elsewhere, Mandeville depicts self-love as "the natural instinct of sovereignty, which teaches man to look upon everything as centering in himself" (quoted in Force 2003, 64). That man is self-centered and driven primarily by pleasure is elevated by Mandeville to a general view of "human nature":

If we consult history both ancient and modern, and take a view of what has past the world, we shall find that human nature since the Fall of Adam has always been the same, and that the strength and frailties of it have been conspicuous on one part of the globe or other, without any regard to ages, climates, or religion. (Quoted in Force 2003, 97)

It follows that Mandeville very well understands that self-interest and vice are at odds with virtue and morality, but believes that the world in its fallen state, rather than being led by the mercy of the latter, is left to the mercy of the former. The meaning becomes perfectly clear, therefore, of Mandeville's argument that "[o]ne of the greatest Reasons why so few People understand themselves, is, that most Writers are always teaching Men what they should be, and hardly ever trouble their heads with telling

them what they really are” (quoted in Campbell 1971, 21). This view is reiterated by Mandeville as he sides with Pierre Bayle’s “formula” of human behavior against that of Montaigne:

These are [Montaigne’s] words: *Some impose on the world, and would be thought to believe what they really don’t; but much the greater number impose upon themselves, not considering nor thoroughly apprehending what it is to believe.* [Mandeville’s response] But this is making all mankind either fools or impostors, which to avoid, there is nothing left us, but to say what Mr. Bayle has endeavored to prove at large in his *Reflexions on Comets*: that man is so unaccountable a creature as to act most commonly against his principles. (Quoted in Force 2003, 100)

Bayle, in his *Pensées diverses*, argues that,

Man does not act according to his principles.

However rational a creature man may be, he hardly ever acts in accordance with his principles ... Although he hardly ever adopts principles, and almost always retains in his conscience the principles of natural equity, he, nevertheless, almost always decides to the advantage of his unchecked desires. (Quoted in Force 2003, 100)

To Bayle and Mandeville, principles and values clearly do *not* guide human behavior; it is to our desires and interests that any meaningful inquiry must attend. Against this intellectual backdrop, which can be traced back to Epicurean and Augustinian roots, the doctrine of self-interest slowly developed. As with several other concepts in the history of ideas, this development assumed a religious tenor at the beginning (as in the Augustinian notion of fallen man), only to be stripped of its religious import over time. But even among the secular-minded intellectuals of the Renaissance and the Enlightenment, the doctrine of self-interest faced many oppositions.

Prominent among them was Anthony Ashley Cooper, the Third Earl of Shaftesbury. Shaftesbury argued passionately against the view that self-interest is the “single motive for human action.” Arguing against the “interest doctrine,” he states:

You have heard it (my friend!) as a common saying, that *interest governs the World*. But, I believe, whoever looks narrowly into the affairs of it, will find, that *Passion, Humor, Caprice, Zeal, Faction*, and a thousand other springs,

which are counter to *Self-Interest*, have as considerable a part in the movements of this machine. There are more wheels and *Counter-Poises* in this engine than are easily imagined... It is hard, that in the plan or description of this clock-work, no wheel or balance should be allowed on the side of the better and more enlarged affections. (Quoted in Force 2003, 194–95)

He then directs his critique to the moral thought of La Rochefoucauld, whom he believed to be a “pale and narrow-minded imitator of Epicurus,”

Other Authors there have been of a yet inferior kind [than the Epicureans]: a sort of Distributers and petty Retailers of this Wit; who have run Changes, and Divisions, without end, upon this Article of *Self-Love*. You have the very same Thought spun out a hundred ways, and drawn into Motto’s, and Devises, to set forth this Riddle; That “act as disinterestedly or generously as you please, *Self* still is at the bottom, and nothing else. (Quoted in Force 2003, 195)

And he is even more critical of attempts at explaining virtuous behavior via the logic of self-interest:

Men have not been contented to show the natural Advantages of Honesty and Virtue. They have rather lessened these, the better, as they thought, to advance another Foundation. They have made Virtue so mercenary a thing, and have talked so much of its Rewards, that one can hardly tell what there is in it, after all, which can be worth rewarding. For to be bribed only or terrified into an honest Practice, bespeaks little of real Honesty or Worth. (Quoted in Force 2003, 195)

Even Christianity, Shaftesbury argues, by emphasizing the logic of reward and punishment, did (perhaps inadvertently) render “virtue so mercenary a thing,”

I could be almost tempted to think, that the true Reason why some of the most heroic Virtues have so little notice taken of them in our holy Religion, is, because there would have been no room left for *Disinterestedness*, had they been entitled to a share of that infinite Reward, which Providence has by Revelation assigned to other Duties. (Quoted in Force 2003, 195–96)

If “religion is ultimately a matter of self-interest,” then one would expect the most fervent believers to shun any meaningful role in the public sphere, preferring, instead, the “salvation of their souls to the disinterested

pursuit of the public good” (Force 2003, 196–97). But piety in its purest form, he argued, must be disinterested:

This, too, must be confessed: that if it be true, to love GOD *for his own sake*, the over-solicitous regard to private good expected from him, must of necessity prove a diminution of piety. For whilst God is beloved only as the cause of private good, he is no otherwise beloved than as any other instrument or means of pleasure by any vicious creature. (Quoted in Force 2003, 197)

This ardent search for any sign of a disinterested spirit in human behavior explains Shaftesbury’s reverence for the heroic virtues of the pagans, “who could practice virtue for its own sake because they did not believe in rewards in the afterlife” (Force 2003, 197).<sup>1</sup>

Francis Hutcheson, a leading figure of the Scottish Enlightenment in the eighteenth century, also opposed the doctrine of self-interest, arguing instead that much of human behavior is driven by benevolence, “a principle of action that is utterly distinct from self-interest” (Rogers 1997, 79). Acknowledging that self-love influences much of our actions, Hutcheson believed that we can distinguish between acts driven by self-interest and those driven by benevolence on the basis of *motivation*; by considering the true motive of an act, we can identify the corresponding behavior as self-interested or disinterested. Our moral evaluation of the underlying motive, which Hutcheson calls “moral sense,” is independent of any personal advantage we may derive from an action, and is therefore the ultimate arbiter of the moral nature of our behavior. He provides the following example to argue his case:

A covetous *man* shall dislike any branch of trade, how useful soever it may be to the public, if there is no gain for himself in it; here is an aversion from *interest*. Propose a sufficient premium, and he shall be the first who sets about it, with full satisfaction in his own conduct.

[Conversely ...]

I may easily be capable of wishing that another would do an action I abhor as *morally evil*, if it were advantageous to me. Interest in that case may over-balance my desire of *virtue* in another. But no *interest* will make me approve an action that is good, which, without that interest to myself, would have appeared *morally evil*. The sense of the moral good, or evil, cannot be over-balanced by *interest*. (Quoted in Force 2003, 198)

Thus, the actions that we take may be susceptible to the incentives of self-interest, but “our judgment regarding the moral worth of a particular act is itself entirely disinterested” (Force 2003, 198). In the case of benevolence, of serving other people, the motive for such an act is morally consistent with our judgment of it; with its focus on serving others, it is a motive indifferent to any personal gain. Therefore, benevolence cannot but be disinterested:

If there be any *benevolence* at all, it must be *disinterested*; for the most useful action imaginable loses all appearance of *benevolence* as soon as we discern that it only flowed from *self-love* or *interest*. (Quoted in Force 2003, 198)

What then is this position’s view of religious behavior performed in expectation of a reward in the afterlife? Hutcheson’s answer, like that of Shaftesbury, is implicitly critical of the Christian system of rewards and punishment. A disinterestedness toward worldly gain is only seeming if it masks an underlying *interest* in the promised rewards of the afterlife. Hutcheson is therefore similarly biased toward the heroic “virtues of non-Christians.” But while the logic of self-interest may apply to believers in general, he believed it would be absurd to attribute such motives to God,

Without acknowledging some other principle of action in rational agents than self-love, I see no foundation to expect beneficence or rewards from God, or man, further than it is the interest of the benefactor; and all expectations of benefits from a being whose interests are independent on us, must be perfectly ridiculous. (Quoted in Force 2003, 200)

This excessive emphasis by Shaftesbury and Hutcheson on disinterestedness served as an impetus to Adam Smith to offer a more balanced view of virtue and self-interest. Smith’s view was closer to that of Bishop Joseph Butler, who argued for a complementary relationship between virtue or benevolence on the one hand, and self-interest or self-love on the other. According to Butler, “to those who are shocked to hear virtue spoken of as disinterested, it may be allowed that it is indeed absurd to speak thus of it.” The implication, therefore, is that “benevolence and the pursuit of public good has at least as great respect to self-love and the pursuit of private good, as any other particular passions, and their respective interests” (quoted in Force 2003, 200). But before we turn our attention to Adam Smith, whose views on self-interest have arguably

been the most influential of the last few centuries, we examine the position of a philosopher whose influence is no less significant, David Hume.

Hume was a close friend of Smith and shared much of his views on self-interest. In his *Treatise*, Hume begins with the assertion that “men are ‘naturally selfish, or employed only with a confined generosity.’” As such, “they are not easily induced to perform any action for the interest of strangers, except with a view to some reciprocal advantage, which they have no hope of obtaining but by such a performance” (quoted in Force 2003, 171). That humans also possess the potential for some “generosity” means that not all human action is reducible to selfish motives, an extreme view that Hume clearly opposed:

The most obvious objection to the selfish hypothesis is, that, as it is contrary to common feeling and our most unprejudiced notions, there is required the highest stretch of philosophy to establish so extraordinary a paradox. To the most careless observer there appear to be such dispositions as benevolence and generosity; such affections as love, friendship, compassion, gratitude. (Hume 1975, 298)

There exist social spaces, such as friendship and love, wherein the motive of self-interest hardly survives, but where benevolence and compassion are predominant:

It is remarkable, that nothing touches a man of humanity more than any instance of extraordinary delicacy in love or friendship, where a person is attentive to the smallest concerns of his friend, and is willing to sacrifice to them the most considerable interest of his own. Such delicacies have little influence on society; because they make us regard the greatest trifles. But they are the more engaging, the more minute the concern is, and are a proof of the highest merit in any one, who is capable of them. (Quoted in Force 2003, 175)

And to those who would rationalize benevolence in terms of self-interest, Hume adds:

There is a principle, supposed to prevail among many, which is utterly incompatible with all virtue or moral sentiment; and as it can proceed from nothing but the most depraved disposition, so in its turn it tends still further to encourage that depravity. This principle is, that all *benevolence* is mere hypocrisy, friendship a cheat, public spirit a farce, fidelity a snare to procure

trust and confidence; and that while all of us, at bottom, pursue only our private interest, we wear these fair disguises, in order to put others off their guard, and expose them the more to our wiles and machinations. What heart one must be possessed of who possesses such principles, and who feels no internal sentiment that belies so pernicious a theory, it is easy to imagine: and also what degree of affection and benevolence he can bear to a species whom he represents under such odious colors, and supposes so little susceptible of gratitude or any return of affection. (Hume 1975, 295)

Though Hume's efforts in highlighting the nonselfish "dispositions" and "affections" were aimed at offering a more balanced view of human nature, he believed the motive of self-interest to be of significant use to individuals and society. For one, the very notion of justice would have been inconceivable had selfishness not existed. As we discussed in a previous chapter, Hume believed scarcity to be a natural prerequisite for justice:

I have already observed, that justice takes its rise from human conventions; and that these are intended as a remedy to some inconveniences, which proceed from the concurrence of certain qualities of the human mind with the situation of external objects. The qualities of the mind are selfishness and limited generosity: And the situation of external objects is their easy change, joined to their scarcity in comparison of the wants and desires of men.

Here then is a proposition, which, I think, may be regarded as certain, that it is only from the selfishness and confined generosity of men, along with the scanty provision nature has made for his wants, that justice derives its origin. (Quoted in Rogers 1997, 140)

In a world characterized by scarcity, however, "selfishness, which leads to competition for scarce resources, would force the breakdown of society if it weren't for the fact that selfishness itself leads us to see the advantage of just institutions" (Rogers 1997, 80). To Force (2003, 212–13), "Hume's reasoning is consistent with the Epicurean/Augustinian doctrine of countervailing passions," which argues that a passion can only be restrained by itself:

There is no passion, therefore, capable of controlling the interested affection, but the very affection itself, by an alteration of its direction. (Quoted in Force 2003, 212)

This countervailing tendency, argues Hume, expressly applies to the motive of self-interest:

For whether the passion of self-interest be esteemed vicious or virtuous, it is all a case, since itself alone restrains it, so that if it be virtuous, men become social by their virtue, if vicious, their vice has the same effect. (Quoted in Force 2003, 212)

Scarcity begets selfishness. But the ubiquity and tenacity of this passion cannot be restrained by benevolence and love, which he believed to be limited in their scope and intensity. It is only in opposition and rivalry that self-interest can effectively be controlled. Hume goes further, however, by arguing that if self-interest, thus understood, can perform this vital social function, it becomes irrelevant to deliberate on its ethics or morality. The significance of Hume's argument lies in the observation that while he is often seen to agree with the Epicurean/Augustinian doctrine that was later developed by the likes of Bayle and Mandeville, his position "erases all reference to original sin. Up until Hume, all proponents of this doctrine, including Mandeville, had assumed the wickedness of human nature. Hume does not refute or deny this assumption. He simply dismisses it as unnecessary" (Force 2003, 212). In this regard, Hume clearly agrees with the likes of Machiavelli, Hobbes, and Mandeville—that what ultimately matters, from a political standpoint, is the world as it is, rather than as it ought to be. The ubiquity of scarcity presupposes the ubiquity of self-interest; together, the concepts describe the origin of society, justice, and government:

Political writers have established it as a maxim, that, in contriving any system of government, and fixing the several checks and controls of the constitution, every man ought to be supposed a knave, and to have no other end, in all his actions, than private interest. By this interest we must govern him, and, by means of it, make him, notwithstanding his insatiable avarice and ambition, cooperate to public good. (Quoted in Force 2003, 214)

Even though, as we have already seen, Hume does not believe self-interest to be the only passion that directs human behavior, he argues that "every man ought to be supposed a knave." What is empirically false, is, nonetheless, politically useful. To Force (2003, 214), the "assumption of self-interest, as Hume understands it, sidesteps the issue of the wickedness

or goodness of human nature. Self-interest is nothing but a convenient assumption, which makes systems of government possible.” Thus, one cannot but wonder that the modern economist’s obsession with “simplifying assumptions” is not unique, but can be traced to the earliest tracts on economic analysis; in other words, the tendency toward methodological expediency is a much older intellectual instinct than many choose to believe. That some scholars acknowledged the existence of nonselfish motives remained a theoretical dispensation at best, and seldom did it factor into their concrete visions for society and government. This tendency in Hume was present in Smith as well, and is most evident in the discontinuity in the moral framework between the *Sentiments* and the *Wealth of Nations*.

By discontinuity, I do not mean an inherent contradiction in Smith’s thought, or a fundamental transformation that occurred in the 16 years that separated the publishing of his two books. I do subscribe, however, to the opinion that the change in emphasis and direction between the two works creates the impression, as Edmund Whittaker remarks, that the later book “reads quite differently from the earlier book.” This impression, Whittaker (1940, 107) argues, is a direct result of the fact that the *Wealth of Nations* “effectively set the precedent of divorcing the study of men’s search for wealth from moral or ethical considerations... *Wealth merely because men wanted it, with no questions asked about why they did so* was the field of study delimited in the *Wealth of Nations*.” The thoroughness and complexity that characterized the treatment of the morality of human action in the *Sentiments* did not extend to the *Wealth of Nations*, for the simple reason that the latter “was a book on economics, not psychology, [and] so perhaps Smith thought that the matter had been dealt with sufficiently in his earlier book and could be omitted from the later publication.” Like Hume, when all is said and done on the thorny topic of morality, the *economics* of human action necessitates the adoption of simplicity and uniformity, rather than complexity and ambiguity. In other words, unlike Machiavelli, Hobbes, and to a lesser extent, Mandeville, who believed humans are almost exclusively driven by selfish motives, Hume and Smith did admit a significant role for nonselfish motives, but regarded such motives of little practical relevance in the economic realm of human intercourse. These differences notwithstanding, all their views converged to a common theoretical conclusion: *that self-interest represents a safe and useful assumption of human nature*. It is safe in the sense that government can carefully prepare for the worst, and useful in that it

vindicates (and stimulates) an acquisitive mentality; both effects are especially conducive to the interests of government and business. Given this brief prelude, we now turn to a more detailed exposition of Smith's views on self-interest, as outlined in his major works, the *Sentiments* and the *Wealth of Nations*.

In the *Sentiments*, as was discussed in Chap. 1, Smith (1982, 183) described the pursuit of wealth as a “deception which rouses and keeps in continual motion the industry of mankind.” As a case in point, Smith argues that the wealthy cannot possibly consume all their wealth, and so, are inclined to apportion some of it to the less fortunate:

It is to no purpose, that the proud and unfeeling landlord views his extensive fields, and without a thought for the wants of his brethren, in imagination consumes himself the whole harvest that grows upon them. The homely and vulgar proverb, that the eye is larger than the belly, never was more fully verified than with regard to him... The rich only select from the heap what is most precious and agreeable. They consume little more than the poor, and in spite of their natural selfishness and rapacity, though they mean only their own convenience, though the sole end which they propose from the labors of all the thousands whom they employ, be the gratification of their own vain and insatiable desires, they divide with the poor the produce of all their improvements. They are led by an invisible hand to make nearly the same distribution of the necessaries of life, which would have been made, had the earth been divided into equal portions among all its inhabitants, and thus without intending it, without knowing it, advance the interest of the society, and afford means to the multiplication of the species. When Providence divided the earth among a few lordly masters, it neither forgot nor abandoned those who seemed to have been left out in the partition. These last too enjoy their share of all that it produces. (Smith 1982, 184–85)

To reiterate: the rich, “and in spite of their natural selfishness and rapacity, ... are led by an invisible hand” to help the poor, without ever “intending it,” or even “knowing it.” On the one hand, Smith appears to be a strict utilitarian who is solely interested in results, while on the other hand, it appears that such results are contingent on specific motives, that of individuals pursuing their self-interest. This last point is especially patent in the following excerpts from the *Wealth of Nations*:

[The merchant] generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it. By preferring the support of domestic to that of foreign industry, he intends only his own security; and

by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for the society that it was no part of it. *By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it.* I have never known much good done by those who affected to trade for the public good. (Smith 1981, 456, emphasis added)

But man has almost constant occasion for the help of his brethren, and it is in vain for him to expect it from their benevolence only. *He will be more likely to prevail if he can interest their self-love in his favour, and show them that it is for their own advantage to do for him what he requires of them.* Whoever offers to another a bargain of any kind, proposes to do this. Give me that which I want, and you shall have this which you want, is the meaning of every such offer; and it is in this manner that we obtain from one another the far greater part of those good offices which we stand in need of. It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages. (Smith 1981, 26–27, emphasis added)

It is due to the self-interested or egoistic nature of the motives that the common good is often “more effectually” advanced. Thus, if it is not the case that motives are irrelevant to the achievement of the common good, then Smith likely is not a strict utilitarian. And yet, if only a restricted set of motives qualifies to produce the common good, and that the ultimate standard employed in delineating the parameters of such set is its effectiveness in realizing the common good, then outcomes determine all, and Smith is clearly a utilitarian. That one can undoubtedly interpret Smith in more than one way, with such interpretations often conflicting with one another, is not uncommon in the Smithian literature. As Whittaker (1940, 107) is keen to observe, “consistency was not one of Smith’s literary virtues, ...” What does appear to be consistent, however, and especially in the *Wealth of Nations*, is that Smith follows in the footsteps of Mandeville and Hume in highlighting the significance and utility of selfish passions. Even more, Force (2003, 42) argues, Smith elevates self-interest to the position of a “first principle” in his social and economic system, albeit not the only one; according to Force, Smith’s system “has two first principles: self-love and sympathy.” While the former received its fullest merit in the *Wealth of*

*Nations*, the latter was largely deliberated in the *Sentiments*. That sympathy is quite distinct from self-interest is clear in the following excerpt from the *Sentiments*:

Sympathy, however, cannot, in any sense, be regarded as a selfish principle. When I sympathize with your sorrow or your indignation, it may be pretended, indeed, that my emotion is founded in self-love, because it arises from bringing your case home to myself, from putting myself in your situation, and thence conceiving what I should feel in the like circumstances. But though sympathy is very properly said to arise from an imaginary change of situations with the person principally concerned, yet this imaginary change is not supposed to happen to me in my own person and character, but in that of the person with whom I sympathize... It is not, therefore, in the least selfish. How can that be regarded as a selfish passion, which does not arise even from the imagination of any thing that has befallen, or that relates to myself, in my own proper person and character, but which is entirely occupied about what relates to you? A man may sympathize with a woman in child-bed; though it is impossible that he should conceive himself as suffering her pains in his own proper person and character. That whole account of human nature, however, which deduces all sentiments and affections from self-love, which has made so much noise in the world, but which, so far as I know, has never yet been fully and distinctly explained, seems to me to have arisen from some confused misapprehension of the system of sympathy. (Smith 1982, 317)

Smith is clear in refusing any attempt to explain the “whole account of human nature” as “sentiments and affections [emanating solely] from self-love, ...” To do so, he adds, is to misconstrue “the system of sympathy.” And sympathy, according to Smith, is the human propensity to evaluate one’s own behavior by examining it “as we imagine an impartial spectator would examine it.” To better comprehend this crucial concept, and since we intend later to reexamine it in a comparative context, it is useful that we quote Smith at length:

The principle by which we naturally either approve or disapprove of our own conduct, seems to be altogether the same with that by which we exercise the like judgments concerning the conduct of other people. We either approve or disapprove of the conduct of another man according as we feel that, when we bring his case home to ourselves, we either can or cannot entirely sympathize with the sentiments and motives which directed it. And, in the same manner, we either approve or disapprove of our own conduct, according as

we feel that, when we place ourselves in the situation of another man, and view it, as it were, with his eyes and from his station, we either can or cannot entirely enter into and sympathize with the sentiments and motives which influenced it.... We endeavour to examine our own conduct as we imagine any other fair and impartial spectator would examine it. If, upon placing ourselves in his situation, we thoroughly enter into all the passions and motives which influenced it, we approve of it, by sympathy with the approbation of this supposed equitable judge. If otherwise, we enter into his disapprobation, and condemn it. (Smith 1982, 109–110)

Elsewhere, Smith refers to the “impartial spectator” as the “man within the breast,”

In solitude, we are apt to feel too strongly whatever relates to ourselves: we are apt to over-rate the good offices we may have done, and the injuries we may have suffered: we are apt to be too much elated by our own good, and too much dejected by our own bad fortune. The conversation of a friend brings us to a better, that of a stranger to a still better temper. The man within the breast, the abstract and ideal spectator of our sentiments and conduct, requires often to be awakened and put in mind of his duty, by the presence of the real spectator: and it is always from that spectator, from whom we can expect the least sympathy and indulgence, that we are likely to learn the most complete lesson of self-command. (Smith 1982, 153–54)

According to Amartya Sen, “one of the main motivations of Smith’s intellectual strategy was to broaden our understanding and to widen the reach of our ethical inquiry.” This is achieved when our ethical reasoning “not only admits but requires consideration of the views of others who are far as well as near.” But, as we alluded to in Chap. 1, this moral system which derives its form and substance from the interacting forces of social approbation and disapprobation is “open rather than closed and confined to the perspectives and understandings of the local community only” (Sen 2010, 125–26). In other words, the formative and substantive aspects of morality are largely the endogenous outcome of any given status quo; morality is merely what any community decides it to be. The “impartial spectator” is therefore but a conceptual tool. Lacking any fixed moral compass, it is merely an abstraction of society’s general consensus, a consensus that is the outcome of opposing moralities and ideologies, each striving for effective social control. Stated in a different way, the “impartial spectator” is the representative moral agent of the prevalent ideology or model. More importantly, this agent lacks any moral absolutes, and whose

choices and conduct are largely relative and conditional. The crucial implication from all this, is that Smith's moral notion of sympathy is a mainly formative concept; lacking moral substance, it promotes a social mode of conduct, while ignoring any meaningful deliberation of intentions and objectives. In other words, while arguing against a strictly consequentialist view of morality that values outcomes above all else, Smith himself promotes a one-dimensional moral framework that focuses on the means, rather than the motives or ends. According to Force (2003, 106), "Smith refutes the interest doctrine from a neo-Stoic point of view. Like the Stoics, Smith does not primarily judge an action on the basis of its outcome, but rather on the adequacy between ends and means." Thus, "what matters is not the outcome, but the harmonious relationship between the means and the ends. It is this relationship itself, rather than the outcome, that is the end of moral action." On this basis, one can easily ascertain the impact of Smith's philosophy and ethics on the subsequent development of economic thought; it is in the *Sentiments* and the *Wealth of Nations* that we can recognize the theoretical seeds that later sprouted into the leading methodology of orthodox economic theory. The modern economist, in eschewing value concerns, is true not only to Smith's vision of economics, but of his moral philosophy as well. That Smith urged us to look beyond our self-interest, and take into consideration the interests of others, remains a call to a specific *manner* of conduct, and not to any specific end or goal. I may well care about the interests of others when seeking to achieve mine; I may even decide to wholeheartedly embrace or adopt their interests. But, if my personal evaluation of their interests is entirely subjective, and thus, conditional on my interests, my benevolence or sympathy is merely procedural. And even if I were to assume, if possible, the moral state of mind of that "other," I am merely substituting one set of interests for another. In other words, unless we believe that there exists an absolute and exogenous "spectator" whose moral assessment is independent of our subjective preferences, there is little reason to believe in the relative moral superiority of either sympathy or self-interest; in fact, any moral appraisals of this sort become pointless and absurd. As such, any distinction between the two concepts is purely for expositional purposes, void of any meaningful moral content. It is this aspect of Smith's *moral* system that makes it quite appealing to the modern *economic* system. It is a morality that seldom worries about the general direction of the economy or society, but instead, focuses on how well we conform to the demands of efficiency, expediency, and order. By conforming, we are assured that it is all for the

common good. Our self-interests, if determinedly pursued, will lead to the common good, even if we had no intention of doing so; what is more, we may have no way of knowing that this is so. With intentions and outcomes effectively thrown out of the window, all that remains are actions, stripped of beginning and end. It is not surprising, therefore, that many have come to regard this economic morality as a form of theology, for it seeks utter and complete faith in the spontaneous and the unknown.

This view of Smith's moral philosophy will undoubtedly face strong opposition, and especially from those who hold firmly to the belief that Smith's notion of sympathy is quite distinct from his conception of self-interest; that Smith believed the two passions cannot be conflated or confused. Our argument, however, does not seek to deny this common view of Smith, and more importantly, does not need to. We are not questioning Smith's intentions, but merely probing the significance of his views on the intellectual history of the concept of self-interest. Smith clearly intended for sympathy to be qualitatively distinct from self-interest. And yet, by advancing a largely formative notion of sympathy that lacks any ethical concreteness, he (inadvertently, perhaps) established the possibility for a gradual and theoretical takeover by the concept of self-interest. If, to the modern economist, sympathy is merely the moral predisposition (or obligation) to contemplate the interests of others, then such moral allowances can be easily incorporated into the expanding economic orthodoxy by subsuming them under the pliable category of self-interest. Self-interest thus becomes as universal and ubiquitous a concept as scarcity; all passions and intentions can thus be reduced to self-interest, even the motive of pure altruism. Whether all this was or was not part of Smith's intentions becomes, regrettably, irrelevant. Indeed, self-interest has triumphed, intellectually at the very least, as the principal modern theory of human nature. This is quite evident in the following declarations by prominent economists of the modern era:

[T]he first principle of Economics is that every agent is actuated by self-interest. (F. Y. Edgeworth, Quoted in Force 2003, 7)

Smith had one overwhelmingly important triumph: he put into the center of economics the systematic analysis of the behavior of individuals pursuing their self-interest under conditions of competition. This theory was the crown jewel of the *Wealth of Nations* and it became, and remains to this day, the foundation of the theory of resource allocation. (George J. Stigler, Quoted in Force 2003, 8–9)

[Smith developed the idea] that a decentralized economy motivated by self-interest and guided by price signals would be compatible with a coherent disposition of economic resources that could be regarded, in a well defined sense, as superior to a large class of possible alternative dispositions. (Kenneth Arrow, Quoted in Force 2003, 7)

Once the idea of interest had appeared, it became a real fad as well as a paradigm (a la Kuhn) and most of human action was suddenly explained by self-interest, sometimes to the point of tautology. (Albert Hirschman, Quoted in Force 2003, 7)

[T]he economic approach is a comprehensive one that is applicable to all human behavior, ... (Gary Becker, Quoted in Force 2003, 8)

Perhaps, given the current state of economic theory and methodology, it is not much of an exaggeration to say, as P. H. d'Holbach declared in 1773, that "Self-interest is the only motive of human actions" (quoted in Force 2003, 7). That much intellectual resistance exists against such a view does not deny its theoretical predominance, much less its empirical omnipresence. Such is the state of the discipline, whose view of society has become as prophetic as it has been depressive. In fact, one has only to examine the more recent history of the concept of rationality to fully realize the "hold" that the concept of self-interest has on the discipline, both in form and substance. It is to the concept of rationality that we now turn our attention.

## NOTE

1. Later in this chapter, we will revisit the relationship between piety and disinterestedness as viewed from an Islamic perspective.

## Self-Interest and Rationality: The Modern Connection

In an important essay, titled *Reason and Rationality*, Jon Elster argues that “The idea of rationality is often but wrongly related to that of the actor’s private good or self-interest in the moralist’s sense. Anyone who is pursuing the common good can – and even ought to – do so in a rational manner” (Elster 2009, 2–3). Amartya Sen, in *The Idea of Justice*, makes a similar observation, arguing that “One answer [to the question of what constitutes ‘rational choice’] that has gained popularity in economics, and more recently in politics and law, is that people choose rationally if and only if they intelligently pursue their self-interest, and nothing else... it is somehow taken for granted in this approach that people would fail to be rational if they did not intelligently pursue their own self-interest, without taking note of anything else (except to the extent that the ‘something else’ might – directly or indirectly – facilitate the promotion of their self-interest)” (Sen 2010, 179). Even though, Sen continues, substantial efforts have been made at offering a “sophisticated defence of the understanding of rationality as self-interest promotion,” as in the attempt by Gary Becker to accommodate “sympathy for others as part of human sentiment,” it remains that “the maximand for one’s choice of behavior is nothing other than one’s own interest or well-being, ...” As such, it has become abundantly clear that the paradigm of “Rational Choice Theory” cannot accommodate any form of disinterested behavior, such as Sen’s concept of “commitment.” “Commitment,” according to Sen, is “concerned with

breaking the tight link between individual welfare (with or without sympathy) and the choice of action (for example, being committed to help remove some misery even though one personally does not suffer from it).” Such behavior, he argues, “*is* a clear departure from self-interested behavior” (Sen 2010, 179–190). For Sen, the theoretical implication of all this can be summarized as follows:

Perhaps the most important issue to clarify here, in the context of the present discussion of reason and rationality, is that not only does RCT [Rational Choice Theory], even in its broader form, presume that people do not actually have different goals from the pursuit of their own welfare, but is also assumes that they would be violating the demands of rationality if they were to accommodate any goal or any motivation other than the single-minded pursuit of their own welfare, after taking note of whatever external factors influence it. (Sen 2010, 190)

The theoretical tendency to “presume that people do not actually have different goals from the pursuit of their own welfare” is not unique to the theory of Rational Choice, but can be traced to the philosophies of the seventeenth and eighteenth centuries, and even further back to Greek Epicurean philosophy. Though he “does not endorse the neo-Epicurean notion that pleasure and pain are the only motives of human action, ... [his] reference to Bentham indicates that Becker’s theory remains indebted to eighteenth century neo-Epicureanism.” This indebtedness is most evident in Becker’s “desire to identify some stable principle of behavior behind the bewildering variety of human choices and preferences.” Thus, the principle of self-interest was considered the “dominant,” albeit not the only, motive of human action. But for some intellectuals in the neo-Epicurean tradition, such as Helvetius, “all human actions, including benevolence, must be analyzed in terms of personal advantage, or utility [or pleasure]. A benevolent person is someone who finds it either useful or pleasurable to help others” (Force 2003, 93–94). According to Helvetius,

There are men whom a happy disposition, a strong desire of glory and esteem, inspire with the same love of justice and virtue, which men in general have for riches and honors.

The actions personally advantageous to these virtuous men are so truly just, that they tend to promote the general welfare, or, at least not to lessen it. (Quoted in Force 2003, 93)

In the case of Becker, though he “does not explain altruistic behavior by invoking the search for pleasure,” he believes that all preferences can be generalized and abstracted, and thus, expressible in the form of utility functions. Furthermore, the modern notion of utility is indistinguishable from the neo-Epicurean notion of pleasure, as the following excerpt from his *Economic Approach* clearly suggests:

These pleasures, which were supposed to exhaust the list of basic arguments in one’s pleasure (i.e. utility) function are of senses, riches, address, friendship, good reputation, power, piety, benevolence, malevolence, knowledge, memory, imagination, hope, association and relief of pain. Presumably these pleasures are “produced” partly by the goods purchased in the market sector. (Quoted in Force 2003, 95)

It follows that “the theorist can safely assume that we all want health, prestige, sensual pleasure, benevolence or envy in the same degree because of the pleasure these goods bring us.” More importantly, this means that “differences in behavior result not from varying preferences ‘over fundamental aspects of life,’ but simply from differences in the individual’s opportunity set: ‘All changes in behavior are explained by changes in prices and incomes, precisely the variables that organize and give power to economic analysis.’” Becker’s philosophy of human behavior, therefore, is merely an “abstract formulation of the Epicurean/Augustinian principle [that] pleasure is the motive of all human conduct” (Force 2003, 95–96). This view of human behavior, essential to RCT, is the logical and inevitable conclusion to a theoretical chain of thought that had developed over several centuries, culminating in a philosophy that reduces all action to the single principle of utility (or pleasure). It is a philosophy that, despite claims to the contrary, refuses to take seriously any talk of complete disinterestedness or pure benevolence. Subscribers to this view are always keen at attempting to strip selfless acts of their feigned layers, to reveal their true essence, one of pure self-interest. Moreover, this philosophical trend did not rest at the boundaries of *economic* phenomena, but extended its reach to all aspects of human behavior and to all intellectual frontiers.

Although it can be argued that the foundations for modern economic thought established by the Classical school and its intellectual heirs may have (perhaps inadvertently) contributed to the gradual development of the Rational Choice paradigm, it is safe to say that this school’s main representatives would have opposed the paradigm’s dissolution of theoretical

and disciplinary boundaries. Specifically, they would have taken issue with the attempt to reduce all motives to the principle of self-interest, or to explain ethics and morality in pure economic terms. Two prominent economists, Henry Sidgwick and Francis Edgeworth, considered by many as chief predecessors of neoclassical economics, and considered by themselves as intellectual successors of Jeremy Bentham, believed their efforts in the field of economic analysis to be part and parcel of the broader realm of ethics. To Sidgwick, “universalistic hedonism and egoistic hedonism are two ‘methods of ethics,’ having in common the fact that they ‘take happiness as an ultimate end.’” In the case of Edgeworth, he “views the distinction between ‘economical calculus’ and ‘utilitarian calculus’ as the foundation of the distinction between economic and ethics. In this perspective, economics is not a particular system of ethics. It is to be distinguished from ethics as a whole.” The distinguishing factor, argues Force (2003, 170–1), is the motive of self-interest. On the one hand, there is the “sphere” in which “self-interest is the only motive (he calls it economics),” and on the other hand, there is the “one in which self-interest is not allowed at all (he calls it ethics).” It follows, that the “ethics/economics dichotomy implies a conception of ethics that equates moral behavior with unselfish behavior.” In RCT, the conflation of interested and disinterested behavior dissolved the corresponding dichotomy between economics and ethics, with the former’s outlook and method dominating the landscape of intellectual discourse. Not only have we separated economics from ethics, a severance that would have been considered by the likes of Aristotle, Aquinas, Smith (perhaps), and Polanyi as nothing short of scandalous, we have recreated ethics in the image of a pecuniary, utilitarian, and hedonistic economics. And in doing so, we have produced a distorted notion of rationality that is exceptionally limiting and mercilessly callous. This view of rationality was adequately examined by Max Weber, whose views on the subject mirrored, to a large extent, the development of the concept in economic thought. According to Wallace (1990, 208–9), “Weber quite unmistakably regards personal self-interest as innate and universal among humans,” and as such, “identifies personal self-interest as the ... ultimate end in this type of [instrumental] rationality.” But, in addition to this “innate self-interest,” Weber contends that “[t]here is an infinite number of possible scales for rationality,” but refuses to accord any superiority to “any such vale scale or ultimate end...” The implication, argues Wallace (1990, 215), is that “Weber is explicitly and firmly agnostic, claiming that

there is nothing in human nature that elevates any one ultimate end above the others.” In Weber’s words:

[T]he various value spheres of the world stand in irreconcilable conflict ... [The] different gods struggle with one another, now and for all time to come ... [T]he ultimately possible attitudes toward life are irreconcilable, and hence their struggle can never be brought to a final conclusion. (Quoted in Wallace 1990, 215)

Notwithstanding this “agnostic” view, Weber’s notion of “instrumental rationality” would later constitute the rationality inherent in the Rational Choice paradigm, a rationality that Sen insists is neither natural nor inevitable.

To Sen, “the insistence of so-called rational choice theory on defining rationality simply as intelligent promotion of self-interest sells human reasoning extremely short” (Sen 2010, 194). Sen (2010, 175) advocates a broader conception of rationality, which he terms “rational choice,” as opposed to the predominant paradigm of RCT. This conception builds on Elster’s definition of a “rational actor [as] one who acts for sufficient reasons.” The rationality of choice, argues Sen (2010, 180), “is primarily a matter of basing our choices – explicitly or by implication – on reasoning that we can reflectively *sustain* if we subject them to critical scrutiny.” It follows that “the essential demands of rational choice relate to subjecting one’s choices – of actions as well as objectives, values, and priorities – to reasoned scrutiny.” Such “reasoned scrutiny,” argued Sen, sanctions the adoption of “non-self-interested motivations,” as opposed to the more restrictive view of “self-interest maximization” that is integral to RCT. Significantly, Sen (2010, 194–5) does admit, however, that “while rationality of choice can easily allow non-self-interested motivations, rationality does not on its own demand this. While there is nothing odd or irrational about someone being moved by concern for others, it would be harder to argue that there is some necessity or obligation to have such concern on grounds of rationality alone.” As such, this view of rationality “rules out neither the dedicated altruist, nor the reasoned seeker of personal gain.” Or, as Sen puts it rather cogently, “[i]f rationality were a church, it would be a rather broad church.” And so, though Sen’s proposal attempts to expand the scope of rationality beyond the one-dimensional domain of self-interest, it fails to provide any concrete and positive framework for human action. If rationality “does not on its own

demand” any specific action, the same can be said of either notion of rationality, and the distinction between Sen’s view and that of Rational Choice is merely theoretical, with little or no implications of empirical consequence; individuals will continue to do what they do, for the reasons why they do, irrespective of the assumptions or conclusions of intellectuals. In other words, if the purpose of intellectual discourse is strictly expository, then a broad or narrow definition of rationality bears little or no practical relevance. If, however, such discourse aims at explaining *and* changing the world, then the adopted view of rationality must also be instructive, a task that Sen’s notion fails to fulfill. Nonetheless, the significance of Sen’s critique of RCT and his proposed alternative of “rational choice” will be revisited later in the last section of this chapter, when we discuss the Islamic position in the debate on self-interest and rationality. For the remainder of this section, we will examine additional crucial aspects of the relationship between self-interest and rationality, the first of which are the concepts of calculation and maximization.

According to Sen (2010, 175), “the maximization process in economics is seen mainly as the result of conscious choice, and the exercise of rational choice is typically interpreted as the deliberate maximization of what a person has the best reason to promote.” The strong connection between rationality and reasoning, alluded to earlier in connection with Elster’s definition of rationality, leads to the “belief, often implicit rather than explicit, that reasoning is likely to favour the maximization of what we want to advance or pursue ...” The implication, Sen argues, is that this “way of thinking about the rationality of choice can take us, in turn, to the common presumption in contemporary economics that people’s actual choices can be best interpreted as being based on some appropriate kind of maximization” (Sen 2010, 175). Of course, this logical progression to a “maximizing interpretation” presupposes theoretical assumptions about the “internal consistency of choice” (Isaac 1997, 561). More importantly, the “maximization hypothesis,” far from being abstract or value-neutral, “involves particular specifications of the maximanda,” as in the cases of utility and profit maximization. Such specification “requires economists to include historically specific institutional and normative detail” into their analyses, which renders their obstinate claims to value-neutrality and abstraction more fiction than fact (Isaac 1997, 562–3). This is most evident in the almost ubiquitous assumption in neoclassical economics of self-interest as the first principle of human action. If maximization of any sort requires consistency, the assumption of self-interest becomes especially

convenient for economists, and would explain Edgeworth's famous claim that "[t]he first principle of economics is that every agent is actuated only by self-interest" (quoted in Isaac 1997, 565). Such a one-dimensional view of human nature is easily susceptible to the methodological formalism of neoclassical economics, and relieves the economist of worrying about the intricacies and complexities of ethics and morality. Convenience, however, comes at the expense of application, since "admitting only self-interested behavior provides *some* restraint on admissible interpretation, ... restraint [that often] is too binding." The existence of other motivations, some of which are "not subsumable under and not commensurable with self-interested tastes," presents the possibility of "manifold motivations for maximizing behavior." This, argues Isaac (1997, 566), "raises the question whether the utility maximization model of the neoclassical paradigm is fatally deficient as a model of human behavior." Overlooked by Isaac (1997), it also raises the potential for a *non*-maximizing view of human reasoning, that is, a conception of rationality that does not insist that more is better. The modern theoretician's fixation on maximization fosters an intellectual preoccupation with the interconnected concepts of scarcity, competition, and insatiability, while discounting the opposing concepts of abundance, cooperation, and sufficiency. Of special significance is the tendency for this obsession to gradually conflate interested and disinterested behavior, and to reduce all non-self-interested motivations to the more theoretically convenient, and perhaps politically expedient, assumption of self-interest.

One of the most penetrating analysis of this modern view of economic rationality is that of the social philosopher of the New Left movement, André Gorz. In his classic, *Critique of Economic Reason*, Gorz states that "Economic rationalization begins with counting and calculating. So long as they are not subjected to it, human activities are free from economic rationality; they are at one with time, movement, and rhythm of life." Such freedom was lost when production was no longer in the service of private consumption, but intended for the market. Then, the need for calculation gradually emerged, as individuals and families aimed for higher levels of productivity and efficiency. As a result, argues Gorz, "Counting and calculating [became] the quintessential form of reifying rationality. It posits the *quantity of work* per unit of product *in itself*, regardless of the lived experience of that work: the pleasure or displeasure which it brings me, the quality of the effort it demands, my affective and aesthetic relationship to what is produced." But not only must work or production be

“intended for commodity exchange, it must be intended for exchange on a free *market* where unconnected producers find themselves in competition facing similarly unconnected purchasers.” By limiting competition, through guilds or monopolies, a self-limitation is imposed on production and profits, and ultimately, on needs. Economic rationality, however, with its qualities of calculation and maximization, can never thrive in such a limiting environment. Thus, argues Gorz, “*The limited nature of needs constitutes an obstacle to economic rationality,*” or that “[e]conomic rationality is not applied when people are free to decide their own level of need and their own level of effort.” And more importantly, that economic rationality cannot, by its nature, accommodate any internal or external limitations means that the very notion of sufficiency is inadmissible to the realm of formal economic inquiry (Gorz 1989, 109–112). According to Gorz,

But the category of the sufficient is not an economic category: it is a cultural or existential category. To say that what is enough is enough is to imply that no good would be served by having more, that more would not be better. ‘Enough is as good as a feast’ as the English say.

The category of the sufficient, as a cultural category, was central in traditional society. The world was ruled by an immutable order, everyone occupied the place assigned to them by birth, had what was due to them and did not expect more. The desire for more was in itself a rebellion against the order of the world: it was laden with ‘covetousness’, ‘envy’, ‘pride’, so many sins against the ‘natural order’ and against God. Usury was essentially diabolic: as a practice it had its usefulness and thus was tolerated but what was intolerable was the usurer himself, this Midas, for whom wealth was money and who never had enough of it, whatever his fortune, for the simple reason that once you begin to measure wealth *in cash*, *enough* doesn’t exist. Whatever the sum, it could always be larger. Accountancy is familiar with the categories of ‘more’ and of ‘less’ but doesn’t know that of ‘enough’. (Gorz 1989, 112)

The transformation from traditional society to modernity gradually loosened longstanding moral and religious bonds, thereby according to economic rationality, a free rein. In particular, “economic rationality functioned as a substitute for religious morality: through it man attempted to apply the eternal laws which governed the universe to the predictive organization of his own affairs. Its aim, beyond the material ends it gave itself, was to render the laws of human activity as rigorously calculable and predictable as those of the cosmic clock’s workings” (Gorz 1989, 112). The result, manifested in the “spirit of capitalism,” was the following:

In place of the certainty of experience that ‘enough is enough’ it gave rise to an *objective measure of the efficiency of effort and of its success: the size of profits. Success was no longer therefore a matter for personal assessment and a question of the ‘quality of life’, it was measurable by the amount of money earned, by accumulated wealth. Quantification gave rise to an indisputable criterion and a hierarchical scale which had no need of validation by any authority, any norm, any scale of values. Efficiency was measurable and, through it, an individual’s ability and virtue: more was better than less, those who succeed in earning more are better than those who earn less.* (Gorz 1989, 113, emphasis in original)

This apparent claim to efficiency, however, masked an internal contradiction:

*Unlimited* maximum efficiency in the valorization of capital this demanded *unlimited* maximum *inefficiency* in meeting needs, and *unlimited* maximum wastage in consumption. The frontiers between needs, wishes and desires needed to be broken down; the desire for dearer products of an equal or even inferior use value to those previously employed had to be created; what had merely been desirable had to be made necessary; wishes had to be given the imperious urgency of need. In short, a demand had to be created, consumers had to be created for the goods that were the most profitable to produce and, to this end, new forms of scarcity had unceasingly to be reproduced in the heart of opulence through accelerated innovation and obsolescence, through that reproduction of inequalities on an increasingly higher level, which Ivan Illich called ‘the modernization of poverty’. (Gorz 1989, 114–5, emphasis in original)

Gorz, and in his usual acuity, illuminates the logical and historical links between the concepts of scarcity and economic rationality; the philosophy of the latter explains, to a large extent, the theoretical predominance of the former. Moreover, the intellectual ascendancy of economic rationality, argues Gorz, reached its zenith with the full development of the capitalist system:

*Capitalism has been the expression of economic rationality finally set free of all restraint.* It was the art of calculation, as developed by science, applied to the definition of the rules of conduct. It raised the quest for efficiency to the level of an ‘exact science’ and thus cleared the factors of moral or aesthetic criteria from the field of decision-making... It was no longer a question of good or evil but only of correct calculation... [People] *no longer had to accept responsibility for their own decisions* since these were no longer

attributable to them in person but were the result of a rigorously impersonal calculation procedure in which individual intentions had (apparently) no place. (Gorz 1989, 122, emphasis in original)

The ascent of capitalism and its associated notion of economic rationality not only elevated the “quest for efficiency” to a supreme position, but relegated the quest for virtue and justice to the lowest rank of intellectual and social priorities. If only actions mattered, with little or no regard for intentions and ends, this absolves humans of any considerations of social reciprocity, be it in matters of wealth, poverty, charity, or justice. Such an absolution from morality was, and remains, crucial for the development of capitalism as a system of unfettered market competition. To be sure, there never were any absolute release from moral and ethical considerations, or a complete disregard of ends, as Witztum (2011) and others have argued. Economics, and contrary to its repetitive claims, has always endorsed a set of ends over another, as in the almost ubiquitous view of self-interest as a “first principle,” or by equating economic rationality with calculation and maximization. This obstinate claim to value-neutrality has always been a rather mediocre attempt at scientific pretension, an effort that, more often than not, succeeded in convincing many. What existed was a selective and instrumental use of the pretense of value-neutrality, to the extent that such use served the professional interests of the discipline, or the political and economic interests of the prevailing ideology.

In particular, the capitalist notion of rationality was deemed incompatible with moral rules of conduct that emphasize virtue or piety; such ends clearly limit, and often contradict, the insatiable quest for profits, as Gorz had adequately demonstrated. This essential connection between capitalism and economic rationality was also alluded to by Keynes in his essay, *Economic Possibilities for Our Grandchildren*:

When the accumulation of wealth is no longer of high social importance, there will be great changes in the moral code of morals.... I see us free, therefore, to return to some of the most sure and certain principles of religion and traditional virtue – that avarice is a vice, that the exaction of usury is a misdemeanor, and the love of money is detestable, that those walk most truly in the paths of virtue and sane wisdom who take least thought for the morrow. We shall once more value ends above means and prefer the good to the useful... I look forward, therefore, in days not so very remote, to the greatest change which has ever occurred in the material environment

of life for human beings in the aggregate. But, of course, it will all happen gradually, not as a catastrophe. Indeed, it has already begun. The course of affairs will simply be that there will be ever larger and larger classes and groups of people from whom problems of economic necessity have been practically removed. The critical difference will be realized when this condition has become so general that the nature of one's duty to one's neighbor is changed. For it will remain reasonable to be economically purposive for others after it has ceased to be reasonable for oneself. (Skidelsky 2015, 83–85)

It can be inferred from the above that Keynes believed a basic relationship exists between the “love of money,” “accumulation of wealth,” “avarice,” “usury,” and “economic necessity” on the one hand, and valuing “means” over “ends” and the “useful” to “the good” on the other. And that once we “value ends above means and prefer the good to the useful,” we then “return to some of the most sure and certain principles of religion and traditional virtue.” Only then, will the “problems of economic necessity have been practically removed,” and “the nature of one's duty to one's neighbor is changed.” This is as damning a *moral* verdict on capitalism as can be, and by an intellectual who happens to believe in the fundamentals of the system.

This necessary connection between capitalism and economic rationality is also examined by Duncan K. Foley, in *Rationality and Ideology in Economics*:

We also can see that the particular kind of calculating selfish behavior rational-actor theory puts in the center of its discourse is a product of the social relations of modern capitalist society. The emergence of commodities and money as the medium through which the social division of labor sustains and develops itself impose an inherently quantitative aspect on human activity. The imperative to calculate from a definite point of view, self-interest, is equally the product of these social relations. The issue here is not just that modern society punishes non-self-interested behavior directly, though that is a real enough phenomenon. The deeper point is that the logic of the capitalist social division of labor requires that people assert their self-interest in order to reach even viable outcomes... The burden of rational-actor theory is the assertion that “naturally” constituted individuals facing existential conflicts over scarce resources would rationally impose on themselves the institutional structures of modern capitalist society, or something approximating them. (Foley 2004, 339–340)

Mainstream economics, however, would have us believe that this development of capitalism was merely an “inevitable” outcome of this natural and evolving economic rationality,

But this way of looking at matters systematically neglects the ways in which modern capitalist society and its social relations in fact constitute the “rational”, calculating individual. The well-known limitations of rational-actor theory, its static quality, its logical antinomies, its vulnerability to arguments of infinite regress, its failure to develop a progressive concrete research program, can all be traced to this starting-point. (Foley 2004, 340)

And herein lies the “ideology” implicit to such a view:

Ideology enters here insofar as the discourse of rational-actor theory is directed at reconciling us to accepting the institutions of modern capitalist society as inevitable byproducts of social life. Louis Althusser perceptively characterizes the ideological moment as the “interpellation” of the individual subject. Ideology addresses us directly and offers us an imaginary account of our relation to social reality. Rational-actor theory addresses us as subjects, flattering us as “rational”, but persuading us that we have no choice but to accept the world as it presents itself to us, since it is, to a better or worse approximation, the world we would have constructed freely if we had the chance (which of course, we don’t). (Foley 2004, 340–1)

Thus, the logical and practical outcome of the rational-choice view of economic rationality is a complete submission to a worldview and a set of institutions deemed natural, inevitable, and final. It is indeed a “Brave New World,” brave enough to expose the false claims to liberty and freedom. In the next chapter, we elaborate on these false claims, as we examine an Islamic perspective on rationality and self-interest.

## Islam, Rationality, and Self-Interest

The purpose of this chapter is to introduce an Islamic viewpoint to the intellectual debate on self-interest and rationality. Before doing so, however, it is important that we present a concise and precise account of the predominant intellectual paradigm on self-interest and rationality. At the level of theory, this paradigm is mainly represented in the mainstream neoclassical school of economics and the Rational Choice Theory of human behavior. As for practice, it is generally manifested in capitalism. This account will summarize the discussion of the previous two chapters and provide an assessment of theory and practice. The assessment will primarily rely on the critical views of Andre Gorz and Alasdair MacIntyre, in addition to the opinions of other scholars.

As stated earlier, Gorz (1989, 122) believed capitalism to be “the expression of economic rationality finally set free of all restraint.” The crucial “restraint” that needed to be overcome was the traditional notion, grounded in moral virtue and religious piety, of “the sufficient,” or “enough is enough.” The system of capitalism, premised on the endless quest for profits, refuses to allow any imposed limits to its logic or momentum. This demanded the development of a commensurate conception of rationality that can simultaneously explicate and validate capitalistic practices. Hence, the emergence of economic or instrumental rationality. The intellectual and public propagation of this conception of rationality gradually disintegrated the religious and moral checks on the acquisitive quest

for profits. A radical and profound transformation in worldview was occurring that would pave the way for a universal tolerance, and even sanctioning, of economic practices that were traditionally deemed unnatural, immoral, and sinful. One of the primary manifestations of this emerging “spirit of capitalism” is the severance of “the link between work and need.” According to Gorz (1989, 113), “the goal of work was no longer the satisfaction of felt needs, and effort was no longer matched to the level of satisfaction to be attained. The rationalizing passion became autonomous with respect to all determinate goals.” By dissociating work and need, any “self-limitation of needs,” and consequently “of profit,” is removed. With the traditional notion of “sufficiency,” where production was primarily intended for private consumption, “there is no point in working more than is required to satisfy one’s *felt needs*. Nor is there any point in seeking maximum productivity, in counting one’s time, in rationalizing work when one can meet one’s needs by working according to one’s natural rhythm.” Such a worldview, however, cannot sustain an economic system predicated on the commodification and exploitation of labor, the endless creation of insatiable desires, the artificial production of scarcity and poverty, and the blind pursuit of profits. As such, “*the limited nature of needs constitutes an obstacle to economic rationality.*” Quite simply, argues Gorz (1989, 111, original emphases), “*economic rationality is not applied when people are free to decide their own level of need and their own level of effort.*” While Gorz’s analysis highlights the “unfreedom” associated with economic self-interest and rationality, MacIntyre focuses on their inherent injustices.

According to MacIntyre (2010, x), the capitalist relationship between capital and labor is an “entirely one-sided dependence, except insofar as labor rebels against its conditions of work. The more effective the employment of capital, the more labor becomes no more than an instrument of capital’s purposes, and an instrument whose treatment is a function of the needs of long-term profit maximization and capital formation.” This “one-sided” relationship means that “such markets [lack] any justice of desert.” To MacIntyre (2010, x),

Concepts of a just wage and a just price necessarily have no application to transactions within those markets. Hard, skilled and conscientious work, if it does not generate sufficient profit, something that is not in the power of the worker to determine, will always be apt to be rewarded by unemployment... The needs of capitalist formation impose upon capitalists and upon

those who manage their enterprises a need to extract from the work of their employees a surplus which is at the future disposal of capital and not of labor.

As for the common claim that contracts in capitalist markets are mostly consensual, MacIntyre responds,

Contractual relationships imposed by duress are not genuinely contractual. So freedom to accept or reject particular terms of employment and freedom to accept or reject particular terms of exchange in free markets are crucial elements in those markets being in fact free... But in the markets of modern capitalism prices are often imposed by factors external to a particular market: those, for example, whose livelihood has been made subject to international market forces by their becoming exclusively producers for some product for which there was, but is no longer, international demand, will find themselves compelled to accept imposed low prices or even the bankruptcy of their economy. Market relationships in contemporary capitalism are for the most part relations imposed both on labor and on small producers, rather than in any sense freely chosen. (MacIntyre 2010, xii)

And with regard to the familiar view, increasingly fashionable among contemporary intellectuals, that “capitalism has been able to generate material prosperity at a higher level and for more people than any other economic system in human history,” MacIntyre retorts that such argument “is irrelevant as a rebuttal of these charges of injustice.” That it is in the interest of capitalists to “provide a rising standard of living for large numbers of people” does not “alter the injustice of exploitation.” Moreover, continues MacIntyre,

[T]he rising standard of material prosperity in capitalist economies is itself closely related to another failure in respect to justice. It is not only that individuals and groups do not receive what they deserve, it is also that they educated or rather miseducated to believe that what they should aim at and hope for is not what they deserve, but whatever they may happen to want. They are in the vast majority of cases to regard themselves primarily as consumers whose practical and productive activities are no more than a means to consumption. What constitutes success in life becomes a matter of the successful acquisition of consumer goods, and thereby that acquisitiveness which is so often a character trait for success in capital accumulation becomes further sanctioned. (MacIntyre 2010, xiii)

Hence, the radical moral transformation that occurred with capitalism is that “*pleonexia*, the drive to have more and more, becomes treated as a central virtue.” In the Middle Ages, Christian theologians, elaborating on the moral tradition of Aristotle, had regarded *pleonexia* as “the vice that is the counterpart to the virtue of justice. And they had understood, as later theologians have failed to do, the close connection between developing capitalism and the sin of usury.” Therefore, concludes MacIntyre, “it is not after all just general human sinfulness that generates particular individual acts of injustice over and above the institutional injustice of capitalism itself. Capitalism also provides systematic incentives to develop a type of character that has a propensity to injustice.” Such injustice is not only directed at others, but can be self-inflicted as well. Since “riches are, from a biblical point of view, an affliction, an almost insuperable obstacle to entering the kingdom of heaven, ... [c]apitalism is bad for those who succeed by its standards as well as for those who fail by them, something that many preachers and theologians have failed to recognize” (MacIntyre 2010, xiii–xiv).

Capitalism only achieved predominance when its moral prerequisites were in place. The moral legacies of Greek philosophy and Christian theology had to be overcome if capitalism was to maintain its expansive course; quite simply, the morality espoused by Jesus was antithetical to the form and substance of capitalism. In his masterpiece, *Iqtisaduna*, As-Sadr attributed the emergence of capitalism in Europe to the “moral practice” that developed and gradually replaced the Greek and Christian traditions. Non-European societies, subscribing to different moral practices, did not embody the moral preconditions for a similar development of capitalism; such a development was only possible if exogenously imposed. In the case of Islam, argues As-Sadr,

[T]here is an Islamic moral practice which is to a certain degree prevalent in the Islamic world and there is the moral practice of the European economy which accompanied the modern Western civilization and which [interlaced] its general spirit and facilitated its success on the economic level. The two moral practices are fundamentally different in tendency, outlook and their appraisal of things: in the same measure as the moral practice of the modern European man lends itself to the methods of the European economy, the moral practice of the people of the Islamic world will be in conflict with it. (Quoted in Reda 2014, 160)

This incompatibility can only be overcome when a different moral practice, conducive to capitalist principles and behavior, is instituted. In the *Protestant Ethic*, Weber discusses the tension between “precapitalist” and “capitalist” spirits, and how this tension eventually paved the way for the capitalist spirit to endure. Weber’s argument lends some support to As-Sadr’s thesis. If a conflict existed between the religious ideas or elements associated with the precapitalist spirit and those associated with the capitalist spirit, then a conflict may also exist between elements of the capitalist spirit and those of another spirit. Therefore, the failure of a capitalist spirit to develop in Islamic societies is mainly due to the distinct moral practice of such societies, a distinction that Weber’s eurocentrism could not possibly appreciate. But while their historical and analytical accounts of Islamic societies differed significantly, both Weber and As-Sadr presented a similar thesis on the development of capitalism in European societies, attributing to religion and morality a central role in their analyses.

To As-Sadr, a *religious* transformation occurred in European societies as individuals progressively directed their attention “to the earth and not to the heavens,” and thus “create values for material things, wealth and possession which are in keeping with that attitude.” The “severance of the true link with God,” by focusing on this world rather than the next, distanced the European mind from any conscious thought “of a more sublime value or of restrictions imposed on him from outside his own domain” (Reda 2014, 156–57). In practice, *pleonexia*, or the desire to “have more and more,” would replace moderation as the “central virtue.” While in theory, the concepts of self-interest, maximization, and economic rationality would gradually form the basis of modern socio-economic thought. These developments explain the “modern man’s extreme consciousness of [individual freedom and social] competition” (Reda 2014, 157).

The *religious* transformation in European societies that As-Sadr highlights was thoroughly studied by Weber, albeit with some differences in methodology and interpretation. While As-Sadr considered the change that occurred was from a religious to a materialistic worldview, Weber believed that the materialistic transformation was preceded by a religious one, with one religious worldview replacing another. Both, however, believed the end result to have been the displacement of religion as the primary source of moral instruction. In the final page of *General Economic History*, Weber states that,

“The religious root of modern economic humanity is dead; today the concept of the calling is a *caput mortuum* in the world. Ascetic religiosity has been displaced by a pessimistic though by no means ascetic view of the world, such as that portrayed in Mandeville’s Fable of the Bees, which teaches that private vices may under certain conditions be for the good of the public.”

“Economic ethics arose against the background of the ascetic ideal, now it has been stripped of its religious import.” (Weber 1961, 270)

To Weber, the intellectual and practical roots of capitalism (or modernity and secularism) are “religious,” and must be sought therein. In contrast, As-Sadr believed such roots to have originated from *antireligious* sentiments, as a practical reaction to the transgressions of religious authorities in Europe, and a conscious intellectual attempt to offer an alternative and secular worldview. Though the accounts of both scholars implicate religion in the development of capitalism and modernity, Weber searches for the unintended consequences of *religious* doctrine and practice, while As-Sadr explores the intended consequences of *secular* thought and practice. This explains Weber’s preoccupation with doctrinal differences across Christian denominations, and later in his scholarly output, with differences in contrast to non-Christian religions. Likewise, it explains As-Sadr’s focus on studying the secular thought of Marxism and Classical political economy as alternative worldviews to monotheistic religions.

In his brilliant essay, *On Using the World*, Charles Mathewes offers a critical view of Weber’s general thesis, and provides a theoretical analysis that is closer to As-Sadr’s account of the development of capitalism. According to Mathewes (2004, 191), in contrast to Weber, “our [current] situation is not due to an ascetic attitude toward the world but to an attitude that expects too much of it, that expects salvation to be immanent in the world – an attitude, in brief, that seeks to *enjoy* the world.” Referring to Weber’s account in the *Protestant Ethic* as a “central myth of modernization,” he argues that the “modern world is not the consummation of the Christian religious vision, but its renunciation” (Mathewes 2004, 193). Despite the many factual criticisms, whether historical or theological, that have been made against Weber’s thesis, Mathewes believes that the “grand narrative” espoused by the thesis continues to influence intellectual thought and discourse. More importantly, however, the “narrative” perpetuates the secular worldview that seeks to present religion as a regressive and irrational force. To Mathewes (2004, 195–96),

What led to the development of modern capitalist society was not a heretofore absent desire for things of this world, introduced by misguided theological reasoning, but rather a complex set of material practices, which enabled that desire to be fed (I do not say “met”) with ever-increasing numbers of objects.

The effect of this increasing attention to meeting worldly desire – this increasing turn to the world – was anything but the “disenchantment” of the world. On the contrary, it infused the world with ever-greater value, and increasingly focused human desire on worldly goods. Far from leading to the disenchantment of the world, then, modern industrial society actually led to the world’s ever-deepening enchantment.

The “rapacity of our desires,” he argues, is not unique to modern capitalism, but “pre-existed modern capitalism, and indeed are pervasive throughout human existence.” With modern capitalism, however, such desires achieved unprecedented sovereignty,

This shift was reinforced by capitalism’s need to sustain a market for its products, which forced merchants and firms to excite desires for their goods, and thereby (if at times only inadvertently) fostered further desires and persons’ proclivities to want more and different things. Hence, people’s desires are increasingly focused upon material goods.... The world becomes increasingly the locus of all our attention, and hence of our valuing. (Mathewes 2004, 196)

It follows that the “problems we face are not about scarcity but about excess, about plentitudes, the excess of emotion and passion, of violence and despair, of goods and evils” (Mathewes 2004, 208).

From the discussion thus presented, Gorz’s claim that “capitalism has been the expression of economic rationality finally set free of all restraint” becomes lucid. Both self-interest and economic rationality are essential components of modern capitalism. What is more, it is inconceivable to envisage modern capitalism lacking the elements of self-interestedness and economic rationality. Were such elements to lose their theoretical and practical predominance, a quite different socio-economic system would prevail. And that there remain social domains where self-interest and economic rationality are not absolute is merely testament to the fact that modern capitalism has yet to cross all frontiers; humanity still has a heart and soul.

Interestingly, the current intellectual state of affairs is a far cry from the aspirations of those scholars whose pioneering efforts set the stage for the rise of neoclassical economics to professional predominance. The most influential of such scholars, Alfred Marshall, considered the “economic-man/self-interest assumption” as a “methodological limiting assumption,” and refused to accord it any greater status. In a letter to J. N. Keynes, in 1889, Marshall writes “that he now holds, ‘what I did not always hold’ that ‘the economic man does so little good service & causes so much trouble that on practical & tactical (not theoretical) grounds, it is best to do without him’” (quoted in Samuels 1999, 72). According to Samuels,

This concern for carrying pure logicity too far kept Marshall from pursuing, among other things, what has come to be called tight prior equilibrium. The manipulation, or purification, of the rationality assumption – which gives effect to self-interest, selfishness (and for some modern writers, greed), and *homo economicus* – was not one of Marshall’s tools. (Samuels 1999, 73).

Not only did Marshall professionally shun such methodology, his conduct was even more critical. Twice, when offered royalties, Marshall “indicated that he himself was not driven to maximize income, ... saying, ‘I care very little about money’” (Samuels 1999, 73). And in a letter to Edgeworth, he writes that,

I think there is room for question whether the Utilitarians are right in assuming that the end of action is the sum of the happiness of individuals rather than the vigorous life of the whole. (Quoted in Samuels 1999, 75)

Commenting on Marshall’s views, Samuels (1999, 76) states that “these are not the ideas out of which neoclassical economics was constructed and practiced.” And yet, “present-day neoclassical economics proceeds on the assumptions of self-interest and rationality” (Samuels 1999, 69). It is against this broad intellectual background, comprised of the neoclassical paradigm and its many critics, that we attempt to introduce an Islamic perspective on self-interest and rationality. In presenting this distinctive viewpoint, we will often appeal to insights from other schools and scholars, whose tenure in this intellectual discourse is evidently lengthier and richer. Though the concept of rationality has a long tradition in Islamic philosophy and jurisprudence, only minimal intellectual reflection has

been accorded to examining the concept as it relates to self-interest and capitalism. For the most part, Islamic thought has been visibly absent from the intellectual debate on self-interest and economic rationality. This chapter attempts to address this gap in the literature by examining Islamic scripture, *hadith*, and the opinions of Islamic scholars.

According to Ibrahim Kalin (2012, 1), “rationality [in the Qur’an] arises within a context of meaning and significance that goes beyond the internal workings of the individual human mind.” More specifically, the context is “the metaphysics of creation, which states that the world has been created by an intelligent God for a purpose.” And “[l]ike the universe, human beings have been created for a purpose whose fulfillment is not possible within the confines of a subjectivist ontology of human reason.” It follows that this Qur’anic notion of rationality is “markedly different from the current notions of instrumental rationality, which reduces the function of reason, the most fundamental trait of being human, to making logical use of available means to reach our stated ends.” In Islam, “the work of reason takes place against the backdrop of an ontology of rationality that links human beings to other human beings on the one hand, and to God and the universe on the other” (Kalin 2012, 2). This means that reason and rationality must always be understood in connection to faith and religion. Reason is not regarded, as is the case with the views of the Enlightenment and modernity, as a “self-regulating principle,” or the final “arbiter of truth,” or the “only guide to action.” Moreover, since human purpose extends beyond the individual, to encompass the social and the divine, human reason cannot be “bounded” to the “logical consistency” criterion of logical positivism, or the “historically constructed notion” of reason that is characteristic of radical historicism (Kalin 2012, 11–12). But this connection between faith and reason does not mean that faith “can be reduced to human reason. Faith, by definition, must have a dimension that goes beyond reason; otherwise there would be no need for Divine revelation and the Prophets.” Likewise, faith that “is beyond reason ... does not mean anti-reason; it means supra-rational, that which transcends the cognitive competencies of the human reason” (Kalin 2012, 16). The fourteenth-century philosopher Haydar Amuli describes a “perfect harmony between faith and reason and compares religion and reason to the body and spirit.” Just as neither body nor spirit can exist without the other, so can “neither religion dispense with reason nor reason with religion” (quoted in Kalin 2012, 23). Given that reason in Islam derives its “meaning and significance” from its relationship to faith and religion,

what is the substantive nature of such reason (or rationality), and how is it distinct from instrumental or economic rationality?

The precise definition of reason in Islam must conform to “the metaphysics of creation, which states that the world has been created by an intelligent God for a purpose” (Kalin 2012, 1). The “purpose” of such creation, an issue that we deliberated thoroughly in Chap. 1, is a “divine call” to humanity to assume the role of God’s “vicegerent (*khalfah*) on earth and thus submit to God, which is the literal meaning of Islam.” The “meaning and significance” of reason, therefore, is fundamentally derivative of humanity’s vicegerency in this world. Thus, not only must reason be purposeful, its nature and substance must be informed and directed by this divine purpose. Two distinctive, and yet complementary, definitions of reason or rationality can be discerned from Islamic scripture and literature.

The first definition derives from the Arabic term for reason, *‘aql*, which “means both reason and intellect...” In Western tradition, argues Kalin, a conceptual “bifurcation” occurred between reason (*ratio*) and intellect (*intellectus*), with the former denoting “logical analysis” and the latter, “intuitive and sapiental knowledge.” In Islamic tradition, however, this duality never occurred, with *‘aql* believed to be “innately capable of performing the two functions of logical analysis and intuitive knowing without a contradiction” (Kalin 2012, 14–15). The noun *‘aql* is derived from the root verb *‘aqala*, which “literally means to hold, to protect and to guard.” It is also used to describe one’s capacity “to intellect or to use one’s reason.” It follows, that “reason is that by which we protect ourselves from falsehood, error and evil-doing.” Such “protection” is possible when “reason as a principle of truth and as an instrument of knowledge represents an encounter with the reality of things.” This “reality”, however, is that of the true order of creation, of which human vicegerency is an essential component. This amounts to a “substantive view of rationality, by asserting that not only our instruments and procedures but also our fundamental notions and concepts should be properly rational and conform to the reality of things” (Kalin 2012, 24–25). That part of our reason that is engaged in developing “instruments and procedures” to solve problems is classified as “acquired reason” (*‘aql masmu’*), while the part that “refers to our in-born ability to grasp the intelligible order and truth of things” is called “innate reason” (*‘aql matbu’*). While both aspects complement one another, “innate reason takes precedence over ‘acquired reason’” (Kalin 2012, 26). The precise nature of this complementary relationship is described as follows:

Reason then works two-ways: in its innate form, it works from inside and out. It encounters and witnesses the visible world through its inborn qualities. This is part of *fitrah*, the fundamental human nature, which is our window to the world of existence and thus must be protected in order to ‘see’ right. In its acquired form, reason moves from outside to inside and takes in bits and pieces of empirical data and impressions from the outside world. It is the combination of the two, the inner and the outer, that gives us a fuller picture of the function of reason vis-à-vis reality. (Kalin 2012, 26–27)

If the “reality of things” is “God’s intelligent work,” or “His creative power,” then “our encounter with [it] is a rational and conceptual process, but takes place within a larger context of intelligibility and significance that goes beyond the purely logical and discursive thinking” (Kalin 2012, 32). The modern notion of reason and rationality is therefore inadequate in comprehending such “reality”; something more is needed.

In this regard, the Qur’an “identifies the heart (*al-qalb*) as the proper locus of the unitary experience of reality. This is where perpetual experience, conceptual thinking and moral judgment blend together.” Both the “heart and reason function as a conduit for gaining insight into the reality of things and how we should relate ourselves to it.” Significantly, “it is in this context that the Arabic linguists have identified ‘*aql* (reason) and *qalb* (heart) as being synonymous,” and it is precisely in this sense that the connection between faith and reason becomes fully explicable. The following verse illuminates this special connection:

Have they not journeyed upon the earth, that they might have hearts by which to understand [reason] or ears by which to hear? Truly it is not the eyes that go blind, but it is hearts within breasts that go blind. (22:46)

In his commentary, Nasr (2015, 841) states that “the heart is the seat of knowledge and the organ of spiritual understanding. This is further explicated in the *hadith*: ‘In the body there is a lump of flesh: when it is healthy, the whole body is healthy, and when it is rotten, the whole body is rotten. Yea, it is the heart.’” This view is also emphasized by M. Ali Lakhani in his essay, *The Metaphysics of Human Governance*,

That faculty which is capable of discerning reality in its most subtle nature – bearing in mind that the merely human is not privileged to know the Divine – is not the human faculty of the common senses or of the discursive

reason, but the transcendent faculty of the supra-rational intellect, the core of our discerning self, which is sometimes labeled the ‘Heart’. (Lakhani 2006, 6)

These additional verses also highlight the relationship between reason (or understanding) and the heart:

Truly it is the same for the disbelievers whether thou warnest them or warnest them not; they do not believe. God has sealed their hearts and their hearing. Upon their eyes is a covering, and theirs is a great punishment. (2:6–7)

Among them are those who listen to thee, but We have placed coverings over their hearts, such that they understand it not, and in their ears a deafness. Were they to see every sign, they would not believe in it, so that when they come to thee, they dispute with thee. Those who disbelieve say, “This is naught but fables of those of old.” (6:25)

We have indeed created for Hell many among jinn and men: they have hearts with which they understand not; they have eyes with which they see not; and they have ears with which they hear not. Such as these are like cattle. Nay, they are even further astray. It is they who are heedless. (7:179)

The seven heavens, and the earth, and whosoever is in them glorify Him. And there is no thing, save that it hymns His praise, though you do not understand their praise. Truly He is Clement, Forgiving. And when thou recitest the Quran, We place a hidden veil between thee and those who believe not in the Hereafter. And We have placed coverings over their hearts, such that they understand it not, and in their ears a deafness. And whenever thou dost mention thy Lord alone in the Quran, they turn their backs in aversion. (17:44–46)

The above verses reveal that believers, whose reason is properly guided by their hearts, would “see,” “hear,” and “understand” the universe as God’s creation, and their role in it as His vicegerents; this “reality” to them would be “reasonable and self-evident” (Kalin 2012, 51). It is precisely this *reason* that operates to “protect ourselves from falsehood, error and evil-doing.” By acknowledging one’s proper role in God’s creation, a believer is then set on fulfilling his or her assigned functions and responsibilities. Therefore, human transgressions chiefly emanate from an ignorance of, or an obstinacy in the face of, this role. By failing to recognize the true “reality of things [and ourselves],” our actions become mere reactions to a misplaced

and aimless reality. In other words, it is in our moments of self-delusion, when we over (or under) estimate our proper role and worth, that we commit our many errors. More often than not, we have a propensity to assign to ourselves a value that is incommensurate with our true role as God's vicegerents. It is thence that pride is created, with error soon to follow. That pride is the upshot of misguided reason has been a common theme emphasized by most religions. Several verses in the Qur'an highlight this connection:

Indeed We established them in a manner in which We did not establish you, and We endowed them with hearing, sight, and hearts. But their hearing, sight, and hearts availed them naught, since they rejected God's signs, and that which they used to mock beset them. (46:26)

Surely thou dost not make the dead hear; nor dost thou make the deaf hear the call when they turn their backs; nor canst thou guide the blind away from their error. Thou canst only make hear those who believe in Our signs and are submitters. (27:80–81)

The above verses speak of those who “rejected God's signs,” even though God had “endowed them with hearing, sight and hearts.” According to Kalin (2012, 35), the combination of “hearing, sight and hearts” demonstrates that the “physically sound functioning of the sense organs depends on the soundness and cleanliness of the heart.” By “turn[ing] their backs” on God's signs renders their reason “blind” to the error of their ways: “We have indeed made clear the signs for you, were you to understand [reason]” (3:118). Moreover, their “rejection” is flaunted with an air of pride, as they “mock” and deride the manifest signs of creation. More importantly, by denying God, a person's “reason and judgment can be clouded by his ego and carnal desires,” as the following verse clearly states:

Hast thou considered the one who takes his caprice [desire] as his god? Wouldst thou be a guardian over him? Or do you suppose that most of them hear or understand? Truly they are but as cattle. Nay, they are further astray from the way. (25:43–44)

With denial comes ignorance and arrogance, each reinforcing the other. The pride that develops in a godless world is then only satiated with us anointing ourselves as gods, whose immortal decree is forever satisfying our desires and passions. That such is the fate of our world, the Qur'an

declares it as much a prophecy as a revelation: “Hast thou considered the one who takes his caprice [desire] as his god?” Self-idolatry is the logical consequence of a godless world, an inference not too different from that uttered by Ivan Karamazov in Dostoevsky’s *The Brothers Karamazov*, in which he argued that if God does not exist, then all is permissible. A world bereft of purpose can only subscribe to an aimless sort of reason or rationality, one that is more likely to be attentive to means rather than ends. That secular modernity has therefore become increasingly characterized by an instrumental form of rationality is only reasonable; this is the natural consequence of the receding role of religion and morality. At the personal level, this is but an expression of a precarious faith and weak piety. In contrast, a sincere believer “whose heart and conscience [has] been illuminated with the light of faith [will] find peace and repose in the remembrance of God,” as these verses indicate:

Those who believe and whose hearts are at peace in the remembrance of God. Are not hearts at peace in the remembrance of God? Those who believe and perform righteous deeds, theirs is blessedness and a beautiful return. (13:28–29)

He it is Who sends down Tranquility into the hearts of the believers, that they might increase in faith along with their faith—to God belong the hosts of the heavens and the earth, and God is Knowing, Wise. (48:4)

To conclude our discussion of this first Islamic or Quranic definition of reason and rationality, the following is clear: God has endowed “the order of creation with meaning and purpose,” as stated in 23:115, “Did you suppose, then, that We created you frivolously, and that you would not be returned unto Us?” Reason or the “intellect” (*al-‘aql*) is the human capacity, created and conferred to us by God, to comprehend and react to this “meaning and purpose.” But “having a meaning and purpose in a non-subjective manner entails a tremendous sense of responsibility.” Specifically, it “means accepting a moral responsibility beyond ourselves and ... [to] reach out to a larger reality” (Kalin 2012, 46–56). Our failure to assume this responsibility reflects a misguided reason or intellect, and reveals a clear denial of any divine “meaning and purpose.” This definition establishes a necessary relationship between reason and morality, both of which are based on faith and piety. The definition, however, remains at an abstract and theoretical level, with minimal direction on practical matters. The second definition, largely derived from the first, offers a more practical blueprint for the proper exercise of reason and morality.

According to Lakhani (2006, 20), there is an essential “connection between one’s ‘nature’ and one’s ‘responsibility,’” where the latter is a consequence of the former. Our “nature” is being God’s vicegerents or “representatives” in this world, and the “responsibility” stems from our duty to safeguard the Trust, that is us and the world. That such is the order of creation represents “the Truth,” knowledge of which is only discernible to the hearts of believers. To a believer, however, such knowledge is “transformative: knowing and being are one.” In other words, the “connection between knowing and conforming to that knowledge” is itself the “connection between one’s ‘nature’ and one’s ‘responsibility.’” More importantly, the nature of this “connection” is that of unity: there is an “ontological oneness, [where] all contraries all reconciled and all things are placed in their ‘proper order’, that is to say, in conformity with Truth or hierarchically ordered reality.” If creation is predicated on a “proper order,” then human action must as well; this is only natural, since “man is made in the image of God,” and is “God’s representative on earth.” Such human action, predicated on a “proper order,” is what “constitutes Justice” (Lakhani 2006, 20–21).

In defining justice, Imam Ali states:

Justice puts things in their places. (Quoted in Lakhani 2006, 27)

According to Shah-Kazemi (2006, 65), “this evokes the famous definition of Plato: ‘...we have laid down, as a universal principle, that everyone ought to perform the one function in the community for which his nature best suited him ... that principle, or some form of it, is justice.’” It is also reminiscent of the Aristotelian conception of justice, which MacIntyre (1981, 152) describes as “to give each person what each person deserves.” In addition, it calls to mind Confucius’ definition of “the art of government” as consisting in “making things right, or putting things in their right places” (Lakhani 2006, 27). Expounding on this definition of justice, Seyyed Hossein Nasr writes:

To be fully human is to have an innate sense of justice and a yearning for justice.... When we speak of justice, we have the intuitive sense of putting things aright and in their appropriate place, of re-establishing a lost harmony and equilibrium, of remaining true to the nature of things, of giving each his due. (Nasr 2006, xi)

This definition of justice derives from the word *al-haqq* in Arabic, which means to “pay each thing its due...” It is also used to denote God, who, in the Qur’an, is *al-Haqq*. Imam Ali, in one of his sermons, says: “I bear witness that He is Justice and He acts justly” (quoted in Shah-Kazemi 2006, 66). If God is Justice, then fulfilling the Trust as His vicegerents would mean “conforming as best one can to His own nature, which is not only the source of justice but *is* justice.” But if God, in His own nature as Justice, *puts* everything in its right place, justice for man “entails the *effort* to put everything in its right place.” Elsewhere, Imam Ali defines “intelligence [as the] *ability* to ‘put things in their proper places’” (Lakhani 2006, 27, emphasis added). It follows, Lakhani continues, that “justice is thereby an attribute of intelligence.” More importantly, it can be inferred that justice is an attribute of reason and rationality. The connection between justice, intelligence, and reason can be deduced from the following sermon by Imam Ali, in which he describes the creation of Adam:

...then He infused into [Adam] the Divine soul (intellect) and the figure stood up as a man. This creation was an intelligent and rational being, using intellect instead of instinct and having control of his mental faculties and full command over his limbs. He further had natural sagacity and wisdom, to differentiate between right and wrong, between truth and falsehood and between justice and inequity... (Quoted in Lakhani 2006, 18)

Kalin (2012, 56) also emphasizes the identity between rationality and justice, stating that, “an act is rational when it conforms to the reality of something and pays due attention to its proper place.” He quotes the Islamic philosopher Ibn Miskawayh, who writes that, “... since justice consists indeed giving to the right person what ought to be given in the right way, it would be inconceivable that we should not owe God, exalted is He, who granted us all these immense goods, an obligation which they should fulfill” (quoted in Kalin 2012, 56). Given this conception of justice, it becomes incumbent upon a believer “that the first and most important ‘thing’ to be put in its right place is one’s relationship with God; everything else is derived from this spiritual imperative.” This “order of precedence,” argues Shah-Kazemi (2006, 65), was established by Imam Ali in his sayings and sermons, which include the following:

Be just with God and be just with people [giving them what is their due] from yourself. (Quoted in Shah-Kazemi 2006, 65)

For those who put in order  
 what is between them and God,  
 God will put in order  
 what is between them and other people.  
 And for those who put in order  
 their task for the Hereafter,  
 God puts in order  
 their business in this world.  
 And those who have caution from themselves  
 have protection from God. (Quoted in Lakhani 2006, 38)

As God's vicegerents, it is from our duty to Him that we derive our "moral responsibility" toward His creatures. More precisely, it is in our "effort" to justly revere God, or "put in order" what is between us and Him, that we come to behave justly and "put in order what is between [us] and other people." Simply stated, the closer we are to God, the closer we are to being just. And to be closer to God, in thought and action, constitutes piety.

According to Lakhani (2006, 34), "a key aspect of Imam Ali's view of justice [is that] piety is a prerequisite of Justice. Only the good-hearted can be just." Just as knowledge precedes action, so does piety precede justice. A *hadith* by the Prophet states that "faith is to acknowledge with the heart, to voice with the tongue, and to act with the limbs." Elaborating on this essential relationship between piety and justice, Lakhani writes:

As one traditionalist writer puts it, "The heart is the point where justice resides. It is in the heart that we must preserve the equilibrium which corresponds to the harmonic unity of the entire creation." Just as God is compassionate (as *Rahman*) in terms of His intrinsic nature in a way that is metaphysically prior to His extending this Mercy (as *Rahim*) to His creatures, so man must be true to his spiritual nature before he can be true to others. (Lakhani 2006, 34)

Since the "heart is the point where justice resides," it is crucial that all its passion and devotion are directed toward God. Or, as Kierkegaard aptly puts it: "If it is possible, that a man can will only one thing, then he must will the Good." Commenting on Epistle 4:8, he writes:

For only the pure in heart can see God, and therefore, draw nigh to Him; and only by God's drawing nigh to them can they maintain this purity.

And he who in truth wills only one thing can will only the Good, and he who only wills one thing when he wills the Good can only will the Good in truth. (Kierkegaard 1956, 53)

The pious, therefore, are “the pure in heart.” They are rarely tempted by pride, self-idolatry, and desire. In a sermon where he outlines the attributes of a pious believer, Imam Ali states:

Such a person makes it incumbent upon himself to be always just, and the first act of justice he will do is to remove immoderate desires and craving from his mind and to speak the truth and act accordingly. (Quoted in Lakhani 2006, 37)

Commenting on the above, Lakhani (2006, 38) argues that “being Heart-centered – is to make us impervious to the effects of the world. In spiritual submission lies strength and salvation. By transcending the world through piety, we achieve ‘protection from God.’” By removing “immoderate desires,” the “pure in heart” would be substituting such desires for the love of God, and thereby, as justice dictates, putting “things” in their proper places. Herein lies the essence of the Islamic view on self-interest and rationality.

If all creation—and humanity in particular—was created for a purpose, then human thought and action must be directed toward “knowing and conforming to” this purpose. This “knowledge – as an ontological reality – is the privilege of only those who have been able to embody the Truth through piety and have fully awakened within themselves a sense of the sacred that perceives the world as a theophany...” (Lakhani 2006, 51). Such piety, once realized, serves as protection from the many desires and idols of this world, whose strong hold pose a threat to our salvation. For, as Imam Ali had famously declared:

The world was created  
for other than it;  
it was not created for itself.  
(Quoted in Lakhani 2006, 39)

It is clear, from our discussion so far, that the Islamic view of self-interest is very different from that of modern economic thought. The Islamic view in no way overlooks or belittles the existence and significance of human desires, material or otherwise; after all, these passions, like everything else,

emanate from the same divine Source. What it does, however, is enlighten us of their standing within the “‘proper ordering’ of things.” And by doing so, it provides instructions on the practical limits of moderation and excess. As we have seen, a corollary of the self-interest and Rational Choice Paradigm is the predilection for quantitative maximization and efficiency, and for the pervasive mindset of “more is better.” Such a mindset is clearly unsustainable amidst piety and justice. With piety and justice, hearts and minds naturally gravitate toward moderation and away from excess, as the following statement of Imam Ali affirms:

Remember! That extremes of right and left will lead you astray, moderation is the best course for you to adopt ... along it is the correct route to liberation. (Quoted in Lakhani 2006, 51)

This predisposition toward moderation in desires and passions is not due to a strained conformity with a restricted notion of individual freedom, but is the consequence of a believer’s sincere desire to “will only one thing,” the love of God. Freedom, therefore, takes on a whole different meaning than what is established in secular thought. Lakhani offers this penetrating contrast of the Islamic view of freedom relative to that of modern thought:

Imam Ali’s teachings clearly endorse a qualitative, spiritually devolutionary and sacred view of the world, where value descends from above to the domains below. This is the foundation of hierarchy and moral authority, an acceptance of a divinely ordained world in which freedoms are bounded by moral imperatives and rights by spiritual standards. By contrast, the modernist worldview is quantitative, materially evolutionary and secular, which celebrates freedom and equality without anchoring these in the objective and transcendent criteria of spiritual reality. Its “authority” operates from below, not from top down, and is founded on subjective preferences or rationalized principles rather than on universal, transcendent, metaphysical principles grounded in the very structures of reality. Without a proper spiritual underpinning, its “freedom” is degenerative and overreaching, leeching from the soul the enriching the salvific elements of reverence, mystery and wonder which are required to sustain it, while its “equality” is homogenizing and weighed down by “political correctness”, thereby inhibiting both legitimate authority and creative expression. The presumptive and laissez-faire modernist notions of “freedom” and the excessively rights-based modernist notions of “equality”, which promote mediocrity by pandering to the

'lowest common denominator', are in marked contrast to Imam Ali's view that true knowledge and piety are the foundations of moral authority, and are hierarchical and therefore elevating... The egoic individualism of the modernist cannot but degrade the soul, in contrast to the compassionate detachment of the faithful seeker that is ennobling. (Lakhani 2006, 54–55)

It is through moderation that we can allocate to this world its true worth, as a mere passage to a grander and worthier existence. By elevating ourselves beyond the many temptations of worldly desire, we achieve a singular "purity of heart," which is the "the correct route to liberation." True freedom, therefore, is only attained through an emancipation from worldly desire, as the following statement by Imam Ali states: "Is there no free man who can leave this chewed morsel (of the world) to those who like it? Certainly, the only price for yourselves is Paradise. Therefore, do not sell yourselves except for Paradise" (Imam Ali 1996, 324). That this world can be viewed as a "chewed morsel" is an attribute of the "free," and certainly not of those who are slaves to its desires.

As discussed earlier, a worldview that establishes self-interest as a "first principle" is likely to emphasize, theoretically and practically, the concepts of scarcity, maximization, competition, and economic rationality. It is also likely to exclude from its logic and discourse the concepts of abundance, sufficiency, responsibility, and moderation. If we are to adopt (only reluctantly, to say the least) this terminology, the notion of *vicegerency* would serve as the first principle of the Islamic worldview that we seek to present; and given this basis, we would then proceed to a comparative analysis with the predominant paradigm of scarcity and Rational Choice.

In contrast to the scarcity paradigm, the concept of vicegerency postulates that the bounties of creation are commensurate with our needs and desires, and therefore sufficient. This sufficiency does not imply an infinite abundance of material goods. It does require, however, that humans pursue moderation in satisfying their needs and desires. And as we have seen, this moderation in conduct is characteristic of a life of piety and justice, one that believes in a "divinely ordained world." As vicegerents of God, we assume the ultimate "moral responsibility" toward the rest of His creation. This necessitates that we adopt sufficiency as opposed to maximization, and moderation as opposed to insatiability. The maximization of self-interest would be an incompatible, and even downright irresponsible, response to this appointed task of stewardship. If God created the world according to the principle of justice that puts everything in its proper

place, then, as God's vicegerents, the just execution of this role demands that *we* put everything in its proper place. In other words, *the "sacred view of the world" is not of a Creator that "maximized" His creation, but of a Creator who perfected His justice.* Herein lies the Islamic notion of rationality, that is quite unlike that of economic or instrumental rationality.

The Islamic view of rationality is that of justice, that seeks to put everything in its proper place. That *everything* has a proper place and purpose constitutes the order of creation. This meaning is most evident in the following verse:

I did not create jinn and mankind, save to worship Me. I desire no provision from them; nor do I desire that they should feed Me. Truly God is the Provider, the Possessor of Strength, the Firm. (51:56–58)

In his commentary on the above verse, Nasr writes:

[This] verse indicate[s] that God did not create human beings merely to seek their own sustenance, but rather to worship and submit to Him, or in other words to remember God. Al-Zamakhshari argues that this points to the purpose for which human beings were created, even if most of them do not fulfill this function. From this perspective, God only created human beings to worship Him by choosing to worship freely and not being constrained to do it, because He created them as contingent beings. Had God wanted their worship by way of coercion and compulsion, it would be found among all human beings... This passage could thus be interpreted as another expression of the central Quranic theme that human beings are not created for this world alone, but for the next. (Nasr 2015, 1280)

That the world was created not for its own sake, but as a passageway to the next, renders any impulse toward material maximization both wasteful and absurd. There is little sense in amassing or accumulating that which is fleeting and temporal. A sojourner embarked on a pilgrimage would find it wise and practical to carry just what is purposeful and useful for the journey, and would consider any extra luggage to be an unnecessary nuisance. What he procures for the trip would be just enough to meet his needs, which ultimately are but means to an end. In contrast, a person mainly preoccupied with his present needs, and anxious about his future needs, cannot but seize of this world's goods as much as he can. Such a person, even if mindful of the next world, will fail to move any closer to it.

This view of rationality, and in contrast to that advocated by Sen, is both formative and substantive. That is, in addition to providing a conceptual framework where actions are judged by the extent to which they put things in their proper places, it is neither arbitrary nor open-ended. What is “proper” corresponds to the “sacred view of the world,” and is only discernible to a mind and heart inspired by piety. Using Kierkegaard’s terminology, rationality or justice presupposes a “purity of heart.” Realizing such “purity,” however, constitutes our ultimate test, as the *hadith* by the Prophet indicates:

The most excellent *Jihad* (Holy war) is that for the conquest of self.

The singularity of such “purity” or “conquest” is that a believer is constantly cognizant, by virtue of an endless yearning for the spiritual and the transcendent, of God as his “witness.” Several verses emphasize a similar message to humans: “For Truly God is witness to all things” (3:98; 4:33; 4:79; 41:53; 85:9). Prior to us being conscious of how we are perceived by others, it is God’s view of us that truly matters: “He is the First, and the Last, and the Outward, and the Inward; and He is Knower of all things” (57:3). Therefore, the ultimate test of one’s faith and piety is not derivative of our social status or recognition, but of our standing in the “sight” of God. To borrow familiar concepts from Smith’s moral philosophy, the social efficacy of our thought and conduct is not derivative of the moral forces of social approbation and disapprobation, but of His ultimate and absolute judgment, as Imam Ali aptly states:

Beware of disobeying God when alone,  
For the witness is the Judge.  
(Quoted in Lakhani 2006, 35)

As argued by Lakhani (2006, 35), our “ability to judge others in an external context, must be preceded by the judicious internal re-ordering of oneself – and this can only be accomplished by recourse to the Intellect, our primordial faculty of discernment.” As a useful reminder, the Heart is considered “the locus of the intellect, the source of innate metaphysical knowledge of reality” (Lakhani 2006, 13). It follows that this “transcendent Intellect [in our Heart] constitutes our ‘conscience’, our ‘witness’ and our Judge” (Lakhani 2006, 35). To borrow another term from Smith, this “Intellect” or “conscience” is the “spectator” that both witnesses and

judges our motives and deeds. But unlike Smith's "impartial spectator" whose structure and substance is *ultimately* derivative of society's norms and values, and is therefore contingent and mutable, this "witness" within is a transcendent "faculty of discernment by which humanity is able perceive its spiritual origin and to recognize the pervasive radiance of the spiritual Presence within itself and in all things..." Or, as the philosopher and metaphysician Frithjof Schuon explains,

That which really judges us is our own norm that we carry within ourselves and which is at once an image of the whole Cosmos and of the divine Spirit shining at its center. (Quoted in Lakhani 2006, 36)

This "norm that we carry within ourselves" has a spiritual dimension that is an extension of the "spiritual order of things," an "order" that is both Absolute and Infinite. Furthermore, while this "order" is internally discernible by reason or the Intellect, it is also revealed to us through scripture and prophecy. The crucial relationship between revelation and the intellect is explained by Shah-Kazemi:

[T]he revealed text is not to be seen as some extraneous source, opposed to reason, but as the objective, outward expression of the very principles that the intellect itself yields to the 'inner prophet' – understanding by 'intellect' not simply the faculty of reason but the very source of consciousness articulating the human spirit. (Shah-Kazemi 2006, 63)

This relationship is also immanent in the following saying by Imam Musa al-Kazim (a grandson of Imam Ali), "The prophet of a man is the interpreter of his intellect" (quoted in Shah-Kazemi 2006, 63). The "witness" within, therefore, in addition to its spiritual link with the divine, is informed and guided by religious scripture.

A careful study of Smith's *Theory of Moral Sentiments* reveals some interesting parallels between his notion of the "impartial spectator" on the one hand, and the Islamic concept of "witness" or "Intellect," on the other. In her brilliant work, *Adam Smith's Discourse*, Viviane Brown highlights the Stoic aspects of Smith's moral philosophy, and its parallels with the earlier thought of Epictetus, Marcus Aurelius, and Augustine (Brown 1994, 56). According to Brown (1994, 74–75), Smith's "impartial spectator has been set up as an analogue of the wise Stoic's divine Being." On the relationship that develops between a wise Stoic and the divine Being, Smith writes:

He [i.e. the wise Stoic] regards himself in the light in which he imagines the great genius of human nature, and of the world, regards him. He enters, if I may say so, into the sentiments of that divine Being, and considers himself as an atom, a particle, of an immense and infinite system, which must and ought to be disposed of, according to the conveniency of the whole. (Quoted in Brown 1994, 60)

As such, the impartial spectator “is simply the proper and most objective moral judge....” And yet, continues Brown, the model of this “moral judge” presented by the *Moral Sentiments* renders all “truly moral outcomes ... open; they are not rule-bound or obligatory but are the result of an open process of debate between the moral agent and the impartial spectator, in which the final outcome is neither predetermined nor legislated upon by a theological determinism.” This is largely due to the “deeply problematic” nature of the model that “requires that a person should be both judge and judged.” This demand to “assume a double identity” neutralizes the ability of our “imagination to provide a reliable basis for moral judgments” (Brown 1994, 66–69). Therefore, the “impartial spectator” per se does not provide us with a concrete moral framework for thought and action, and both “imagination and sympathy fail in achieving complete moral wholeness for the moral agent, even for the wisest and firmest of all” (Brown 1994, 75). What the notion of impartial spectator amounts to is a conceptual tool or metaphor employed by Smith to describe the social formation of moral and legal norms, with the Stoic heritage providing much in style but little substance. Though much of the text in the *Moral Sentiments* may explicitly or implicitly convey a religious or spiritual dimension to Smith’s concept of the “impartial spectator,” his theory of the formation of social morality rests on the forces of “social control and socialization” (Samuels 2011, 50). According to Samuels (2011, 51), Smith’s “policy consciousness is a product of his relative empiricism, secularism, and down-to-earth realism.” Any observed similarities between Smith’s concept of “impartial spectator” and the Islamic notion of “witness” or “Intellect” are theoretically superficial and practically irrelevant. This can be easily ascertained from this penetrating analysis of Smith’s concept:

Smith charts the operation of individual conscience (the impartial spectator plus the sense of propriety) and of social conscience (the general rules of conduct) that interact and together constitute the formation and internalization

of social control. Individual choice and rationality exist within collective choice and rationality, which are in turn influenced by individual choice and rationality. The operation of the principles of approbation and disapprobation applied to the actions of oneself and others both govern and are influenced by the sense of propriety and the substance of moral rules. The impartial-spectator principle helps build up the moral rules and customs that serve as social cement, yet the principle depends for its content on already internalized social control. It is truly a process of cumulative causation or general interdependence and not one in which particular rules or particular patterns of socialized behavior may be taken as given once and for all time. Interdependence signifies endogenous change. (Samuels 2011, 50)

The “impartial spectator,” as is the case with the concepts of self-interest and rationality, does not signify any objective or absolute moral substance, but is entirely the product of “endogenous change.” It therefore offers no fixed moral compass that can guide human thought and conduct. What constitutes morality, customs, norms, or rules is exclusively human or social, devoid of any transcendent or divine quality. Clearly, there are far more differences than similarities in comparison with the Islamic viewpoint.

In Islam, the ultimate source of knowledge or the Truth is God. Such knowledge is realized by a “journey to the Center,” to “our innermost Heart,” wherein resides the “Intellect, our primordial faculty of discernment.” (Lakhani 2006, 26) This “journey” is one of faith and piety, where thought (as reason) and action (as justice) become one. The Intellect, however, is incapable, of its own accord, of realizing the whole Truth, and must therefore rely on prophecy and the revealed texts as a guide, as Shah-Kazemi (2006, 63) explains: “[T]he revealed text is not to be seen as some extraneous source, opposed to reason, but as the objective, outward expression of the very principles that the intellect itself yields to the ‘inner prophet.’” On this basis, *the Islamic theory of morality is simultaneously endogenous and exogenous, with the former corresponding to our reason or “inner prophet,” and the latter to the revealed texts.* In other words, morality, whether at the individual or social levels, is a function of both piety and prophecy. Prophecy, in the form of scripture and *hadith*, provides an established and objective basis for the development of moral norms and rules. That a difference of opinions may exist on the proper interpretation of such texts does not invalidate the fact that there is a fixed core at the center that constitutes the primary canon or tradition. This core can thus be relied upon to resolve, however imperfectly, the fundamental conflicts

or contradictions that are characteristic of ethical egoism and moral relativism. In an Islamic framework, the “process of cumulative causation or general interdependence” is not wholly endogenous and, in effect, arbitrary and indeterminate, but is generally channeled toward a defined and final goal. Moreover, as we have demonstrated so far, this final purpose to which all thought and action must converge is undoubtedly *not* self-interest. Instead, the “first principle,” if one may say so, of this Islamic worldview is embodied in the concept of vicegerency. Nonetheless, it is worthwhile that we conclude this chapter with an Islamic critique of the concept of self-interest, as it relates to the Islamic notions of vicegerency, justice, and conscience.

Justice, we have argued, constitutes the purpose and order of creation. And as God’s vicegerents, we are obliged to pursue justice in all our affairs. Defined as putting everything in its rightful place, the notion of justice in Islam emphasizes the role of intentions or motives in the final judgment of our deeds. In this regard, the Prophet is reported to have said: “All actions are judged by the motives promoting them” (Al-Suhrawardy 2001, 62). That our intentions are elevated above our actions and their consequences on the divine scale of judgment corresponds perfectly to the purpose and order of creation—namely, Justice. The primacy of intentions is also evident in the following verses:

...Surely the most noble of you before God are the most reverent of you.  
Truly God is Knowing, Aware. (49:13)

I did not create jinn and mankind, save to worship Me. (51:56)

Both verses highlight piety, whether “reverence” or “worship,” as embodying the “most noble” of intentions. In one of his well-known sayings, Imam Ali offers an insightful typology of human intentions in relation to God:

Indeed there is a group who worship God out of desire [for something not yet attained]; and this is the worship of the merchants. And there is a group who worship God out of fear, and this is the worship of the slaves. And there is a group who worship God out of gratitude, and this is the worship of the free. (Quoted in Shah-Kazemi 2006, 95)

The above classification may well constitute a basis for understanding all human behavior, and not only in their relationship to God. Three main drives constitute human action: reward, punishment, and gratitude. These

three drives correspond to three human outlooks, respectively: those motivated by gain or reward (designated as merchants), those motivated by fear or punishment (designated as slaves), and those motivated by gratitude or piety (designated as the free). The first two types may be combined under the broader category of *self-interested* behavior, because they denote action prompted by reward and punishment, or gain and loss. This is worship primarily intended for the attainment of Paradise, or evading the horrors of Hell. In particular, the association that Imam Ali makes between the first type and merchants, and in the context of religious worship, reveals an exceptional insight into human nature well before the intellectuals of the Enlightenment probed into the logic and morality of commerce. The third type, which the Imam believes to be vastly superior in the “Sight” of God, denotes all action prompted by feelings of gratitude and obligation. This is worship sincerely intended for the glorification of God, with no considerations or expectations of reward and punishment. In other words, this is a purely *disinterested* disposition that is independent of any personal gain or loss. Had there been no promise of a reward or punishment, heaven or hell, still would not deter such believers from expressing their gratitude to God.

Interestingly, the Imam’s typology does not, explicitly or implicitly, condemn any of the three human inclinations or natures. It may well be that they symbolize three possible but distinctive paths to Paradise. The following verse clearly demonstrates the Quranic approach in appealing to the salvific interests of believers:

If you are virtuous, you are virtuous for the sake of your own souls, and if you commit evil, it is for them. So when the other promise comes to pass, they will make wretched your faces, and enter the Temple as they entered it the first time, and utterly ruin whatsoever they overtake. (17:7)

Using modern economic terminology, we can say that the verse provides an incentive to believers to pursue virtue and abstain from evil. If it is the case that some are only incited into committing good deeds if they perceive a potential personal gain, then so be it. And so, while the Imam believes the third path to be superior, he does acknowledge that humans are often, if not mostly, driven by considerations of reward and punishment, hence, by their interests. The distinction made by the Imam serves to emphasize the primacy of intentions, an emphasis also made by the Prophet in several of his *hadith*. The motive to attain Paradise (or avoid

Hell) is a commendable one, but remains inferior to that of pure gratitude toward God.

The diversity of human inclinations is also highlighted in several verses in the Qur'an:

[B]y the soul and the One Who fashioned it, and inspired it as to what makes it iniquitous or reverent! (91:7–8)

But I absolve not my own soul. Surely the soul commands to evil, save whom my Lord may show mercy. Truly my Lord is Forgiving, Merciful. (12:53)

But that which is done in His cause is much greater:

O you who believe! Be steadfast maintainers of justice, witnesses for God, though it be against yourselves, or your parents and kinsfolk, and whether it be someone rich or poor, for God is nearer unto both. So follow not your caprice, that you may act justly. If you distort or turn away, truly God is Aware of whatsoever you do. (4:135)

So recite that which is easy of it, perform the prayer, give the alms, and lend unto God a goodly loan—whatever good you send forth for your souls, you will find it with God better and greater in reward. (73:20)

Is the reward of goodness aught but goodness? (55:60)

Verse 4:135 reiterates the message conveyed in verses 91:7–8 and 12:53, that humans would face an internal tension from the opposing tendencies of “goodness” and “evil.” And yet, those that are “steadfast maintainers of justice [and] witnesses for God” would “find it with God better and greater in reward.” This is because they have sided with justice, regardless of the consequences. By upholding justice, even when doing so may run counter to our interests, exemplifies an exceptional union of faith and piety. This unity between faith and piety, knowing and conforming, theory and practice, is conveyed in the following saying of Imam Ali: “Faith is to favor honesty when it hurts you, to lying when it serves you.” If it so happens that our self-interest, expressed in considerations of personal gain and loss, contradicts our commitment to justice, a pious believer would never hesitate to make the right choice and put things in proper order. Such a believer is well aware of the cost or consequences, but believes them to be trivial or irrelevant. In terms of Imam Ali’s typology of intentions, we can say that

the believer who seeks his self-interest through personal salvation would regard the everlasting pleasures of Paradise as greater than any worldly price or sacrifice. And he who is driven by a sense of gratitude would pay no heed to any interest to be gained, or cost to be paid. Both types may achieve salvation, but their respective journeys exemplified different modes of faith and piety.

In an Islamic framework, therefore, self-interest is not depicted in a wholly positive or negative sense, but is always evaluated in the context of the intended goal or end. A believer seeking personal salvation *is* driven by self-interest, a quest that is both extolled and rewarded. But a believer who realizes such salvation without ever intending it, whose actions seemed effortlessly inspired by love and gratitude, achieves the greatest honor of all; and where such honor denied to him, would not render his effort any less passionate. This passion is superbly conveyed by the following verse:

They feed, out of love for God, the needy, the orphan and the prisoner, saying: “We feed you only for the sake of God; we desire from you neither reward nor thanks.” (76:8–9)

In elaborating on this type of believers, Shah-Kazemi writes:

[T]he just man is liberated from the material consequences of his actions in the measure of the rectitude and sincerity of his intentions; actions being evaluated in the Islamic perspective not according to consequences but intentions. One’s intention is to be just, not for the sake of some earthly reward, or some tangible consequence in the world, but purely for the sake of justice itself, and this essence or principle of justice is in turn inseparable from the divine nature. For justice is at one with God not simply because that which God commands is just: rather, God commands just acts precisely *because* they are just, and because this justice is one with His own nature, ... (Shah-Kazemi 2006, 96)

A believer trusts that “the material consequences of his actions” are in God’s hands, and is therefore “liberated” from the anxiety that typifies most lives. In addition, by trivializing the world in his eyes, the believer is freed from any envy or enmity toward others. After all, he who does not seek the next world as reward for his piety will most surely not seek this world to serve a jealousy. A *hadith* reports the Prophet to have said, “Desire not the world, and God will love you; and desire not what men have, and they will love you” (Al-Suhrawardy 2001, 78).

This recurrent call to believers to free themselves of this world and its associated envy and anxiety presents us with a singular vision of the ideal believer, one whose conduct is guided by a conscience that is morally superior to the principles and norms adopted by alternative moral philosophies. The conscience of a pious believer guides all action toward an end that is beyond this world, and is therefore not attached to its pleasures or treasures. Such an outlook, if sincerely adopted, naturally precludes all action that is potentially injurious to others, for it seeks to give rather than take, and love rather than hate. It is a way of life permeated by the desire to be just, to place everything in its proper place, and to give to every person that which is due. This way of life is highlighted in the following *hadith* by the Prophet:

Ye will not enter Paradise until ye have faith, and ye will not complete your faith until ye love one another.

No man hath believed perfectly, until he wishes for his brother that which he wishes for himself.

Verily, each of you is a mirror to his brother; ... (Al-Suhrawardy 2001, 77)

Faith, when pure and sincere, expresses itself in a universal love that does not discriminate. But it is not a pure and sincere love that which is indifferent to the plight and wrongdoings of others. A believer must seek to be “a mirror to his brother,” offering help and guidance when necessary, but always as an open offer and never as a strict order. After all, the Qur’an is clear that “there is no compulsion in religion” (2:256). As a “mirror”, a believer reveals the discrepancies in another, in a manner that is reflective and reciprocal. He wishes to educate and be educated, but never presuming to be a judge or jury; hence, his moral duty to offer advice and support is balanced by an obligation to respect others’ freedom and choice. This *charitable* dimension to the relationship that develops between believers offers a solid and stable moral basis for society, a property that is conspicuously absent from Smith’s moral philosophy. The “impartial spectator,” an idea that is central to Smith’s moral philosophy, is inherently subjective, lacking a given ethical framework that can establish moral objectivity or permanence. As a purely social construction, it offers an endogenously crafted morality that is ultimately derivative of power relations and vested interests. More importantly, it fails to instill a sense of moral responsibility or duty that prompts an individual into positive action; it is an ethical construct that is

fixated on thought rather than action, and the individual rather than the collective. The Islamic construct, however, and in a manner characteristic of most religions, advocates a more spirited and proactive approach to morality that extends beyond the personal, to the universal. The spirit of such an approach is illustrated by the following letter that Imam Ali wrote to his elder son, Imam Hassan:

My dear son, so far as your behavior with other human beings is concerned, let your 'self' act as scales to judge its goodness or wickedness. Do unto others as you wish others to do unto you. Whatever you like for yourself, like for others, and whatever you dislike to happen to you, spare others from such happenings. Do not oppress and tyrannize anybody because you surely do not like to be oppressed and tyrannized. Be kind and sympathetic to others as you certainly desire others to treat you kindly and sympathetically. If you find objectionable and disgusting habits in others, abstain from developing those traits of character in yourself. If you are satisfied or feel happy in receiving a certain kind of behavior from others, you may behave with others in exactly the same way. Do not speak (negatively) about them in the same way that you do not like others to speak (negatively) about you. Do not speak on a subject about which you know little or nothing, and if you at all want to speak on anything or about anyone of whom you are fully aware, then avoid gossip, defamation and accusation as you do not like yourself to be scandalized and scorned in the same manner. (Quoted in Mohseni-Cheraghlou 2015, 23)

As a first impression, one may clearly identify a few similarities between Smith's "impartial spectator" and Imam Ali's notion of the "self" as "scales to judge" our behavior with others. Upon closer inspection, however, the similarities are formative rather than substantive.

In Smith's moral framework, the individual's primary objective is to obtain the "sympathy" of others. This "natural" desire for social approbation constitutes the origin of social norms and rules, as Evensky (2005) explains,

In sum, as we judge others by our sense of harmony with what we imagine to be their sentiments, we know that they are doing the same in judging us. That judgment matters to us. We desire the harmony of others' sympathy with our sentiments. Thus, we naturally adjust our sentiments toward that measure that will enjoy their sympathy. This natural inclination to desire the sympathy of others and thus to seek a harmony of sentiments with them is the foundation of the social regulation of personal behavior. (Evensky 2005, 115)

Ultimately, however, it is the “sympathy” of the “impartial spectator” that can lead us to perfect “moral sentiments” and a virtuous society,

The ideal moral sentiments are therefore those that, in measure and balance, enjoy the complete sympathy of a perfectly informed and perfectly ethical impartial spectator. This idealized, abstract spectator knows both the contents of your heart and the ideal moral measure and balance of sentiments. (Evensky 2005, 117)

The source of these personal inclinations for “sympathy” and approbation, Smith tells us, is the “all-wise Author of Nature,”

The all-wise Author of Nature has, in this manner, taught man to respect the sentiments and judgments of his brethren; to be more or less pleased when they approve of his conduct, and to be more or less hurt when they disapprove of it. He has made man, if I may say so, the immediate judge of mankind....

But though man has, in this manner, been rendered the immediate judge of mankind, he has been rendered so only in the first instance; and an appeal lies from his sentence to a much higher tribunal, to the tribunal of their own consciences, to that of the supposed impartial and well-informed spectator, to that of the man within the breast, the great judge and arbiter of their conduct. (Smith 1982, 128–30)

In an Islamic moral framework, a believer is driven by the desire to worship and serve God, as expressions of love and gratitude. And it is from this desire that we extend our love to encompass all His creatures. This point is made clear in the necessary connection the Prophet makes between having faith and loving one another: “Ye will not enter Paradise until ye have faith, and ye will not complete your faith until ye love one another” (Al-Suhrawardy 2001, 77). In terms of justice, it is in our effort to put our relationship with God in its right place that we establish proper relationships with all His creatures. In contrast to Smith, therefore, it is not from our desire to seek social approval that we determine our moral rules of conduct. Instead, it is our efforts to be just—toward God and others—that constitute our morality. The “golden rules” presented by Imam Ali to his son are perfect examples of such efforts.

Furthermore, in Smith’s moral framework, God is the “all-wise *Author* of Nature.” His role, as such, is limited to having been the original architect of our moral dispositions, with little or no influence thereof. This view

of God, inspired by the doctrines of naturalism and deism, is in stark contrast to traditional Islamic theology that refuses to place any limits, conceptual or otherwise, to God. It is not surprising, therefore, that Smith's moral philosophy is predicated on a theology that excludes any meaningful role for prophecy and scripture. The endogenous nature of such morality is a logical corollary of its theological assumptions. Smith's choice of words is especially revealing in this regard. In line with God depicted as merely an "Author," our conscience is pictured as simply a "spectator." Both depictions limit the possibility of revelation and scripture assuming an enlightening or normative role in social and individual morality. In contrast, in describing the "self" as a "scale to judge its goodness or wickedness," Imam Ali uses the term *mizan*, which can also be translated as "balance" or "measure." Verses 101:6–9 use it to refer to the "balance" of our deeds on the Day of Judgment:

As for one whose scales are heavy, he shall enjoy a life contenting. And as for one whose scales are light, an abyss shall be his mother. (101:6–9)

From an Islamic perspective, the conscience constitutes both a descriptive and normative role, and is therefore more than a mere spectator. It is an internal "witness" or judge that intends to educate rather than appease, and to seek justice rather than praise. It does not presume to be a "higher tribunal" of our conduct, for such role rests with God, in this world and the next. Instead, it appeals to prophecy for guidance, knowing all too well that humanity, absent a moral compass, quite often loses its way. Therefore, the role of prophecy is to introduce moral order into a world that can easily drift into chaos, where power, not justice, determines everything. It serves as a reminder that the many gods we have concocted "neither nourish nor avail hunger" (88:7). More importantly, it instills in us a sense of shared humanity, of a common beginning and end, of unity and destiny. This conceptual and practical passage from the individual to the social will constitute the subject of Part 5.

PART V

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## Utopias and Markets

## Utopias and Markets: Introduction

It is perfectly reasonable to contend that at the root of all opinions lies a vision of an ideal. That is, one's view on any topic is usually informed by one's preexistent perception of a standard or benchmark considered to be perfect or supreme. It is rarely the case that any one of us is fully content with what is, but that we are all advocates for "progress" in one way or another. Every solution proposed to an existing problem is inspired by envisioning an improved state of affairs, and any blueprint for a social and economic system presupposes the possibility of establishing a future that is better than our present or past. For some, this better future lies in reinstating the past, a past believed to have contained a "golden age" that is long lost and forgotten. Even the defenders of an existing status-quo believe "progress" to be in more of the same, that continuity is quite often preferable to change. In short, humans possess very different notions of what constitutes "progress," a "better future," or a "golden age." However, an attribute they do share in common, universal across history and geography, and transcending their diversity and adversity, is hope. Humans are forever hopeful of better times, and would scarcely sacrifice anything of value were they to lose faith in such change. This faith or hope has also constituted the principal drive for the creative thought of intellectuals over time, whose visions for social change and reform have significantly influenced societies and cultures. A primary manifestation of such thought was in meticulously laid plans for change, which were often supplemented by

suggested images of the intended outcome. It has become customary, for better or worse, to categorize such plans or visions as *utopias*. Though such a label may seem entirely appropriate from a theoretical perspective, its meaning and use over time suffered from both mockery and disregard, reactions that are inconducive to proper intellectual discourse.

To Oscar Wilde, “progress is the realization of Utopias” (quoted in Hodgson 1999, 7). Utopias, therefore, as calls for continuity or change, constitute a universal and ubiquitous human mode of thought, and should not be construed as the intellectual fancies of a disillusioned individual or group. That some historical experiments in the implementation of utopian visions had assumed a perverted course, both in actions and their consequences, does not constitute sufficient reason for an intellectual or scholarly embargo. After all, there is an abundance of historical evidence that can be used to charge any social ideology with crimes against humanity. This is not to say that such crimes are attributed exclusively to errors in application; there is much in theory that can instigate moral perversions. It does mean, however, that intellectual objectivity is only possible if we are cognizant of the complex relationship between theory and practice; that we tend to overlook much of the nuances of human thought and action by conflating the two. In particular, we must never lose sight of the fact that such visions for change spring from minds and hearts imbued with sincerity and hope, and thus, human passion. It is in this spirit that we approach the topic of utopias, which constitutes the subject of the following section.

In economic thought, the discourse on utopias naturally leads to a discussion of markets, their history, nature, and substance. The history of economic thought, in the West in particular, can be roughly described as having oscillated between two competing visions of economic utopias, with one characterized by the ubiquity of markets, and the other by their complete absence. Following the discussion of utopias, we devote our attention to markets and their place in the broader intellectual discourse on progress and social change. Central to this discussion is the question that has occupied the minds of scholars for centuries, if not millennia, and that is: What social mechanism is most appropriate in guiding individual motives and actions toward the common good? It is precisely at this point that we introduce an Islamic perspective to this discourse. By examining the Islamic view of markets, we hope to provide some insight into the

Islamic response to the aforementioned question. In particular, we seek to answer the following questions: What is the “common good” in Islam? How does Islam view the relationship between individual interests and the “common good”? What mechanism does it propose to achieve this “common good”? These questions will constitute the subject of the final section in this final chapter of the book.

## Utopias

A topic as contentious and controversial as that of utopias will undoubtedly encounter a diversity of definitions. Lyman T. Sargent, in *Utopianism: A Very Short Introduction*, defines utopia as,

A non-existent society described in considerable detail and normally located in time and space. In standard usage utopia is used both as defined here and as an equivalent for eutopia or a non-existent society described in considerable detail and normally located in time and space that the author intended a contemporaneous reader to view as considerably better than the society in which that reader lived. (Sargent 2010, 6)

The literary theorist Darko Suvin defines it as,

The verbal construction of a particular quasi-human community where sociopolitical institutions, norms and individual relationships are organized according to a more perfect principle than in the author's community, this construction being based on estrangement arising out of an alternative historical hypothesis. (Quoted in Sargent 2010, 6)

Geoffrey M. Hodgson, in *Economics and Utopia*, provides a succinct definition, describing it as “a socio-economic reality that is both non-existent and alleged by some to be desirable” (Hodgson 1999, 4). And in his

classic, *The History and Philosophy of Social Science*, Scott Gordon (1991, 153) presents an even simpler designation, namely “the perfect society.”

Several scholars have highlighted the important distinction between utopia and utopianism, with the former used mainly to describe visions of a “perfect society,” while the latter denotes a mode of thought oriented to the conception and construction of such visions. The evolution of utopianism as an intellectual process is explained by the Polish philosopher Leszek Kolakowski,

[Utopia, which] emerged as an artificially concocted proper name has acquired, in the last two centuries, a sense so extended that it refers not only to a literary genre but to a way of thinking, to a mentality, to a philosophical attitude, and is being employed in depicting cultural phenomena going back to antiquity. (Quoted in Sargent 2010, 5)

In one of the most important works on the topic, *Ideology and Utopia*, Karl Mannheim defines this “state of mind [that] is utopian [as one that] is incongruous with the state of reality within which it occurs.” In describing this “state of mind,” he adds:

This incongruence is always evident in the fact that such a state of mind in experience, in thought, and in practice, is oriented towards objects which do not exist in the actual situation. However, we should not regard as utopian every state of mind which is incongruous with and transcends the immediate situation (and in this sense, ‘departs from reality’). Only those orientations transcending reality will be referred to by us as utopian which, when they pass over into conduct, tend to shatter, either partially or wholly, the order of things prevailing at the time. (Mannheim 1936, 192)

This tendency to “shatter, either partially or wholly, the order of things” is characterized by Irving Kristol as “madness.” While he does acknowledge that “men are dreaming animals,” he believed “madmen” to be those who “find it impossible to disentangle dreams from reality.” The resulting “divorce between rationality and reasonableness, which is characteristic of so many forms of madness, is also a crucial feature of modern utopianism.” To Kristol, this utopian tendency has “infected” our thought, and “we are all utopians now, in ways we no longer realize, [as] we are so habituated to them” (Kristol 1973, 500–1). But if the “incapacity to dream,” as Kristol admits, “makes a man less than human,” what explains his clearly apprehensive view of “utopian dreaming”? The answer lies in

the significant movement from thought to action, or as Mannheim states it, “when [thoughts] pass over into conduct.” This is clear in the following discussion by Kristol,

Rationality has always been taken to be a criterion of utopias. This, in turn, means that utopian dreaming is a very special kind of dreaming. All of us are aware, for instance, that there is a difference between a vision of paradise or heaven on the one hand, and a vision of utopia on the other. (Kristol 1973, 501)

And on religious utopias, he states:

The Old and New Testaments – or the Koran, for that matter – do not present us with utopias. It would be ridiculous to take literally or seriously any specific remarks that are found in these documents concerning the social or economic structure of heaven, or the mode of governance to be found there. (Kristol 1973, 501)

It is not at all clear that Kristol leaves any meaningful role for “dreaming,” let alone religious scripture. What is construed as “a very special kind of dreaming” in one social setting may well constitute the “order of things” in another setting. Therefore, the utopian label, in principle, can be affixed to any social ideology that promotes continuity or change. As a case in point, while “utopian thinking is typically associated with socialism and communism, ... the contrasting politico-economic schemes of pro-market libertarians can equally be described as utopian” (Hodgson 1999, 5). More importantly, Kristol’s absolution of religious scripture from the charge of utopianism, far from granting religion any worldly significance, elevates it to a lofty level of abstraction and generality that renders any practical relevance both negligible and unintelligible. That the Qur’an and the Old and New Testaments contain only trifling details on the “vision of paradise or heaven” is evidence of the fact that they are primarily intended for this world, in all its details or aspects. This means that they were purposely intended to “shatter ... the order of things,” and question the very notion of what constitutes madness or insanity. What is truly ridiculous is to believe that these revealed texts aimed at anything other than a radical disruption of the status quo. The texts had no use whatsoever for details “concerning the social or economic structure of heaven, or the mode of governance to be found there.” They did contain, however, a religious appraisal of “the social and economic structure” of our world, and

instructions toward realizing justice and redemption. In other words, they were not intended for the occasional and selective perusal of policymakers or intellectuals, but as an authoritative guide for all human affairs. This is because salvation in the afterlife, the final aim of religion and prophecy, is determined by our actions in this life.

A perceptive approach to understanding utopias and utopianism is that offered by Alija Ali Izetbegovic in his book, *Islam Between East and West*.<sup>1</sup> Izetbegovich adopts the “original meaning” of the term utopia as “a vision of an ideal system of human society according to the paragon of a perfect animal community: beehive, swarm, anthill, and so on.” Then, he examines the phenomenon of utopias in contradistinction to its “opposite and incompatible” phenomenon, drama. According to Izetbegovich, “drama is an event happening in the human soul, while utopia is an event happening in the human society. Drama is the highest form of existence that is possible in our universe. Utopia is a dream or a vision of a paradise on earth.” It follows, that “there is no drama in a utopia and, vice versa, there is no utopia in a drama” (Izetbegovich 1993, 161–62). The contrast between the two phenomena is evident in the following intellectual and practical implications:

Drama deals with man, utopia with the world. In utopia, the immense inner world of man is reduced to a fictitious auxiliary point. Since people have no soul – and that is the presumption of each utopia – there are no human or moral problems in Utopia. In it, people function; they do not live. They do not live because they have no freedom. A citizen has no character here; instead, he has the “psychology” which depends on his function in the labor process, that is, in the reproduction of life. “Good” and “evil” are meaningless to him. Not a single utopia, including the so-called scientific socialism, deals with moral questions. Utopia is beyond good and evil. Everything is a scheme. (Izetbegovich 1993, 164)

This utopian mode of thinking, argues Izetbegovich, is quite unlike that of religion, which deals entirely with human drama. He adds,

Religion, on the contrary, sees at the end of everything not entropy or eternal peace, but the last judgment, not total equality and general equilibrium, but drama. Drama is therefore, both essentially and historically, a sequel of religion, while utopia is a kind of science. (Izetbegovich 1993, 165)

It is not surprising, therefore, that the image of a utopia presented by Thomas More, “a man of deep religious convictions, ... [was] the vision of a *secular* utopia” (Gordon 1991, 160). Izetbegovich, in clearly stricter terms, argues that “utopia is a creed of atheists and not of believers....” In explicating this view, he argues,

The ideal society is a monotonous and infinite succession of depersonalized generations which bring forth, produce, consume, and die, and so on to the “wrong” eternity. The fact of creation and of God’s interference in the human existence made this “mechanism” impossible and illusory; hence, the fanatic opposition of all utopias to God and religion. So, while the prophets of utopia proclaimed society and its interests to be the supreme value, God wanted that role to be man’s. He gave freedom in order to make this world a temptation and to affirm man and his soul as the highest value. (Izetbegovich 1993, 174)

Religion did not seek, as was the case with most secular utopias, to eliminate “individuality and freedom,” but to affirm the “idea of human dignity.” Such was the intention of Prophets, the likes of Jesus and Muhammad, who were *not* social reformers in the modern secular sense. What they aimed for was far more pressing and consequential, the very “destiny of the human soul and [its] salvation...” (Izetbegovich 1993, 172). Notwithstanding the largely negative view of utopian thinking that is prevalent among scholars and the public, serious and sincere intellectual discourse would demand that we drop the pejorative sense of the term and engage in a thought exercise whose rules are not predisposed against one side or the other.

The earliest examples of utopian thinking, contends Kristol (1973, 501), “is first observable among the Greeks,” at the intellectual “moment when philosophy disengages from myth and declares its independent status.” Plato’s *Republic*, adds Kristol, “is the first utopian discourse we know of – a work of the philosophic imagination.” Sargent (2010, 17) concurs with this view, describing the *Republic* as “the fount of Western utopianism.” However, according to Gordon (1991, 158), Plato’s *Republic* “was not unique in outlining a system of social perfection. When the surviving ancient Greek texts were published during the fifteenth and sixteenth centuries, among the Hellenic legacies that were powerfully transmitted to the West were a large number of utopian social writings which Europeans of the Renaissance era read with avidity.” These Greek

writings “enriched and modified a tradition of perfectionist thought in which the West had already been thoroughly immersed through Christianity.” It so happened that the “speculative temper of the Greeks and the religious millennialism of Christianity came together during the Renaissance to form a mode of social thought that has been of great importance in the West ever since.” The concept of a perfect social order, continues Gordon (1991, 158), “is not exclusively Western, but nowhere else has it had such a notable impact on social thought and social practice.”<sup>2</sup> The intellectual roots of utopianism in the West, therefore, are believed to have been largely Greek and Christian.

The view that believes Christianity to have been a “fount of Western utopianism” points to “images and messages” in the Old and New Testaments. In the Old Testament, “the depiction of Eden, the worldview of the prophets [such as Jeremiah and Isaiah], and specific proposals made by the prophets were used by later utopians.” From the New Testament, “the message of Christ and the description of the apocalypse, Armageddon, and the millennium in the Revelation to John (Apocalypse of John) were immensely influential.” Furthermore, the “apocryphal books include depictions of the apocalypse, Armageddon, and the millennium that influenced later Christian thinkers” (Sargent 2010, 86–87). The case in favor of utopian thinking in recent Christian theology is “best represented by [Paul] Tillich, who wrote, ‘I believe it can be shown that utopia has a foundation in man’s being.’ For Tillich, we are utopians because we are human; utopia is, in the first place, the rejection or ‘denial of what is negative in human existence’; and all utopias are devices for representing man overcoming his finitude.” The Jewish philosopher Martin Buber shares a similar view, arguing that utopian thinking is central to both Judaism and Christianity, but warns of “turning utopia into a blueprint that must be followed.” In Liberation Theology, which developed primarily in South America, utopian thinking served an “oppositional function” against injustice and class discrimination (Sargent 2010, 99–100).

An example of a case against utopian thinking was that argued by Reinhold Niebuhr, who believed such thinking to be “heretical,” commenting that “[t]he utopian illusions and sentimental aberrations of modern liberal culture are really all derived from the basic error of negating the fact of original sin” (quoted in Sargent 2010, 99). Krishan Kumar, in his *Religion and Utopia*, believed in “a profound contradiction between the Christian religion and utopia.” To Kumar, “utopia is of this world; for many, religion is primarily concerned with the next; therefore, utopia is

heretical” (quoted in Sargent 2010, 98). The Hungarian-American Catholic philosopher Thomas Molnar believed “utopian thought [to be] itself evil,” a view similar to that of Izetbegovich, presented earlier. To Izetbegovich, that “the first idea of a utopia in European history came from Christianity [is] a tragic fact in its history.” As a case in point, he believes Campanella’s *City of the Sun* to be “a typical anti-Christian vision, for it advocates an earthly kingdom instead of the heavenly one, and it consequently deals with society instead of man. The *City of the Sun* is a denial of the essential aims of Christianity.”<sup>3</sup> As an illustration of this last point, Izetbegovich writes:

When Campanella was writing his vision of the ideal society, he was no doubt inspired by Christian “love for neighbors,” but in all his sympathy, the poor monk did not see that in his vision they were neither neighbors nor friends. They had disappeared, vanished into relations of production, consumption, and distribution. His neighbor neither loved nor hated; he was neither good nor evil; he had no soul; he was an anonymous but perfect individual who had his position in the scheme of the *City of the Sun* and who continually performed his function from birth to death. (Izetbegovich 1993, 173)

The contradiction, argues Izetbegovich, arises from the mistaken view that religion seeks to “put the outside world into order.” Religion, he adds, “is passion and obligation, not a comfort or a way for better living.” It follows, that “there is nothing in common between religion as a history of human martyrdom and the naïve and illusory ‘success’ of a utopia. One belongs to the Kingdom of Heaven, the other to the Kingdom of the Earth – ‘Civitas dei’ and ‘Civitas solis’. These two kingdoms do not belong to the same order of things” (Izetbegovich 1993, 172). Likewise, Gordon (1991, 159) emphasizes the fact that “St. Augustine’s fifth-century view of the order of perfection was other-worldly, referring to the regime of heavenly paradise, ...” He does add, however, that “there was always a strain of thought in Christianity that viewed perfection as attainable on the terra firma of planet earth.”

Nowhere is the conviction that a perfect society is achievable on planet earth than in socialist or communist thought. This was most evident in the thought of the utopian socialists, the likes of Saint-Simon, Fourier, Comte, and Owen. Given the influence of his thought on the subsequent development of socialist thought and politics, many scholars regard Marx,

among the utopian socialists, as the “greatest of them” (Gordon 1991, 163). From their writings, however, it is clear that he and Engels “were highly critical of what they called ‘utopian socialism’.” According to Hodgson (1999, 5), Marx “wrote disdainfully of those ‘writing recipes ... for the cook-shops of the future’”. Although sympathetic to the goals of the utopian socialists, these radicals were criticized by Marx and Engels for failing to root their ideal in an analysis of the real forces in capitalist society that could lead to their realization.” Hence, Marx and Engels proposed an alternative formulation for the eventual realization of a communist society—that of scientific socialism. This is based on the “thesis that capitalism engenders its own negation and itself prepares the preconditions for the transition to communism.” Yet, despite their criticism, Marx and Engels “took many presuppositions of the utopian socialists for granted, including the rational transparency and feasibility of socialism itself.” This has led to the view, as stated by Bernard Chavance, that Marxism “is a ‘utopia which is presented under the guise of an anti-utopia’” (Hodgson 1999, 5).

More recent attempts at visions of socialist utopias include that of John Roemer in his book *A Future for Socialism*. In his scheme, citizens are entitled to a per capita share of their country’s total capital assets in the form of vouchers that can be traded for other shares, but cannot be converted into money for the sake of lavish consumption. This prevents the emergence of a capitalist class, while allowing for “skill and luck” some role in fueling the requisite incentives for efficiency. Inequality will prevail, as the labor market is virtually unchanged, but will be significantly reduced. Yet another formulation, which borrows some aspects of a market system and socialism, is that developed by Joseph Carens in his work *Equality, Moral Incentives, and the Market*, with the subtitle, *An Essay in Utopian Politico-Economic Theory*. Carens’ goal was to preserve the efficiency of a market system, while avoiding its problematic incentive structure. This was to be achieved using a “tax system that cancels the disequalizing results” of market behavior (Cohen 2009, 63–72). While these proposals seek to find a perfect balance of socialism and a free-market system, it is important to note that not all visions of economic utopias involve elements of socialism. Hodgson (1995, 210–11) has advocated an “evotopia,” a concept that appeals to an evolutionary view of economic progress, and borrows primarily from the ideas of Malthus, Darwin, and Veblen. The vision consists of a mixed economy where markets and central planning assume “necessary” roles, and where “variety” and “impurities” are “indispensable.” Moreover,

there exists a rich tradition in the history of economic thought that envisions and pursues the creation of a pure market utopia. According to Hodgson, “Karl Polanyi (1944, 3) referred to the free-market ideal of many in the nineteenth century as a ‘stark utopia’, [while] Robert Boguslaw (1965, 136–42) cited similarly ‘the utopia of laissez-faire’.” On the free market as a utopian vision, Polanyi had this to say,

For the sake of society, the market mechanism must be restricted. But this cannot be done without grave peril to economic life, and therefore to society as a whole. We are caught on the horns of a dilemma: either to continue on the path of a utopia bound for destruction, or to halt on this path and risk the throwing out of gear of this marvelous but extremely artificial system. ... The utopian character of a market economy explains why it never could be really put into practice. It was always more of an ideology than of an actual fact. (Polanyi 2014, 217–18)

Moreover, Frederick Hayek, believed by many as the “intellectual champion of free-market individualism, was candid about his own utopian agenda.” In his trilogy, *Law, Liberty and Legislation*, he writes:

Utopia, like ideology, is a bad word today; and it is true that most utopias aim at radically redesigning society and suffer from internal contradictions which make their realization impossible. But an ideal picture of a society which may not be wholly achievable, or a guiding conception of the overall order to be aimed at, is nevertheless not only the indispensable precondition of any rational policy, but also the chief contribution that science can make to the solution of the problems of practical policy. (Quoted in Hodgson 1999, 6)

As a matter of fact, adds Hodgson (1999, 6), “Hayek’s own utopian vision pervades his writings and it is much more considered and detailed than that of Marx.” It follows that “whatever their virtues or failings, free market utopias have to be considered alongside socialism or communism.” More importantly, this must put a stop to the instrumental use of the term, and in a largely pejorative sense, aimed primarily at socialist and religious visions of utopias.

In a Platonic or Marxist construct, communal property constitutes the economic structure of the ideal society, whereas in a Hayekian or free-market vision, private property and markets characterize the social and economic basis of society. In the former, the abolition of private property

is believed to eventually lead to a classless, and thereby just, society, while in the latter, the public interest is best served by the “emergence of unintended spontaneous order [from the] interacting behaviors of self-seeking individuals” (Hodgson 1995, 200–3). Neither vision, argues Hodgson, can claim a monopoly on realism or feasibility:

To some, market ultra-liberalism is ‘realistic’, while collectivism is the unreal scheme of dreamers. This is often a manifestation of ideological bias, based on the presumption that pure free-market economies are more feasible than those based purely on collective property. It is argued ... that neither ‘pure’ extreme is feasible and that all economies necessarily involve a plurality of forms of property and systemic regulation. (Hodgson 1999, 6)

Furthermore, argues Hodgson (1999, 6), the market is “not a pure and unambiguous entity. This fact is typically ignored by both critics and supporters of market systems. All markets are institutions and many types of market institutions are possible.”

Therefore, despite the plain disparities between the two extremes of socio-economic systems, they do however share the central goal of achieving “a perfect society,” where perfection is merely the realization of that which is sought, and is therefore entirely subjective and relative. This common theme is all the more evident when we consider the “necessary” relationship between “perfection” and the idea of progress. This point is aptly discussed by Gordon (1991, 155), who writes that:

According to one prevalent point of view, the notion of a perfect social state is a necessary constituent of the idea of social progress. Since the concept of progress involves change *for the better*, how can we know when a change constitutes progress without judging it according to some ideal? In this view, a perfect social order must be described by the social philosopher for the pragmatic purpose of informing our judgments, and perhaps also for guiding our action, since if we know what would be perfect we can try to propel the course of change in the direction of the ideal. Those who hold such a view need not argue that a perfect social order is fully attainable in practice; it serves simply as a reference point.

Gordon (1991, 156) does admit, however, that this “necessary” relationship creates theoretical problems for the social philosopher, such as the implicit assumption that “imperfections of the real world are independent of one another,” or that “the conception of what constitutes a perfect

social order” is fixed and permanent. That the idea of progress is often associated with that of a utopia was also examined by Robert Nisbet in his book, *History of the Idea of Progress*, where he writes that “behind all of the utopian, religious, and power-obsessed minds of the utopians . . . , there lies a faith in history-as-progress, as progressive unfolding of potentiality, . . .” (Nisbet 1980, 267).

Another important underlying theme that permeates most utopian visions, often explicitly stated but for the most part implicitly assumed, is the precondition of a change in human nature that precedes the realization of the utopia. In other words, a particular vision for an ideal social and economic system presupposes a corresponding vision of an ideal human. Even in a Marxist framework, where material conditions are believed to be the fundamental cause of human thought and action, the changes sought in the material conditions of property and production are primarily intended to prompt a transformation in human consciousness and outlook. Regardless of any appraisal with respect to the validity of the Marxist argument and its theoretical and practical implications, the theory does provide for a change in human nature that complements the progression toward a classless and property-less society. In *Marx and Human Nature: Refutation of a Legend*, Norman Geras (1983, 15) presents a compelling argument that “Marx – like everyone else – did reject certain ideas of human nature; but he also regarded some as true.”

If a change in human nature is a prerequisite for the realization of utopias, such a transformation entails an active and conscious attempt to “design and construct a better society: the sinful conceit that Hayek usefully describes as ‘constructivism’.” This charge however, as Hodgson (1995, 205) has convincingly argued, applies to free-market utopias as well, where Hayek and others do often admit “the necessity of political intervention to check and reverse the socialist advance.” However, it is easier to mask the “interventionist temptation” in free-market utopias “by the fact that capitalist market systems are actually dominant in the modern world.” The argument frequently invoked is that societies have a natural proclivity to a market-based economic system. Not surprisingly, visions of mixed economic systems also appeal to a transformation in human nature. According to Cohen (2009, 65–76), the Carens scheme “relies entirely on non-self-interested choice,” while in Roemer’s vision, citizens may have to willingly sacrifice efficiency for the sake of equality. The bottom line, he adds, is that “each of these systems works only if people are unself-interested *enough* to accept the constraints that the

systems put on the pursuit of self-interest.” It is important to note that the aforementioned examples of utopias that explicitly call for a fundamental change in human nature are mostly *secular* in nature. It would therefore constitute clear “ideological bias” to submit the charge of ideological indoctrination to strictly religious utopias.

An issue that is central to all social and economic systems, including visions of utopias, is the nature and form of the relationship that governs the individual and society. More specifically, by what mechanism will individual actions and their consequences lead to the “common good” or the “public interest”? This, of course, presupposes a definition of what constitutes the “common good” or the “public interest,” an issue that is not at all unambiguous, even within the context of a specific ideology. An even thornier difficulty is that it is not always plain, in some ideologies at the very least, that a clear distinction can be made between the individual and society, such that we can clearly differentiate between individual interests and welfare on the one hand, and social interest and welfare on the other. According to the free-market or laissez-faire socio-economic system, it is believed that the spontaneous order of the market is most effective at mapping individual interests to the public interest; this has come to be known as the “invisible hand” thesis. In the next section, we offer a critical evaluation of this thesis, which then paves the way for the last section of the chapter, where we examine the Islamic perspective on utopias and markets.

## NOTES

1. Izetbegovich was elected President of the Republic of Bosnia-Herzegovina in 1990.
2. According to Sargent (2010, 67), other cultures that have developed utopian traditions include: Buddhist, Confucian, and Taoist China, Buddhist and Hindu India, the Islamic countries of the Middle East, Buddhist Southeast Asia, and Buddhist and Shinto Japan.
3. A similar argument can be made about Thomas More’s *Utopia*.

## The Market as Utopia: The “Invisible Hand” Thesis

The notion that “The Market” is considered by many to be “The Utopia” of their dreams or visions should not surprise us, given the loftier claims of more recent literature where money and markets have frequently been depicted as idols, both in a figurative *and* literal sense. It no longer pricks our mind or senses to encounter book titles such as: *The Market as God* by Harvey Cox, or *Money as God?* by Von Hagen and Welker. It is ironic, however, that while these modern representations of the market that invoke the sacred or the divine are not unique in this regard, the nature of the representation has evolved from a metaphorical to a literal form. That is, it is no longer the case that religious metaphors are borrowed and used to characterize market phenomena; today, markets have assumed a religious semblance, with the economics discipline as its guardian theology. And the metaphor that started it all, popularized by none other than the father of modern economics, Adam Smith, is that of the “invisible hand.” While much has been said on the concept of the invisible hand, Warren Samuel’s recent text, *Erasing the Invisible Hand*, with its breadth of scholarship, erudition, and analysis, will likely become the definitive opinion on the subject for years to come. Rarely is a concept so thoroughly researched and objectively examined.

In the *Preface* to his book, Samuels (2011, xv) emphasizes the view that the concept of the invisible hand “does not belong solely to technical economic theory, ... [but] is also a matter of ideology, theology, philosophy,

sociology, linguistics, and intellectual history.” When examined with this broad intellectual view, the concept loses much of the “positive” appeal that characterizes its status within the economics discipline. Then, it is no longer an authoritative statement on facts or “the truth,” but is more of a normative exercise in establishing “beliefs” and “social control.” This point is aptly made by Samuels, as he comments on Smith’s personal use of the concept:

One of the more striking aspects of Adam Smith’s uses of the invisible hand is that Smith himself anticipated the ambiguity and inconclusiveness of the notion of an invisible hand. He tells us in the *History of Astronomy* about doing so, but only in an oblique sort of way. Smith made mankind’s coping with an invisible hand that is ambiguous and inconclusive a feature of a striking theme, one in which a belief is offered in the absence of a truth, a process that introduces absolutist formulation that sets minds at rest. If the truth of the economic role of government were a matter of truth rather than belief, very likely much of the invisible-hand discussion would be resolved; but it is not a matter of truth, so the opportunity exists for there to be a conflict of beliefs – much the same as a conflict over whether monkeys or alligators set the allocation of resources. (Samuels 2011, xvi)

It is Samuel’s contention, therefore, that the concept was primarily *used* by Smith and his predecessors as a “social control” mechanism, or a “psychic balm” to set people’s “minds at rest” (Samuels 2011, xvii). It follows that the intellectual history of the invisible-hand concept is really the history of its many uses, its singular “selectivity” in attending to a broad range of candidates (Samuels 2011, xxiii). As a case in point, Samuels writes that:

The concept of the invisible hand, as distinct from candidates for its identity and function, has proven remarkably powerful in serving as social control and psychic balm in the western world. Use of the term ‘invisible hand’ seemingly transfers to something else – the responsibility for business decisions that may flow from a quest for power, perhaps in the form of market share or market structure. Placing responsibility on the invisible hand – or ‘the bottom line,’ or the belief that every business decision either is efficient or contributes to efficiency, or some other euphemism – not only absolves business from responsibility but obfuscates the power that business has and the power that motivates business. (Samuels 2011, xxi)

This instrumental use of the concept has arguably served some ideological outlooks more than others. This is especially true in the case of Frederick Hayek and the modern version of the *laissez-faire* tradition:

To argue for *laissez-faire* is, once again, to fail to open to scrutiny the uses to which government will be put by those who claim to have no or very minimal uses of their own. Much the same applies to two other ‘principles’ promoted by Hayek, namely ‘spontaneous order’ and ‘rule of law’. For Hayek and his disciples, much as for those who claim allegiance to Smith’s invisible hand, the invocation of an invisible hand constitutes a special kind of linguistic, ontological, and epistemological sleight of hand. (Samuels xxiii–xxiv)

To this predominant school of economic thought, the invisible hand has been “called ‘the first principle of economics’ and also the ‘only principle of economics.’” Others, such as Shackle, have gone so far as considering it the “one sole all-encompassing Principle of Nature, a theory which explains everything by a unified conception of what the cosmos is” (quoted in Samuels 2011, 10–11). Such high intellectual regard for the concept easily assumed political connotations, with some considering it to be the central argument in the “intellectual defense of capitalism,” while others believing it to be the “basis for arguing the superiority of free markets over politically controlled economic processes” (Samuels 2011, 12). The ideological purpose, therefore, as Robert Dorfman had argued, was to propagate the “belief that economic decisions are best left to the operation of free markets” (quoted in Samuels 2011, 8). But, Dorfman continues, if we are to ask the question: “Is it likely that Adam Smith’s brilliant conjecture will be confirmed in the end?” he responds:

I say no. In the first place, there is not going to be any end ... Besides, the progress made so far supports the common-sense view that no such simple dictum can be relied on in all circumstances. (Quoted in Samuels 2011, 9)

Duncan Foley has an even grimmer view of Smith’s conjecture, considering it to be Smith’s major “fallacy”:

Smith asserts the apparently self-contradictory notion that capitalism transforms selfishness into its opposite: regard and service for others. Thus by being selfish within the rules of capitalist property relations, Smith promises, we are actually being good to our fellow human beings. With this amazing argument, Smith proposes to absolve us of the moral ambiguity and pain that haunt capitalist reality.

This is Adam’s Fallacy. For many people it works as a rationalization for tolerance or active support of the fundamental institutions of capitalism, private property, and the market. But it is an argument that is logically

fallacious (like a lot of Smith's purported arguments), and in the end it is unsatisfactory both morally and psychologically. (Foley 2006, 2–3)

Elaborating on his depiction of Smith's conjecture as a "fallacy," Foley writes:

The moral fallacy of Smith's position is that it urges us to accept direct and concrete evil in order that indirect and abstract good may come of it. The logical fallacy is that neither Smith nor any of his successors has been able to demonstrate rigorously and robustly how private selfishness turns into public altruism. The psychological failing of Smith's rationalization is that it requires a strategy of wholesale denial of the real consequences of costs on those least able to bear them, and the implacable reproduction of inequalities that divide people from one another in society. (Foley 2006, 3)

A *policy* fallacy can also be added to this list, one that E. K. Hunt alludes to in his *History of Economic Thought* when he writes that:

Given Adam Smith's assertion that "civil government, so far as it is instituted for the security of property, is in reality instituted for the defense of the rich against the poor, or of those who have some property against those who have none at all," it behooved both Smith and Ricardo to show why government would not be used by capitalists in exactly this way. Without such a demonstration the invisible hand argument would inevitably be used simply to justify any observed outcome in a market, capitalist system. (Quoted in Samuels 2011, 36)

This instrumental use of the invisible hand to promote a certain ideology and set of interests is maximized by attributing a metaphysical dimension to property rights and markets, thereby discouraging any potential dissent. Everyone is led "to believe that something transcendental is in control and that in the end everything is going to work out for the best" (Samuels 2011, 111). And yet, in a manner reminiscent of Mirowski's "double-truth" argument against neoliberalism, this general faith in markets masks an underlying irony, or perhaps more fittingly, a blatant hypocrisy:

One ironic aspect of the foregoing is that although some or many advocates of the invisible hand treat it as an absolute transcending human decision making, or policy, the operative significance of their advocacy is to do exactly

what they say cannot and/or should not be done, namely to introduce and legitimize their preferences as to moral and legal rules into the process of working out those rules. (Samuels 2011, 112)

And so, if at the end of the day what truly matters is how we humans “work things out,” the *concept* of the invisible hand is, as Samuels has convincingly argued, “only that – a concept” (Samuels 2011, xviii). And as a concept, it has mainly been used to justify “one view of the world” (Samuels 2011, 130). To this summary of Samuels’ valuable reading of the concept of the invisible hand, we add the following observations.

A careful musing on the concept of the invisible hand and its precise choice of words reveals much of its intended meaning. Irrespective of whose “hand” the concept is referring to, it remains “invisible,” and therefore, for all practical intents and purposes, *irrelevant*. An invisible hand is simply an absent one; absent from any active and meaningful impact on human thought and action. The argument that such a concept was primarily aimed at putting minds at rest would suggest that such minds lacked concrete thoughts and beliefs to begin with, and were thus urgently in need of some theory to fill the gap. Such an assumption, however, lacks both historical and moral credibility. It was never the case that individuals or societies lacked a conceptual framework by which to make sense of their world; at any point in time, different worldviews contend for human adherence, each claiming to be the truth. A more plausible argument is that the concept of the invisible hand was intended to *displace* a predominant view of the world, one that was fundamentally religious and highly critical of capitalism, with another that is inherently secular and supportive of capitalism. The *invisibility* of the invisible hand of capitalism was meant to replace the *visibility* of God’s will and creation. That which is visible of God’s order of creation and His infinite bounties was gradually overshadowed by a mindset that fails to see beyond what is temporal and finite. It is not surprising, therefore, that scarcity, and not abundance, was to become the key concept at the heart of modern economic thought. Minds and hearts can scarcely appeal to an invisible force for mercy or justice, and are thus more likely to surrender to the powers that be. This is especially true when the supposedly metaphysical identity of that which is invisible is sufficiently ambiguous and abstract to render any religious import highly superficial and insignificant. Thus, any allusion to metaphysical attributes was merely an attempt to render the metaphysical

neutral, both theoretically and practically. This explains the complete absence of any reference to prophecy and scripture, the most *visible* manifestations of the metaphysical or the divine. The concept of the invisible hand, as such, far from putting anxious minds at rest, provoked even more unrest and angst by exposing everyone to the dangers of ruthless conflict or the tempting refuge of fatalism. The logical implication of rendering the metaphysical invisible is its eventual abolition. The market then truly becomes all that there is, and we have no recourse to a moral savior. It would seem, therefore, that the “death of God” was first proclaimed at the dawn of modern economics, much earlier than Hegel or Nietzsche.

Interestingly, we can read from the Qur’an a most fitting response to the invisible-hand argument, a response that also invokes the use of “Hands” as a metaphor. In rejoining the charge that God is miserly, the answer is:

Nay, but His two Hands are outstretched, He bestows as He wills. Surely that which has been sent down unto thee from thy Lord will increase many of them in rebellion and disbelief. (5:64)

The order of creation was predicated on a logic of abundance, rather than scarcity; instead of *an invisible* hand, “His two Hands are outstretched, He bestows as He wills.” At a conceptual level, the divine contrast is seemingly simple; but in terms of their implications, the two views of creation are worlds apart. In addition, argues Nasr (2015, 311), “this verse further mentions the paradoxical idea, found elsewhere in the Quran, that prophecy or revelation, although intended to bring guidance, may actually lead some people farther astray (cf. 3:19; 5:68; 8:2; 9:124; 17:41, 60, 82; 35:42; 71:6; 74:31). Here the revelation the Prophet receives from God serves to *increase many of them in rebellion and disbelief*. Revelation and prophecy are thus referred to in several places as the *Criterion* (*Furqān*; 2:53, 185; 3:4; 21:48; 25:1), meaning that part of their function is to distinguish and separate believers from disbelievers, ...” The idea that prophecy often summons a reaction that is contrary to its intended purpose is not odd, however, but rather normal; a similar reaction beset the prophets when they endeavored to challenge the status quo of their times.

## Markets in Islam

Though he never referred to it by its name, As-Sadr was highly critical of the underlying logic of the invisible-hand concept. He believed the concept suffered fundamental moral and philosophical flaws, and yet, was characteristic of the secular and materialistic worldview that produced it. In his two masterpieces, *Falsafatuna* (Our Philosophy) and *Iqtisaduna* (Our Economy), As-Sadr presents a penetrating contrast between the moral and philosophical foundations of capitalism on the one hand, and that of the Islamic socio-economic system on the other hand. He believed that modern capitalism emerged in Europe because European societies contained the moral preconditions for the rise of the capitalist spirit. Capitalism did not emerge based on a pre-established “materialistic philosophy of life,” or as a direct consequence of philosophical indoctrination by Western philosophical schools of thought, but rather, as a product of the gradual psychological “separation” between earth and heaven, or this world and the next. The “setting up [of] this system did not assume a complete philosophical comprehension of this process of separation,” but developed in conjunction with an emergent intellectual discourse of “comprehension” and rationalization (As-Sadr 1987, 9–11).

The capitalist “spirit of materialism” developed as the “notions and criteria [of morality] underwent a change.” This change was caused by a fundamental transformation in human outlook that occurred in Europe, from a worldview that looked “up” to the heavens for guidance and

salvation to another that looked “down” to the earth for knowledge and survival. By focusing on the individual, detached of all extra-human factors, the principal objective of society became the extensive provision of freedom to satisfy individual interests. This objective was based on the capitalist conviction that by providing the conditions necessary for the maximum fulfillment of individual interests, such interests will, directly and indirectly, achieve the social interest (As-Sadr 1987, 10–11). Thus, argues As-Sadr,

[I]t was possible for the society to dispense with the services which moral and spiritual values render and to fulfill its interests through the capitalist method ... It is for this reason that the freedom proclaimed by capitalists was bereft of all the moral and spiritual frameworks and values, because it was [free] even in the appraisal of these values. It does not mean that these values have no existence in a capitalist society. It only means that capitalism does not recognize the necessity of these values to ensure society’s interest and thinks that it is possible to dispense with them by providing freedoms to the individuals, [al]though the people were free to adhere to these values or reject them. (As-Sadr 1984, 25)

But this capitalist conviction concerning an effective link between individual and social interests was highly questionable to As-Sadr. He writes,

Further, how could the linkage of social welfare to the individual suffice for directing an individual to the actions called for by ethical values when many of these actions do not benefit the individual? If, on the other hand, it happens that such actions involve some benefit (to the individual) since he is a member of society, that slight benefit, which is not grasped by a human being except by means of analytical scrutiny, is often rivaled by the absence of immediate benefits or personal interests that find their assured attainment in freedom. Thus, the individual abolishes any ethical scheme or spiritual consideration for their sake. (As-Sadr 1987, 11)

In other words, there is no economic or material prerogative in a system founded on absolute freedom that compels any individual to forsake his or her interests for the benefit of society. Such a sacrifice is only possible if actions are ethically executed “for their sake,” a notion that is largely nonsensical in a materialistic and egoistic framework. The unreasonableness of such an argument leads As-Sadr to describe the thesis in these terms: “a *magical* equipment working spontaneously without any moral and spiritual consideration, to turn the struggle of the people for their personal earnings

into a machine which might guarantee the public interests and social welfare" (As-Sadr 1984, 31; emphasis added).

According to As-Sadr, any potential link between individual and social interests, and in any social context, can *only* be conceptualized and realized if based on predefined moral or religious basis. It is necessary that social interests are well-defined and comprehended, and this is only possible by resorting to existent ethical theories or foundations. Also, if such social interests are to be taken seriously, they must assume an acceptable prevalence over individual interests, and thereby considered worthy of being afforded some level of individual sacrifice. Finally, and most importantly, this requires justification for certain "curbs" or "limitations" on personal freedom. But by allowing any such restrictions, capitalism will essentially compromise much of its original doctrinal assumptions. And if such concessions are to be rejected, on ideological grounds, for example, freedom then assumes more than just an instrumental role, but becomes an end rather than a means. This, As-Sadr argues, has gradually formed the basis for the "moral practice" of the European (As-Sadr 1984, 45–47).

The Islamic moral practice, on the other hand, with its inherently religious substance, can preclude any necessary contradiction between individual and social interests. The Islamic solution to this possible contradiction is neither to sacrifice individual interests for the sake of social interests, nor to forgo social interests in the service of individual interests. Instead, it "gave each – the individual and society – their rights and insured for the individual both his spiritual and material dignity." This was made possible by establishing a "new moral criterion for human beings," namely, "the satisfaction of God." The "reconciliation and unification" of personal and social interests toward a unified objective is based on the premise that a "human being achieves happiness proportional to his efforts in this limited life to attain God's satisfaction." This allows the Muslim to experience "a strong bond with the group to which he belongs," and to recognize a relationship of "harmony between him and his community instead of the concept of ... struggle which dominated modern European thought" (As-Sadr 1984, 26–27). By establishing "God's satisfaction" as the ultimate aim of believers, a believer does not perceive any inevitable conflict between his or her individual interests on the one hand, and social interests on the other, since the final arbiter of any potential clashes of this kind will be the supreme criterion of divine sanction; though both individual and social interests are to be considerably valued, they remain subordinate to divine will and command. According to As-Sadr,

Thus, the basic distinguishing feature of the Islamic system is represented in its being based on a spiritual understanding of life and a moral sense of life. A major point of this system is the taking into consideration of both the individual and society, and the securing of a balance between the life of the individual and social life. The individual is not considered the central principle in legislating and governing, nor is the large social existence the only thing to which the state pays attention and for whose sake it enacts its laws. (As-Sadr 1984, 27)

This “balance,” ever so critical, is secured by religion:

Hence comes the role of religion [as] being the only solution of the [social] problem, because religion constitutes the only framework in which the social problem could be solved. This is due to the fact that the solution depends on agreement between personal impulses and general social interests and this agreement religion could provide to humanity. Because, religion is the only spiritual power which can compensate for a man’s temporary pleasures which he forsakes in his worldly life in the hope of gaining perpetual comfort. (As-Sadr 1984, 84–85)

The main argument of As-Sadr’s general thesis, therefore, is that the “economic doctrine of Islam is distinguished from other economic doctrines by its general religious framework.” The religious nature of the doctrine is not merely a formative matter, but constitutes its theoretical and practical core. This is because only religion—with *prophecy* signifying its theoretical portion and *piety* its practical portion—can unify personal and social interests in a single framework that lacks any essential contradictions. Religion, in a sense, becomes the *visible* hand that mobilizes “personal impulses for the sake of general interest” (As-Sadr 1984, 76). The Islamic socio-economic doctrine is thus a *religious* doctrine, with *religious* objectives, characteristics, and practice.

A believer’s desire to realize divine satisfaction constitutes the main impetus for action. In the process of exercising such desire, the believer, and as a natural consequence of his actions, fulfills the demands of individual and social interests. This is because these interests, properly understood, are subsumed as an integral part of one’s religious duties and obligations; it is an integration built into the divine order of creation. In other words, as minds and hearts constantly gravitate to the Divine Source, they are intuitively inspired to do good and abstain from evil, and thereby, achieve the proper mix of individual and social interests. And in response

to the usual claim that such a religious orientation gradually develops a fatalistic tendency in believers, As-Sadr writes:

I will content myself with saying that the Muslim man's inclination to heaven does not in its basic sense mean the submission of man to fate ... Rather, this inclination of the Muslim man is, in fact, an expression of the beginning of the *khilafah* [vicegerency] of man on earth. This, by nature, he inclines to the realization of his position on earth as God's *khalifah* [vicegerent]. I do not know a concept more rich than the concept of caliphate to God, as confirmation of man's capability and his powers ... Likewise, I do not know a meaning further from the true meaning of caliphate to God than submission to fate and circumstances. (As-Sadr 1984, xxxvi)

In fact, it may be argued that secular utopias—and their fanatical obsession with the idea of progress—are especially fatalistic in their conceptual and practical orientations. We have maintained, more than once in this book, that these secular ideologies posit a conditional view of history and human progress, where certain conditions are deemed necessary for the eventual realization of social justice and material abundance. There is no sense of urgency if waiting is both necessary and inevitable; hence the fatalistic tendencies inherent in such social agendas. Religion, on the contrary, demands immediate justice, amidst a real and extant abundance. Such justice, by virtue of man's vicegerency on earth, can neither be excused nor delayed.

As-Sadr thus presents a theory of human action based on the first principle of the “vicegerency of man on earth.” By assuming the responsibility of preserving God's creation, humans are motivated to actively engage their “capabilities” in achieving the proper objectives, using the proper means—that is, to put everything in its right place and to give everyone that which is due. It is within this fundamentally religious framework that we examine the Islamic perspective on markets, to which we now turn our attention.

Specifically, we seek to examine the notion of an *ideal* market as informed and envisioned by Islamic scripture and tradition. This, of course, rests on the assumption—itsself an object of this inquiry—that such an Islamic notion of an *ideal* market does in fact exist, if not in practice, at least in theory. It is crucial from the outset, however, to highlight some significant methodological issues of relevance to this inquiry, and that have prevented the field of Islamic economics from offering much in relevant

substance or content to our general understanding of markets as viewed from an Islamic perspective (Staveren 2009).

In the mainstream economics literature, dominated to a large extent by the neoclassical paradigm, there is a clear deficiency in systematic examinations of markets, their structure, nature, and role (Lie 1997; Hodgson 2008; Fligstein and Dauter 2007). Moreover, and to some extent reinforced by this deficiency, there is a general tendency to uncritically accept the definition and view of markets endorsed by the neoclassical school. This view maintains that a market can be reasonably construed as an internally consistent system, which can effortlessly be transmitted across geographical, social, and temporal domains. This opinion has been developed into an abstract model that can be employed within any context, with little regard for cultural, religious, and ethical variations. Surprisingly, this definition has not only guided the outlook of economists that subscribe to the neoclassical paradigm, but has influenced the methodology of heterodox schools and related disciplines as well. As a case in point, and in an insightful critique of communitarian views of the market, Staveren (2009) argues that communitarians such as McIntyre and Anderson mistakenly equate the economy with the neoclassical view of markets, “a rhetorical move that many neoliberals also make, including many neoclassical economists, ignoring the economic role of the state but also the role of the unpaid care economy and its interpersonal relationships.” By “reducing the economy to markets,” they end up creating a “false dichotomy between the economy and morality ...” The main explanation for this dichotomy lies in the “belief that the economy, and hence, economic behavior, is best explained by the neoclassical theory of economics.” And so, rather ironically, in their sincere efforts to criticize the neoclassical paradigm, these same scholars ignore alternative and competing theories of markets, thereby inadvertently consenting to the view that the “neoclassical economic theory provides an adequate description of the economy and, hence, that the real world economy has become a copy of a reductionist theory of it, as in a self-fulfilling prophecy” (Staveren 2009). Still, the intellectual aspirations of the neoclassical approach seem to know no limits, as progressively more traditional boundaries that separate disciplines are dissolved under the thrust of the Rational Choice paradigm. This approach, clearly not content by treating markets as an abstract entity, has developed the neoclassical view of markets into *the* mode of thought by which the entirety of social life is understood and imagined. All aspects of social life are subjected to the logic of markets, and society has thus become synonymous with

markets, a precarious development that Karl Polanyi had warned against. And religion, that “supreme producer of cultural limitations on economizing,” itself becomes a market (Bruce 1993, 205).

In an Islamic context, this dominant view of an abstract market divorced from any social or historical context prevents scholars from properly studying the nature of the relationship between Islam and markets. Instead of adopting an active approach, it directs the inquiry instead to assume an unnecessarily defensive and even passive approach. Just as this construct “can be used for nonmarket spheres precisely because there is nothing particular about the institution or the structure of the abstract market,” it can likewise be generically applied to any religious, social, or cultural context (Lie 1997). Instead of treating markets as socially or religiously embedded institutions, we systematically embed religion or society within markets. When we do adopt the former approach, we realize that markets, as socially or religiously embedded institutions, can take several forms. The precise structure and substance of a market, therefore, is conditional on the social and religious context.

A second methodological shortcoming, closely related to the first, is the inclination to brand Islamic economic doctrine as a close variant of capitalism or socialism, without engaging in any meaningful theological, cultural, and historical analysis. Any seeming parallels between Islamic societies and doctrine on the one hand, and capitalist or socialist societies and doctrine on the other, are accepted as sufficient evidence to characterize the former as belonging to either of the latter. Nomani and Rahnema (1994, 53–54) remark that many “consider the distinguishing features of the Islamic economic system as basically the same as those of capitalism, [while] others categorize it as an anti-capitalist, socialistic and egalitarian system. [Yet] a third position can also be deduced from Islamic evidence which would demonstrate that Islam represents a sequential economic system [planned and then capitalist].” To others, this “third position” or “third way” is a “middle way between the individualist excesses of Western capitalism and the repressive centralization of socialism” (Hefner 2008, 143). The concern with such characterizations, as noted by Tripp (2006, 110), is the failure of Islamic economists to extricate their analysis from the limiting assumptions of mainstream economics. The literature is replete with attempts to “discover” an “Islamic capitalism” or “Islamic socialism,” as is the case with Rodinson (1966), Labib (1969), and Nasr (2009). Vali Nasr, in his book *The Rise of Islamic Capitalism*, claims that the recent surge in economic activity by Muslims in Islamic societies is an

indication of a distinct “Islamic Capitalism.” However, the book’s arguments and supporting evidence are clearly insufficient to warrant such a claim, as they focus mainly on superficial elements of Muslims’ economic behavior, and with minimal consideration given to the true meaning and significance of the terms “Islamic” and “capitalism.” Only by carefully defining what it means for something or someone to be characterized as “Islamic” can we then draw reasonable generalizations about the current state of Muslims and Islamic societies. The fact that Muslims actively participate in contemporary markets does not necessarily characterize such markets as *Islamic*, any more than Christians participating in such markets renders them *Christian*. Expressions such as, “consumes Islam as much as practicing it,” “makes Islam big business,” and “Islamic consumers” (2009, 14) only illustrate the ineptness of such an approach. These untenable generalizations are even more problematic when complemented with the arbitrary and ambiguous use of terms and concepts. A sample of this concerns the unqualified use of “capitalism” and “markets” interchangeably. The distinction between the two was brilliantly illuminated by Fernand Braudel, in *Civilization and Capitalism*, and nicely summarized by Wallerstein (1991) in his review of Braudel’s epic work.

Economic Life is regular, capitalism unusual. Economic Life is a sphere where one knows in advance; capitalism is speculative. Economic Life is transparent, capitalism shadowy or opaque. Economic Life involves small profits, capitalism exceptional profits... Economic life involves controlled competition, capitalism involves eliminating both control and competition.

A similar sentiment is argued by Warren Samuels, in his review of Thomas A. Burczak’s *Socialism After Hayek*, when he writes that,

A market economy differs from a capitalist economy. A market economy that is a capitalist economy is one dominated by the middle class. Indeed, a capitalist economy may so control markets that it is no longer a market economy. (Samuels 2008, 141)

This distinction between “capitalism” and “economic life” (or markets) is but a logical extension of the case alluded to earlier, that markets (and capitalism) can take many forms, conditional on historical and social contexts. This allows for the possibility that markets may exist in a setting quite unlike contemporary “capitalist” economies (Fligstein and Dauter 2007). Wilson (2006) also conveys a similar meaning, stating that “the

[Islamic] approval of markets does not, however, extend to unqualified support for capitalism, as interest-based finance is seen as central to its process of capital accumulation.” Nomani and Rahnema (1994, 59) also argue that “it would be premature and inaccurate to conclude that all the evidence indicates that the Islamic economic system is simply a morally constrained replica of the capitalist economic system.” Both statements do seem aware of the methodological problems that we have alluded to, and the latter statement even more so. However, they do contain residual elements of the conventional wisdom. In the first statement, interest is portrayed as the decisive factor distinguishing the Islamic economic system from capitalism, a constricted view that this book has sufficiently refuted. Moreover, the statement seems to imply that Islam does support capitalism to some extent, a view that As-Sadr and others have strongly rejected. Furthermore, both statements fail to overcome the stubborn temptation to constantly view Islam with the lens of modern capitalism.

A further deficiency in the Islamic economics literature is the often-unsubstantiated use of historical facts and Qur’anic verses in the formulation of theoretical economic principles, or the justification of existing economic practice. As a case in point, it is an acknowledged historical fact that the Prophet was a merchant (Nomani and Rahnema 1994; Hefner 2008; Rice 1999). This historical detail will surely fall into the category of arguments that present a favorable Islamic view of markets. However, the fact itself contains very limited substantive content. Its limited duration—before the Prophet announced his prophecy—and pre-Islamic context offers little historical content. More importantly, it provides minimal theoretical insight into any potentially *Islamic* formulation of markets. What it does provide is that merchants who seek to emulate the Prophet should aspire to be “astute, honest and capable tradesmen” (Nomani and Rahnema 1994, 56). Any inferences drawn beyond these modest limits would be unqualified. Clearly then, the protracted use of isolated historical accounts to generate theoretical generalizations can be problematic. This is even more critical when such an approach is employed in the interpretation of Islamic scripture. Verses are for the most part cited (and often in footnotes and endnotes) without explaining the connection between the verse and the argument under consideration. No careful exegetical analysis is offered as supporting theological evidence for the advanced opinions. One is unreasonably forced to trust that such interpretations satisfy the strict requirements of systematic theology and exegesis. A similar argument was compellingly made by Rossouw (1994), arguing that

“simply citing a chapter and verse for the moral statement you are making is not sufficient to make a Christian ethic.” He argues that “texts or codes of conduct, cut loose from the situation of their origin, suffer from the same lack of textual vision and meaning that alone bestow on them their Christian character and content” (Rossouw 1994). Likewise, what is needed in the field of Islamic economics is the substantiated use of verses that judiciously considers their original context and intended meaning. This is best achieved by incorporating into the analysis the extensive and detailed opinions of Islamic theologians and exegetes.

In light of these methodological issues, and faced with the challenging task of envisioning an alternative economic system, many scholars opted for the easy route by subscribing to conventional economic wisdom. Our view, which has been resolutely argued by the first generation of Islamic economists such as As-Sadr, is that such intellectual concessions are unwarranted, especially given the successful debates initiated by heterodox and Christian schools of economic thought. Within this literature, there exists a wealth of theoretical content and methodological experience from which the field of Islamic economics can usefully borrow. In this chapter, and the book in general, we have attempted to diverge from the long tradition of approaching the subject in an overly simplistic manner, which ends up producing generalizations that barely scrape the surface of an otherwise deep and multilayered subject. We now proceed to examining the notion of an “ideal” market from an Islamic perspective. We divide this task into three subsections: **Exchange**, **Character**, and a **Conclusion**.

## EXCHANGE

According to the celebrated historian of economic thought, Mark Blaug, the history of economic thought is “nothing but the history of our efforts to understand the workings of an economy based on market transactions” (quoted in Lie 1997, 342). As such, modern economic thought has been mainly preoccupied with an overly descriptive examination of markets—that is, the positive analysis of market behavior and outcomes. This approach marked a fundamental departure from premodern schools of economic thought whose main concern was a prescriptive approach to markets: the normative analysis of economic behavior and outcomes. Our current effort rightly belongs to the latter tradition, in that we seek to discover *Islamic* rules of conduct that would serve as a personal guide for

market participants. This process of discovery must naturally begin with an examination of Islamic scripture, the Qur'an and *hadith*, both of which provide the theological basis necessary for an *Islamic* vision of an ideal market.

In verse 4:29, the Qur'an presents an illuminating view of market exchange:

O you who believe! Consume not each other's wealth falsely, but trade by mutual consent, and slay not yourselves. Truly God is Merciful unto you.

The following *hadith* reiterate the meaning contained in the Qur'anic verse:

Indeed exchange is based on mutual agreement.

Someone's property will not be lawfully acquired by another unless it was given to him willingly. (Al-Suhrawardy 2001)

It is clear from the above that the basis for proper exchange is "mutual consent." Implicit in the verse and *hadith* is a definitive sanction of private property, albeit not in an absolute sense, as we have sufficiently explicated in previous chapters. The sanction equally applies to the transfer of private property, provided that such transfer is based on "mutual agreement." This view clearly excludes the appropriation of property through "wrongful means," such as violence, coercion, theft, and fraud, while allowing for nonmarket forms of property transfer, such as gifts, prizes, inheritance, and dowry. However, the insufficiency of the "mutual consent" condition is immanent when applied to abnormal market practices, such as gambling and interest-taking, both of which are absolutely proscribed in Islamic doctrine. In his distinguished exegesis of the Qur'an, Tabatabai interprets the above verse to mean: "trade with mutual consent, done in [the] correct way, which can easily fulfill all needs of society." Exchange, in addition to satisfying an implied personal benefit for all participants, should be conducted in accordance with given standards of justice, and must also fulfill a desirable social function. Proper exchange from an Islamic perspective, therefore, constitutes the active recognition by all participants of the inherent personal and social benefits of just market interaction. We can thus identify three interconnected conditions for proper market exchange: personal benefit, social benefit, and commutative justice.

With regards to personal benefit, it is safe to assume that consenting market participants will seek to engage in transactions that promise a foreseeable personal advantage, the content of which is, to a large extent, fashioned by subjective needs and preferences. Such preferences, however, are constrained with respect to the production and consumption of certain commodities considered *haram*, such as wine, pork, and dead animals. Within the domain of lawful (*halal*) commodities, the personal benefits of market exchange are to be actively sought. According to the prominent medieval Islamic theologian Al-Ghazali, believers should engage in business and trade as a means of “saving [oneself] from depending on others.” In seeking our personal dignity through an autonomous means of livelihood, we naturally enter into “various kinds of trade and industry ... [where each] is responsible for one kind of work” (Al-Ghazali 1993, 58). This naturally creates the need for an exchange mechanism that can effectively channel the interpersonal benefits resulting from increased specialization. In highlighting the benefits of specialization and exchange, Al-Ghazali appeals to a tradition of the Prophet in which he says that “difference among my people is a blessing” (quoted in Al-Ghazali 1993, 58). Such “blessing,” however, extends beyond the individual benefits accruing to consumers because of an increased “consumption set,” or to producers in the form of profits from sales. The “blessing” is also a reference to the social benefits that must be realized from market exchange. This meaning can be inferred from the following *hadith*:

God blesses one who is generous when he sells, buys, and solicits.  
 God forgives the one who is merciful when he sells, buys and solicits.  
 Be merciful, and you will be treated likewise.  
 Benevolence is one aspect of profit.  
 O people of the market! Fear Allah and avoid oath taking, for it perishes merchandise and eradicates blessing. A merchant is dissolute, except one who takes and gives righteously. (Qahf and Al-Muballaghi 2007)

The likely reading of the above *hadith* clearly suggests that the Islamic view of market conduct is not identical to the neoclassical view, where self-interested individuals consistently seek to maximize their personal objectives. Instead of being described as “rational,” in the economic sense of systematic utility-maximizers, consumers are expected to be “generous” and “merciful.” There is a clear and fundamental difference between these two notions of the consumer. In the Islamic case, the consumer is

not defined solely in terms of its own objectives, but in terms of its relationship to other participants in the market, and its religious obligations derived in seeking to achieve divine satisfaction. In the Robinson Crusoe framework of the neoclassical model, the consumer is primarily interested in maximizing utility, which is a strictly private matter. In an Islamic framework, to be “generous” or “merciful” is always, and can only be, in relation to someone or something else; the act originates privately, but is projected socially. As such, the end to which an act is intended must be simultaneously personal and social. This argument also applies to the Islamic notion of a producer, who is also required to be “generous” and “merciful.” In an Islamic context, therefore, market participants do not perceive any necessary conflict between private and public interests, an idea elaborated earlier in the chapter. On the contrary, they recognize a significant complementarity between the two interests, to the extent that they eventually conceive of a unified relationship, where the differences are mainly categorical, rather than essential. Such a relationship, however, presupposes the existence of a *necessary link* between private and social interests. The entire argument thus rests upon the critical premise that some conceptual mechanism forges this necessary link between private and social interests, such that both sets of interests achieve congruency, rather than conflict. According to As-Sadr, this necessary link is *religion*,

[T]he goal that Islam set up for human beings in their lives is the divine satisfaction, and the moral criterion by means of which all actions must be weighed is only a measure of this glorified goal that these actions can achieve. The righteous human being is one who achieves this goal. And the complete Islamic personality is the one which, in its various advances, moves by the guidance of this goal, in light of this criterion and within its general scope. (Sadr 1987, 27)

We are now in a position to appreciate the practical significance of the *hadith* presented earlier. When the Prophet says, “God forgives (blesses) the one who is merciful (generous) when he sells, buys and solicits,” one can clearly comprehend the “reconciliation” or “unification” role of religion in a market with respect to private and social interests. The “righteous” consumer or producer, while seeking an immediate personal benefit from market exchange, will intentionally seek to achieve a social benefit as well, *by virtue of his conscious and constant effort to achieve divine satisfaction*. The “righteous” consumer/producer will seek to be “merciful” or “generous”

toward a producer/consumer *because* God “forgives” or “blesses” those who do. In other words, one is “merciful” or “generous” because God presents it as an obligation, or at the very least, a voluntary act of charity. This ultimate objective thus becomes the driving force to achieve personal and social objectives. It signifies the end, while informing the means. This nullifies the chances for any perceived conflict by individuals between their private and social interests. By proclaiming that “benevolence is one aspect of profit,” the *hadith* has, in effect, integrated private and social interests into a unified objective. The objective of a producer is no longer to *maximize* pecuniary profits, but to achieve a proper balance between private profit-seeking and social benevolence. This is made possible by the self-realization that such a balance *maximizes* nonpecuniary “profits” in the afterlife. This is illustrated by the following verses:

These are people who bartered true guidance for waywardness. Their commerce did not profit them, nor are they rightly guided. (2:16)

Those who sell the covenant of God and their vows for a paltry sum, no share shall they have in the afterlife. God will not speak to them or regard them on the Day of Resurrection, nor will He purify them. Agonizing punishment awaits them. (3:77)

O believers, shall I point you to a commerce that will save you from a painful torment? That you believe in God and His Messenger; that you exert yourselves with your wealth and persons. This would be best for you, if only you knew. (61:10)

A producer seeking to earn divine satisfaction or the “profit” of salvation will be more than eager to practice benevolence and generosity toward his consumers and competitors. The same can be said of a consumer or lender. This metaphorical approach to markets was utilized by Al-Ghazali, who speaks of “worldly markets” and “other-worldly markets.” Such metaphorical use, however, was aimed at highlighting the substantive nature of the Islamic view of markets. Al-Ghazali narrates an insightful anecdote in which a “pious merchant” had instructed his agent to travel with his goods to Basra (in Iraq) to be sold in its markets. Upon arriving, the agent was advised by others to hoard the goods for a week with the intent of selling them at a higher price. Embracing the given counsel, the agent later sent to the merchant a message informing him of his successful endeavor. The merchant’s response was: “You have acted contrary to my wish. It was not my wish to make [a] loss in religion and gain profit in commodities” (Al-Ghazali 1993, 51–52).

This anecdote by Al-Ghazali provides an illuminating sample of the sort of market behavior that can achieve the necessary balance between profit and benevolence. For example, although earning profits is “not unlawful,” but to “take less profit is *ibsan* [benevolent].” The fourth Caliph Ali used to wander the markets pronouncing to merchants: “O merchants, take your dues and return the dues of others. Don’t refuse little profit or else you will be deprived of greater profit.” One can reasonably interpret “greater profit” to mean the rewards of afterlife, or the likelihood that divine blessing will result in greater pecuniary profits in the future. Other examples presented by Al-Ghazali include: to sometimes accept a lower price for a commodity, to grant time when soliciting payments from buyers or debt from burrowers, to demand payments and debt in a kind manner, and to pay debts to lenders kindly and earlier than expected; and to forgive needy buyers of their payment (Al-Ghazali 1993, 55–56).

We have therefore highlighted the crucial role of religion in achieving the necessary harmony between private and social interests. However, we have examined this role exclusively with respect to the ends toward which market exchange is intended, while offering little with regard to the *process* of exchange. This introduces the element of commutative justice, which is the third condition for proper market exchange. A careful reading of scripture and doctrine reveals a rather sophisticated Islamic view of commutative justice in market exchange, which centers on the nature and structure of contracts. This naturally leads to a discussion of essential aspects of market transactions, such as trust, transparency, and prices. The following verses present us with an overview of the proper form of market transactions:

O believers, fulfill your legal obligations. (5:1)

If you trade with one another, summon witnesses and let no scribe or witness come to any harm. (2:282)

However, if it concerns an immediate commercial deal that you transact among yourselves, no blame attaches to you if you do not write it down. (2:282)

O ye that believe! Betray not the trust of Allah and the Messenger, nor misappropriate knowingly things entrusted to you. (8:27)

The believers have prevailed! ... Who are faithful in their trusts and contracts... (23:8)

My people, give full share in the measure and balance, acting justly. Do not cheat people of their goods and do not act wickedly on earth, corrupting it. What remains from God is better for you if you are true believers. But I am not a guardian over you. (11:85)

Be fair in measures when you measure out, and weigh with a balance that is true: that would be better and more rewarding. (17:35)

A market transaction is essentially a contract between the buyer and the seller, regardless of whether it is formally stated in writing or conducted informally. The verses, in addition to conferring a religious deportment to market transactions by expressing contracts as “legal obligations,” they also propose a specific procedure for conducting market exchange. It is advisable that witnesses are present at the execution of a transaction, especially in the case of long-term contracts, and that they are protected from any ensuing harm that may fall upon them. Moreover, it is imperative that buyers and sellers exercise utmost honesty and transparency in their market dealings. The principal element of market exchange implied by the verses is mutual trust, which is emphasized by the Prophet in the following *hadith*,

He is not one of us who betrays trust.

The honest and trustworthy trader will be with the Prophets, the righteous and the martyrs (on Judgment Day).

O traders! Trade is now open to lying and false swearing. Blend it with honesty instead.

O people of the market! Fear Allah and avoid oath taking, for it perishes merchandise and eradicates blessing. A merchant is dissolute, except one who takes and gives righteously.

In addition to promoting honesty and transparency, there is a strict ban on oath-taking, an interesting injunction that deserves further elaboration. If a merchant enjoys the reputation of being honest and trustworthy, there is no need for oath-taking to confirm such qualities. If, on the other hand, a merchant is an occasional liar, then oath-taking may be opportunistically used to deceive others into unfair transactions. Any perceived net benefit from such deceitful acts may very well reinforce the act itself. Eventually, what was previously only occasional becomes customary. This not only eradicates trust between such merchants and consumers (“for it perishes

merchandise”), but may spread to infect the relationship between consumers and honest merchants as well. Honest merchants may eventually be tempted to engage in oath-taking if it becomes expected by consumers, and this gradually negates the possibility of distinguishing the two types. This “selection” problem can only be resolved if there is a complete ban on oath-taking, *and consumers are made aware of such a ban*, so that any merchant who does utter an oath must, for that reason, reveal himself to be a perjurer.

An additional component of commutative justice is the issue of just prices, a topic that has been extensively studied within the Christian economics literature, but much less so within the field of Islamic economics. Islamic scholars usually cite the following tradition by the Prophet as reflecting the final Islamic position on prices, given the absence of any explicit reference to prices in the Qur’an,

Allah grants plenty or shortage; He is the sustainer and real price maker (*musa’ir*). I wish to go to Him having done no injustice to anyone in blood or property. (Quoted in Ahmad 2005, 211)

The majority of Islamic economists share the view that the above *hadith* clearly supports the argument that a just price is indeed the market price. This is especially so, since the Prophet is reported to have repeatedly refused several requests urging him to set or effect market prices (Ahmad 2005). This view is not very different from their Christian counterparts, who recently have favored a similar interpretation of the just price doctrine of St. Thomas Aquinas (De Roover 1958; Viner 1960). However, it is important to note that such interpretations did not completely deny the possibility of occasional government intervention to correct extreme market outcomes resulting from monopoly practices, a subject that has been extensively deliberated by Islamic jurists (Sabra 2003). It is interesting to note that in the above *hadith*, the Prophet urges caution against price interventions that may result in “injustice ... in property,” thus highlighting the fact that injustice may result not only from unfair market practices, but damaging government policy as well. A just price therefore, is not a predetermined price to be arbitrarily set by the government, but reflects the outcome of market interaction between participants who are primarily driven by a religious commitment to achieve personal satisfaction and social benevolence. Thus, provided that trust and justice can be firmly established between market participants, the three necessary conditions

for proper market exchange would be fulfilled. The function of religion, expressed in the ultimate objective of divine satisfaction, provides the necessary link between private and social interests. This “reconciliation” and “unification” process occurs at the personal level, and is fundamentally intrapersonal. What commutative justice—represented primarily by trust and just prices—seeks to achieve is to introduce an interpersonal dimension to market transactions. As a *pious* buyer or seller, I am ultimately driven by my religious *piety* to fulfill my personal interests in accordance with desirable social interests. Furthermore, I *trust* that other market participants share similar motivations. Only then can we be confident that the theoretical structure of the vision for an ideal Islamic market has been sufficiently explicated.

We can conclude from our discussion in this subsection that the nature of market exchange from an Islamic perspective differs significantly from that of the dominant neoclassical view. The profit motive, which assumes a central position within the neoclassical paradigm, assumes a secondary role within the Islamic framework. And contrary to the conventional wisdom of the day, the profit motive has only recently assumed such standing in intellectual circles. According to Loy (1997), the “history of economic systems reveals the contingency of the market relationships we now take for granted. Although we tend to view the profit motive as universal and rational (the benevolent ‘invisible hand’ of Adam Smith), anthropologists have discovered that it is not traditional to traditional societies.” A similar sentiment was expressed much earlier by Richard Tawney, in his classic *Religion and the Rise of Capitalism*,

There is no place in medieval theory for economic activity which is not related to a moral end, and to found a science of society upon the assumption that the appetite for economic gain is a constant and measurable force, to be accepted like other natural forces, as an inevitable and self-evident datum, would have appeared to the medieval thinker as hardly less irrational and less immoral than to make the premise of social philosophy the unrestrained operation of such necessary human attributes as pugnacity and the sexual instinct. (Quoted in Loy 1997)

Hence, the nature of competition and the role of the profit motive must both be reconsidered in light of the above. A favorable Islamic view of commerce does not necessarily correspond to a similar view of competition. Similarly, a positive view of market exchange is by no means an open

consent for profit-maximization. Having explicated the Islamic vision for an ideal form of market exchange, we now turn our attention to the envisioned character of market participants.

## CHARACTER

One of the most striking (and overlooked) features of religious scripture, the Qur'an in particular, is the mainly personal nature of its discourse. The verses are for the most part addressing a person or group of persons. Some verses speak to husbands of their duties toward their wives and vice versa, while others relate to one's obligations toward parents, relatives, friends, and neighbors. Some verses sketch the religious rituals expected of believers, while others relate to the duties of soldiers, judges, and jurists. What is "personal" in this regard is that the text is not speaking of a system, but to an individual; it is not a political tract on the ideal form of governance, but a personal guide to the ideal character of a believer. Any scholar seeking to explore a Qur'anic blueprint specifying the detailed structure of a state and its component institutions will surely be disappointed. The Qur'an is primarily interested in the individual, and its vision for an ideal society is, at heart, a vision for the ideal character of a believer. Likewise, the vision for an ideal market is a vision for the ideal character of market participants. Although much of the discussion in the previous section does pertain, in one way or another, to the question of character, we believe that much insight can be gained by exploring the matter in more detail.

Earlier, we examined the crucial role of religion in integrating personal and social interests toward a final objective, "divine satisfaction." This "reconciliation and unification" process is believed to offer the ideal solution to any perceived conflict between private and social objectives. From a practical standpoint, which quite naturally is the ultimate concern of any social agenda, the feasibility of such integration hinges on the religious commitment of market participants—that is, their piety. The Qur'an is especially clear in this regard:

Say: 'If your fathers and your sons, your brothers and your spouses and your clans, together with the wealth you acquired and a commerce you fear will find no market, and homes you find pleasing – if all these are more dear to you than God, His messenger and the struggle in His cause, then wait and attend until God fulfills His decree.' God guides not the dissolute. (9:24)

By men whom neither commerce nor trade distracts from the remembrance of God, from constant prayer, and from giving alms. They fear a Day when hearts and eyes will turn and turn again, when God shall reward them for their best deeds, and multiply His favors upon them. And God bestows His bounty, uncountable, upon whomsoever He wills. (24:37–38)

O believers, when the call is made for prayer on Congregation Day, hasten to the remembrance of God, and leave your commerce aside; this is best for you, if only you knew. When prayer is ended, disperse in the land and seek the bounty of God, and mention God often—perhaps you will prosper. When they spot some commerce or frivolity, they rush towards it and leave you standing. Say: “What is with God is better than frivolity or commerce, and God is the best of providers.” (62:9–11)

Merchants are urged to continually exercise “remembrance of God” in all their market interactions, to assure themselves of salvation on judgment day. The promises of reward and punishment conveyed in the verses are clearly intended to encourage conformity with religious injunctions pertaining to market behavior. Believers are thus expected to habitually sacrifice pecuniary gain for the sake of a greater gain, namely “divine satisfaction.” However, and despite awarding clear superiority to religious objectives relative to material interests in (9:24) and (24:37–8), verse (62:9–11) describes a unified relationship between commerce and religious duties. The verses clearly oppose the usual separation or dichotomization of human behavior into the religious and the secular, or the sacred and the profane, or worldly and other-worldly affairs. On the contrary, they portray an integrated relationship that does not assign any ranking to different activities, but illuminates the role of each part in achieving the ultimate objective. Believers are expected to “leave” their commerce when a religious duty is called for, but to “seek the bounty of God” when the duty is fulfilled. And while seeking such bounty, they must “mention God often,” as this may lead them to “prosper.” This complementary relationship between trade and religion is further endorsed by the following *hadith*, “He is not from us who gives up his worldly life in favor of his hereafter, nor is he who gives up his hereafter in favor of his worldly life.” Moreover, the Prophet is reported to have presented merchants with a supplication they are advised to recite on every occasion in which they enter a market to conduct their business. Therefore, one can reasonably argue that the Qur’an effectively treats trade as a *religious* phenomenon, just as prayers, charity, contemplation, and so on.

The problem arises, however, when trade “distracts” merchants from fulfilling their religious obligations. Any distraction reflects a misguided set of priorities, or a fundamental transformation of religious objective from the “afterlife” to the “present-life.” In (9:24), the Qur’an lists all the desires of this life, including commerce, to assert that what must be sought instead is of much greater worth. Those desires, no matter how prized they may be to our hearts and minds, are but temporal gains compared to the ultimate reward. But this contrast is not intended to condemn such desires, as some are keen to argue, but is a call to believers to “remember” that all behavior must be directed toward an ultimate objective. Such desires, though permitted, are but means to a higher end, and must never become the ends to which market behavior is intended. Al-Ghazali stresses the significance of “remembrance” in a market setting, that “nobody should forget his religion and the next world ... [and that] God’s remembrance in markets is better.” He also recites a *hadith* by the Prophet in which he describes that “one remembering God among the heedless is like a warrior behind a fleeing enemy or like a living man among the dead, or a living tree amidst dried trees” (Al-Ghazali 1993, 57–59). Although one can easily comprehend, from a theoretical standpoint, the concept of “remembrance” thus presented, the practical aspects are yet to be spelled out. Herein enters the crucial role of education.

The second Caliphate Omar is reported to have said that, “[t]rade in our markets is only allowed for those who educate themselves in religious knowledge.” Likewise, Imam Ali probed a prospective merchant on whether he has educated himself in the knowledge of religious injunctions pertaining to trade. The merchant replied that he would seek such education at a later date, to which Imam Ali replies, “Woe unto you! Knowledge and then trade, because those who buy and sell and do not question what is *halal* or *haram* will repeatedly bump into usury” (Qahf and Al-Muballaghi 2007, 500). Moreover, he refers to the need for knowledge in the skills and methods of the trade itself: “He does not stay in our markets who does not comprehend buying and selling” (Al-Kulayni 2007, 92). These views, emanating from two of the most important figures in Islamic history, bear strong witness to the significant role of education, both religious and vocational, in the development of the ideal Islamic character. Well-educated merchants are less likely to become distracted from the “remembrance of Allah,” and more accomplished in distinguishing between acceptable (*halal*) and unacceptable (*haram*) trade.

The moral character of market participants in an ideal Islamic market, from a theoretical standpoint at the very least, is clearly distinct from that of market players interacting in a neoclassical framework. This distinction can be discerned from the following hypothetical scenario that Karl Polanyi had alluded to in an unpublished essay “Community and Society: The Christian Criticism of our Social order,”

The cash nexus is a means of estrangement. The market acts like an invisible boundary isolating all individuals in their day-to-day activities, as producers and consumers. They produce for the market, they are supplied from the market. Beyond it they cannot reach, however eagerly they may wish to serve their fellows. Any attempt to be helpful on their part is instantly frustrated by the market mechanism. Giving your goods away at less than the market price will benefit somebody for a short time, but it would also drive your neighbor out of business, and finally ruin your own, with consequent losses of employment for those dependent on your own factory or enterprise. Doing more than your due as a working man will make the conditions of work for your comrades worse. By refusing to spend on luxuries you will be throwing some people out of work, by refusing to save you will be doing the same to others. As long as you follow the rules of the market, buying at the lowest and selling at the highest price whatever you happen to be dealing in, you are comparatively safe. The damage you are doing to your fellows in order to serve your own interest is, then, unavoidable. The more completely, therefore, one discards the idea of serving one’s fellows, the more successfully one can reduce one’s responsibility for harm done to others. Under such a system, human beings are not allowed to be good, even though they wish to be so. (Polanyi 2014, 19)

Using a rather simple example, Polanyi substantiates his conviction that acts of compassion are unsustainable in a capitalist framework, that “human beings are not allowed to be good” in such markets, even if “they wish to be so.” It is no surprise, therefore, that the entire moral edifice of capitalism rests on the peculiar logic of unintended consequences. Market participants, argues Polanyi, will very soon abandon feelings of “responsibility” toward others, and settle for the “safe” mode of economic rationality. Such a mindset is clearly *un*Islamic, and contradicts the Islamic principles of human vicegerency, abundant creation, and divine justice. An ideal Islamic market is one that provides pious individuals with the ample opportunity to express their piety via acts of charity and compassion. In a capitalist setting, the “rules of the market” preclude such acts, and may

even punish them; one is thus gradually exhorted to only care about one's interests. Clearly, the two visions of markets are worlds apart. Though it may be almost impossible to say what an ideal Islamic market would look like, we can reasonably envision what it would *not* look like; modern capitalist markets are clearly *un*Islamic.

## CONCLUSION

Given all that has been discussed so far, can we reasonably say that there is such a thing as an ideal Islamic market? The answer is a yes and a no. It is a yes in the sense that we have identified a concrete set of *theoretical* criteria pertaining to proper market exchange and character that clearly support the notion of a distinct Islamic view of markets. It is a no because this distinct Islamic view is, as of yet, a mainly theoretical construct with minimal empirical substance. This conclusion was also made by As-Sadr when he presented his vision of an Islamic economic system.

According to As-Sadr, a distinction must be made between an Islamic economic "doctrine" and an Islamic economic "science." He defines economic science as the field that "deals with the exposition of economic life," while economic doctrine "is an expression of the course which the society prefers to follow in its economic life and in solving its economic problems." Economic science is, therefore, of a descriptive or positive nature, while economic doctrine is of a prescriptive or normative nature. Whereas the doctrine refers to the general theory of the economic system, the science is concerned with the applications of the theory in practice. However, once a doctrine is adopted and implemented, then commences the role of economic science to explain and rationalize the ensuing economic activity. As such, the use of the term "Islamic economics" does not refer to an Islamic *science* of economics per se, but to an Islamic economic *doctrine* (Sadr 1984, xl–xliv). Of interest to us is his influential view that Islam only has a doctrine or theory to present, while offering little in terms of historical content or application. This view is shared by other prominent Islamic economists, such as Siddiqi (1980) and Chapra (1992). Siddiqi (1980, 248–59) argues that "Islam's science of economics or the economic analysis relevant to an Islamic society ... will come into being when we have a people whose behavior is Islamic, an economy which is truly Islamic." As such, "the task of Islamic economics lies in building bridges between the 'is' and the 'ought', [and so far], the analysis of the functioning of a 'cooperative' market guided by Islamic norms has yet to

yield any formal results.” Therefore, given the doctrinal nature of Islamic economics and the dearth in practical application, the field has yet to lay claim to a descriptive science akin to that of the neoclassical school of economics, an observation As-Sadr was especially aware of. But he was equally suspicious of any neoclassical examination of Islamic societies, due to fundamental moral and sociocultural differences.

As-Sadr argued that the modern discipline of economics, represented by the neoclassical paradigm, is not a ‘science’ that can claim the capacity to explain all economic activity or behavior. Rather, it represents the scientific analysis of economic activity in a society that adopts the *capitalist* economic doctrine. In other words, scientific analysis may well be doctrine-specific, and therefore cannot be generalized as universal economic laws or principles applicable to any social or historical context. The fact that a doctrine may, directly or indirectly, inform its positive methodology, is the methodological caveat that As-Sadr is alluding to. More importantly, the substantive nature of economic doctrine precludes any such scientific evaluation. According to As-Sadr, “economic doctrine consists of every basic rule of economic life connected with the [principle] of social justice.” And it is “justice which is the dividing line between [doctrine] and science.” The intangible and ethical nature of justice places it beyond the realm of any scientific appraisal, even if we do accept the debatable claim that science can adopt a value-neutral position (As-Sadr 1984, 9–12).

The crucial distinction between theory and practice, that As-Sadr and others have repeatedly emphasized, can fittingly be applied to the notion of an Islamic market, where the analysis is chiefly theoretical, until a mature level of historical or empirical application is realized. The vision of an ideal Islamic market is just that, a vision. But like all religious visions, it dwells in the hearts and minds of pious believers, who hope that one day humanity will garner the courage for a “leap of faith” and deliver us markets where true profits prevail. Such markets are not mechanical, in the sense that they require a specific code that once applied brings them to fruition; rather, they materialize as a natural and *intended* outcome of pious individuals interacting in a social space. In other words, they are the socio-economic manifestations of pious religious conduct. Such markets cannot possibly be imagined, as one would imagine a house or a car to be built; rather, they are to be lived and witnessed. For many, these are but utopian dreams that would never see the light of day; the pious, however, “see it as nigh.”

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