



Introduction

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How can the abacus be combined with that which cannot be crushed in the crucible or weighed in the balance? And yet, such is the paradoxical attempt of this volume on *Faith, Finance, and Economy*. Since book-keeping arithmetic is coolly amoral about profits and losses, to persuade a mercantile age that faith may exert any influence on finance, we need to argue in terms with which merchants are familiar. It must be shown that either the demand or the supply of finance can be shifted by those who are guided by the unseen.

Once one starts looking, however, the evidence seems so plentiful that one is led to wonder how people could have thought otherwise. The “transcendent importance” of religion and faith is obvious if one looks

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carefully.¹ Long-distance trade between the Mediterranean nations and India took place with generations of merchants who had contacts in major ports and who began letters with the significant expression of trust: “I am in your place as you are in mine.” The earliest successful banks of Italy were run for profit, but their profits were submitted to a charitable trust. In the city where Thrivent is located, Minneapolis–St Paul, the wealthiest merchants got together soon after they achieved success and agreed to dedicate 10% of their profits to the community. Because it is not—in their nature—noisy or flashy, faith-based initiatives run as a subterranean stream beneath the hubbub of civilization. We are still coming to a full understanding of the ways in which faith suffused the commercial life of the West for a thousand years. This volume is an attempt to show the conceptual richness of the framework that seeks to leaven finance with faith, the effectiveness of the synergy, and the pitfalls it encounters in practice.

The rest of this introduction provides a guide to the objectives of this book and its sponsors, and a brief guide to its contents. After that, we flesh out in brief a general schema within which the general societal impact of faith and finance can be understood.

THE OBJECTIVES OF THIS BOOK

The main objective is to foster a multidisciplinary and multireligious understanding of the ties among faith, financial intermediation and economic progress, drawing on research in economics, finance, history, philosophy, ethics, theology, public policy, law and other disciplines. This collection of essays is meant to show the importance of religious engagement with finance to the *general public*. The collection of essays provides many different examples of this connection rather than develop a single theme.

In July 2018, Thrivent organized a conference—held at the University of St. Thomas in Minneapolis, Minnesota—on the topic of faith and finance. Thrivent was solely responsible for financing the conference. The conference brought together some of the leading scholars and thought leaders on major world traditions from a range of academic institutions. This book, based on the papers presented, is an outcome of the

¹Whitehead Alfred North (1996 [1926]). *Religion in the Making*. New York, NY: The Free Press.

conference. This book is meant for a general audience, for the reader curious about the intersections of faith and finance.

A critical exchange of ideas about faith and finance is useful not only to scholars but also to policymakers, entrepreneurs and community members. Understanding the connection between faith and finance is relevant for contemporary policy debates about business development, entrepreneurship, the role of not-for-profits in community development and the missions of faith-inspired organizations in an ever-changing world. Indeed, it is even relevant for issues of corporate culture/ethics, the role of leverage, the remuneration of talent, and a host of other issues, as will be discussed in the chapters that follow. The conference was not designed to achieve an integration of different viewpoints but rather to explore different perspectives and experiences regarding the multiple connections between faith and finance. The overall aim is to convince the reader that faith and finance are not disjoint entities.

SOME INFORMATION ABOUT THRIVENT

Thrivent is a not-for-profit financial services organization that serves Christians and their families in the United States. It is a fraternal benefit society. As a mission-driven, membership-owned organization, it offers its more than two million members and customers a broad range of financial products, services and guidance to help them obtain a life of contentment, confidence and generosity. Thrivent and its subsidiary and affiliate companies offer insurance, investments, banking and advice over the phone and through online digital channels, as well as through financial professionals and independent agents nationwide. For more than a century, it has helped Christians make financial choices that reflect their values while providing them opportunities to demonstrate their generosity where they live, work and worship.

Thrivent has sponsored this book in the hope that it will facilitate the valuable exchange of ideas about what faith-inspired organizations and communities do—and could do—to address the challenges of economic and social problems, particularly during times of economic recession, financial crisis, natural disasters, polarization, rapid technological changes, globalization and other challenges. Thrivent commissioned the contributors of the book to write papers on the connection between faith and finance from their own point of view. However, the views expressed in the papers contained in this edited volume are solely those of the authors of each paper. The standard disclaimers apply.

AN OVERVIEW OF THE CHAPTERS

The second and third chapters of this book concern economic opportunities, real-world outcomes and faith. Two perspectives, both based on the authors' interpretations of the Christian faith, are represented in these chapters.

In Chapter 2, Ron Sider, a professor of theology, says that the biblical canon provides the normative framework for his economic and political views. He believes that human beings are created in the image of God and therefore are immeasurably precious. Although he acknowledges that a market economy is a better way to organize economic life than a state-owned, state-run and collectivist economy, Sider argues that today's market economies have several weaknesses, such as the absolute poverty of a significant segment of the world's population, the immense concentration of wealth, and a highly skewed distribution of income. This, he says, is unjust and destructive. He holds that the state's economic domain should be limited, but that the state must act to redistribute wealth and income in ways that empower poor and disadvantaged persons and create opportunities for progress so that all human beings can flourish.

In Chapter 3, Anne Rathbone Bradley, an economist, presents a market-process viewpoint, influenced by the "Austrian" school of economic thought. Bradley also believes that human flourishing is what God desires for his people and his creation. She holds that Genesis reveals not only God's desires but his designs for human beings and provides the basis for human beings to unleash creativity in ways that both advance and cultivate God's creation and makes eternal contributions through wealth creation for the common good. The economic way of thinking provides rational principles of human action and the implementation of human creativity. Bradley believes that this necessitates a market economy where individuals can discover, learn and—through the system of profits and losses—find ways to serve one another. She argues that when society is ordered in a way that allows these market principles to work unfettered by excessive state interventions and distortions, they will foster greater human flourishing.

The next two chapters explore the issues of values and consumerism. It brings perspectives from a philosopher and a historian.

Akeel Bilgrami's philosophical argument in Chapter 4 is inspired by Mahatma Gandhi, who believed that ethics is a primarily perceptual discipline. Bilgrami argues that Gandhi's way of thinking puts the notion of the unalienated life as the most fundamental political ideal. As a result,

liberty and equality are treated no longer as central ideals, but as merely necessary conditions for a fundamental human ideal in a way that removes the tension between liberty and equality that has been present in the liberal traditions of the West. All three notions—liberty, equality and the unalienated life—should be connected, argues Bilgrami. He calls for a notion of “unalienatedness” that is not the same as the one of pre-modernity with its absence of liberty and equality. Rather, he holds there is a notion of liberty, based on this concept of the unalienated life, that would not generate inequalities, as seen in the world today, while preserving liberty. In the framework that Bilgrami proposes, “unalienatedness” is not conceived individualistically. This is consistent with Gandhi’s way of looking at human life and society.

Karl Gerth, a historian, examines the rise of consumerism in contemporary China in Chapter 5. He explores the spread of the defining value of consuming—a person is what he or she consumes. Gerth’s analysis leads him to two conclusions. First, consumerism is embedded in industrialization and contemporary capitalism. Second, consumerism does not spread spontaneously, but is often promoted by the state. He argues that the history of China since the Communist Revolution in 1949 suggests that the industrializing state, whether “capitalist” or “socialist,” has played a critical role in spreading consumerist values. Because humans and their institutions—not “human nature”—create consumerism, the possibility of promoting non-consumerist alternative values such as egalitarianism, civic-mindedness and spirituality still exists in China. Even amid the rapid spread of consumerism, non-consumerist values to resist this spread can arise and lead to various movements and changes in lifestyle. But it remains to be seen whether non-consumerist values will emerge over time in China, or whether crass consumerism will predominate.

The next two chapters cover issues of faith, financial intermediation and economic development in Western and Islamic societies.

In Chapter 6, Salim Rashid, an economist, shows the critical role of Anglican clergymen as pioneers in the theoretical conception of modern economic development. He examines some ideas advanced by three well-known Anglican clergymen—George Berkeley, Josiah Tucker and Jonathan Swift—because their ideas played an important role in economic development in the United Kingdom during the early years of industrialization and capitalism. Berkeley held that: (1) economic development must bring about a better life for the common person, (2) human capital is necessary for economic growth and (3) monetary (and financial) development is a necessity for enabling economic activity and growth. Tucker

argued that a richer country possesses certain economic advantages that enable it to stay ahead of a poorer, labor-abundant country. Jonathan Swift recognized that poor countries not only need sound economic policies to grow, but also a dedicated, committed and visionary elite that can implement growth-oriented policies and institute reforms. The figures mentioned by Rashid do not appear in most textbooks in the history of economic thought and hence most students of economic development do not know of the role of these Anglian clergymen in pioneering many of the basic concepts of economic development. Such neglect in the standard sources is an important reason why the educated reader feels faith and finance to belong to different spheres of life.

Faisal Kutty, an attorney who also teaches at law schools in the United States and Canada, offers a critical overview of Islamic finance in Chapter 7. He provides not just a primer on Islamic finance, but also examines the myriad of regulatory and legal issues, including consumer protection concerns, pertaining to it. He argues that Islamic finance, in theory, has much to offer to global finance, but its current practice falls far short of Islamic economic and ethical ideals. Islamic finance as it exists in practice today only marginally implements Islamic principles in many cases. Debate exists about whether the instruments used in the Islamic finance industry reflect genuine profit/loss sharing. There is also some debate about the use of leverage and interest-based financial services. Nevertheless, Kutty is optimistic that if the industry and the government regulators address the concerns and complaints made by a growing number of critics, Islamic finance has promise.

The last three chapters of the book take a perspective informed by an analysis of the impact of faith issues on the plight U.S. workers, on the workplace and religion, and on the characteristics of good wealth.

Heath Carter, a historian, argues in Chapter 8 that if one wants to understand the new Gilded Age of renewed inequality of income and wealth in the United States, one must attend to its spiritual origins because the teaching and the interpretation of Christianity influences public attitudes. In the original Gilded Age, a series of grassroots movements sent a shock wave. This resulted in the Church adopting new social teachings. Social Christian teachings also influenced the institutions of the state. However, in response to these changes, Christian libertarianism has had a resurgence, particularly since the beginning of the 1970s. This, in turn, has led to the transformation of the social and ethical institutions of Christians in the United States. He argues that this has favored the rise

of the new Gilded Age, characterized by increased inequalities of income, wealth, economic opportunity and well-being.

David W. Miller, a scholar of ethics and business and specialist in studying the faith-at-work movement, discusses the relationship between faith and the workplace in Chapter 9. The conventional wisdom has been to keep faith separate from business, but there have been notable changes in recent years as companies claim to be more accepting of—and in some cases, embracing—employees who wish to bring their faith to work. However, this poses several challenges, which Miller addresses. He notes that while there are potential benefits to both employers and employees, there are also potential problems if not implemented carefully. Miller offers a constructive way forward to attain the potential benefits for companies and their employees while minimizing the pitfalls. He argues that companies that design and embrace faith-friendly policies and practices will find it advantageous both to the employees and to the company's bottom line.

In Chapter 10, Michael Naughton, a professor of Catholic studies and business, defines good wealth in terms of wealth's creation, distribution and charitable dimensions from a Catholic perspective. He believes businesses are the key engine for economic growth. Profit is important, but he maintains that profit cannot be an end in itself. A just distribution of wealth is vital for the economy and for society. Furthermore, the charitable function of wealth defines what is "good wealth." Naughton speaks of three principles of a just wage: need, contribution and sustainability. He acknowledges that there are tensions among these three principles of wealth, but he points to some innovative practices of integrating them. He also provides a case study to show how these three principles of good wealth can be successfully integrated.

A BRIEF COMPARISON TO THE EXISTING LITERATURE

In order to differentiate this volume from the extant literature, it may be helpful to summarize the faith and finance issues covered and the viewpoints represented in this volume.

- Sider (Chapter 2) and Bradley (in Chapter 3) both ask how faith can provide an overarching framework for finance and economy? They provide different visions but their visions are inspired by their interpretations understanding of the fundamental teachings of Christianity.

- Bilgrami (in Chapter 4) and Gerth (in Chapter 5) address what are the philosophical and practical challenges of connecting faith and finance. Both perspectives arise outside Christianity, and indeed, outside the Abrahamic faiths.
- Rashid and Carter both address the extent to which faith has involved itself in seeking solutions for general policy issues. Rashid (in Chapter 6) discusses how Christian clergymen envisioned the role of faith, economy and finance in economic development, while Carter (in Chapter 8) analyzes the role of grassroots movements and the effect of new social teachings on the public's attitudes to inequality—whether it be income or wealth inequality—in the past.
- Miller (in Chapter 9) and Naughton (in Chapter 10) examine the continuing attempts to implement a framework which connects faith and finance even in today's corporate America, while Kutty (in Chapter 7) writes about the challenges of applying Islamic economics and ethics in modern banking systems, particularly when based in western societies.

In terms of the width of issues, interdisciplinary approaches and ecumenical interpretation of faith, we find the nearest volume to be that edited by Ian Harper and Samuel Gregg (2008).² However, that volume is now a decade old, focused solely on Christianity, and written in a style that would appeal largely to academics. This is not to deny that there is a substantial literature on the confluence of faith, economy and finance, mostly focusing on the idea of trust. This existing literature consists either of financial advice for Christians who wish to manage their personal finances—the older meaning of economy as household management—or it consists of practitioners guides to investing with a conscience. Much of this existing literature deals with the duty of charity and elaborates on the emphasis given on this duty in Christianity. Some of it is very learned³ [while others give faith-based associations an “also ran” in volumes on social reform].⁴ The seriousness with which Christians take

² Harper, Ian and Gregg, Samuel, eds. (2008). *Christian Theology and Market Economics*. Cheltenham, UK and Northampton, MA: Edward Elgar.

³ For example Clark, Henry (1965). *The Christian Case Against Poverty*. New York, NY: Association Press.

⁴ Palmer, Tom (2012). *After the Welfare State*. Ottawa, IL: Jameson Books.

the duty of practicing their faith is remarkable and justifies limiting our attention, in a first sally at such a wide-ranging topic, to such authors. By contrast, while the duty of charity and the merits of trade are repeated ad nauseam by Islamic economists, the minute portion of Islamic finance that is actually conducted under the distinguishing hallmark of Islamic economics—profit sharing—suggests that lip service is being paid.

There is a general lack of awareness of the historical impact of faith and its future potential. When one looks, there are connections to be extracted in volumes of financial history⁵—or within development anthropology.⁶ These connections do not rise to one’s attention because the recent focus has been on displaying religion as a profit-making construct by economic imperialists or as a survival adaptation by evolutionary biologists. However, we take faith as sufficiently established and important while neither finance nor economy needs independent justification.

CHRISTIANITY IN THE DISCUSSIONS OF FAITH AND FINANCE

Although this introduction has covered many different traditions, the dominance of Christianity in the discussions throughout the book is apparent and needs some amplification. First, Christianity has been the dominant religion of the western world for the last thousand years or more. Its impact will be more readily appreciated by readers in the English language. Second, a wealth of primary materials is available for studying the interplay of faith and finance as envisioned in this discussion. Decisive historical knowledge often turns upon critical detail; unless we have access to the primary sources, such details are hidden from sight. Third, we not only want to look at the influence faith has upon finance, but also the guidance—or misdirection—faith may have given finance. This focuses attention more closely on those faiths that have directly engaged with the economy, and this brings Christianity and Islam directly to mind. Fourth,

⁵Costabile, Lilla and Neal, Larry (2018). *Financial Innovation and Resilience: A Comparative Perspective on the Public Banks of Naples (1462–1808)*. Palgrave Studies in the History of Finance (London, UK: Palgrave Macmillan).

⁶McDaniel, Justin Thomas (2018). “The Goddess of Old Money: The Chettiar Bankers of India and Their Temples in Southeast Asia.” *Material Religion: The Journal of Objects, Art and Belief* 4(1): 115–126.

while all religions ascribe power and benevolence to the Creator, Christianity has given substantial importance to the co-equal status of God's power and God's love. This is at once the peculiar attraction and problem of Christian theology and makes the engagement of Christianity with the world more self-conscious and revealing. Finally, one often forgets how modern Europe has tried to disengage from its Christian past, thereby making an understanding of the last 200 years limited and confusing. If one goes to the webpage of the European Union (EU) and looks for its origins, there is almost nothing about Christianity, even though the flag of the EU still has 12 stars as in the crown of Mary. How extraordinary, when some of the EU's founders were inspired by Christian values and believed that common Christian values of the European nations provided a sound basis for creating a community of nations, developing trust, peace and security and economic and political cooperation.⁷

If a multireligious study of faith and finance is to be fruitful, it should map out the major questions that display the interaction of faith and finance; such a framework is essential if we are to not meander from one case to the next. The framework should have economic content and should involve the structure of society, since finance is a part of economics and economies are ensconced within societies. The following five criteria seem to be beneficial in establishing the many ways in which faith permeates economy and finance. For convenience, they are referred to as "ethics," not just because popular usage already identifies some of the features as such, but because it is necessary to remember that the fulfillment of these ethics is often based on deeper motives than money can reach.

First is the rule of law, or the legal ethic. Second, the value of work, or the work ethic. Third, the desirability of consuming, or the consumption ethic. Fourth, the benefits of science, or the knowledge ethic. Finally, the need for unconditional acceptance, or the support ethic. To argue in detail why each one is essential and how they fit together would require too much space, but perhaps a few words on the work ethic will show why many existing frameworks for studying the impact of religion on the economy are inadequate.

⁷Kaiser, Wolfram (2007). *Christian Democracy and the Origins of European Union*. Cambridge, UK and New York, NY: Cambridge University Press.

Max Weber made the work ethic famous with his thesis that Calvinism galvanized capitalism by providing a dour desire to work indefinitely. However, if a society really were full of hardworking and thrifty Calvinists and they saved, invested and produced, who would be buying the mountains of goods that kept coming? Without a consumption ethic, the work ethic is incapable of sustaining a capitalist society. The point of wider significance that arises from this analysis is that the requirements for a capitalist society may come in “opposite pairs,” as in the consumption ethic and the work ethic; it has particular importance because the consumption ethic was probably the hardest of the ethics for Christian societies to accept.

THE IMPORTANCE OF FAITH AND FINANCE ISSUES

The importance of religion has been long recognized by many eminent scholars, such as Alfred North Whitehead, who wrote: “Religion is the vision of something which stands beyond, behind, and within, the passing flux of immediate things; something which is real, and yet waiting to be realized; something which is a remote possibility, and yet the greatest of present facts; something that gives meaning to all that passes, and yet eludes all apprehension; something whose possession is the final good, and yet is beyond all reach; something which is the ultimate ideal, and the hopeless quest.”⁸ Nevertheless, in this mercantile age, both the general public and the economics profession have either neglected or underestimated the explicit and implicit role of faith in economic institutions, and within the social framework. The chapters in this book show that faith influences people’s worldview, their conduct of business and finance, attitudes toward income inequality, consumption, entrepreneurship and risk-taking, and corporate and work culture. Perhaps this book will help redress the prevalent neglect of the role of faith by pointing out such connections.

The book covers substantial ground even though the book explores only a few select issues in faith and finance. Obviously, there are many other viewpoints, from various faiths, and from a variety of perspectives within any faith. Many interesting and relevant and complex topics are related to faith and finance, but a comprehensive analysis of all the issues

⁸Whitehead, Alfred North (1967 [1926]). *Science and the Modern World*. New York, NY: The Fordham University Press.

of faith and finance is well beyond the scope of any single book, let alone this collection of essays. The following chapters show the diversity of perspectives and practical connections between faith and finance among many different communities and domains.

If this book serves to catalyze, perhaps even to generate—in the near future—open-minded scholarly work and policy discussions and debates about how faith influences economic decision-making, it will have served a valuable purpose. We look forward to the greater involvement, both in terms of its visibility as well as its depth, of faith in such issues as financial well-being and security, economic institutions, saving behavior, the accumulation of capital, business ethics and practices, workers' attitudes, national policies, corporate culture, and the visions of entrepreneurs and business leaders. That is, to remind us of that faith can influence business and economic activity as well as social and cultural developments at regional, national and global levels. Since religions must survive, economic factors such as the profit-motive and social sustenance often affect faith but this book shows that religion and faith also have a pervasive role in molding economics and finance—a role that requires careful and detailed analysis.

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