

Religion and Economics

by Sophia



WHAT'S COVERED

This lesson looks at religion and the concept of economics. Its practical implications and the interaction of religion and economics go back a long way in the history of religions. Specifically, this lesson will cover:

1. Abrahamic Traditions and Giving
2. Lending
3. Hinduism
4. Buddhist Economics
5. Just Exchange

1. Abrahamic Traditions and Giving

Among the Abrahamic traditions, there are many commonalities. One thing that is shared among them is the practice of giving a portion of one's income to the needy. For Jews, this is laid out in the Torah, or the Hebrew Bible. It's called the ma'aser kesafim, or tithing. This means giving away 10 percent of one's income to charity.

In Christianity, there's the custom of supporting the church with financial contributions on an annual basis and/or on a weekly basis in the context of church-going and the passing of the plate, which is a literal and symbolic offering of support.



THINK ABOUT IT

Ethics, the world of responsible action and exchange, are naturally tied into economics as well. Economics is, after all, based on the idea of exchange. Perhaps this physical, apparently mundane, activity is meant to symbolize an exchange of some other sort on a higher level.

In Islam, the Qur'an and the Sunnah, which is the model of the prophet Muhammad's life and includes his sayings and practices, are believed to express the will of Allah. One of the pillars of Islam is the **zakat**. It states that one must give away a portion of one's income.

One must use one's financial resources to contribute to the lessening of inequality in the world and in the community around one. It's believed and interpreted from the text that divine intention includes equality. Economic interactions are one practical way of moving in this direction.



TERM TO KNOW

Zakat

The Islamic practice of giving part of one's wealth away to those in need; considered one of the Five Pillars of Islam.

2. Lending

Throughout history, the value of equality has been recognized but maybe not realized. Within Christianity in the Middle Ages in Europe, there was an inherited climate that forbade and even detested the idea of charging excessive and unfair interest on loans, a practice called **usury**. This is the idea of the suggestion of implications of personal gain in a material sense, which was believed to work directly against God's will.

Muslims in the Middle Ages, as Islam emerged and spread, and even today have strong prohibitions against lending money. Instead, some sort of joint activity is to be pursued, thereby reinforcing the values of community and equality.

The restrictions on lending money with or without interest can be traced back to the sacred texts of Islam and Christianity. Even further back are the sacred texts of the East, such as in Hinduism, that have such restrictions.

In Judaism, as expressed in the Torah, there is no prohibition against charging interest on loans to non-Jews. However, one mustn't charge interest to one's fellow Jews. For this reason, the money changers who helped keep the economy moving during the Middle Ages were predominantly Jewish.



BIG IDEA

For Jews and Christians, lending money is generally considered a worthy endeavor, while among Muslims it is, for the most part, considered against Sharia, or Islamic, law. If you look at some modern day practices among the three Abrahamic religions, you'll see that these traditions still hold.



TERM TO KNOW

Usury

The practice of loaning money for interest-based profit.

3. Hinduism

It was mentioned earlier that usury had been prohibited during the Middle Ages, and that its roots stretch back into the Eastern religions as well. In the ancient Vedic texts of Hinduism, for example, a usurer—or a kusidin—is described as someone who charges interest beyond the legal rate. This is an unethical use of power or control.

It is an unfair exchange. So from approximately 2000 Before the Common Era, the meaning of usury has remained essentially unchanged.

Nevertheless, aside from the issue of unjust interest rates, some Hindus do believe that any lending of money at all tends to bring about bad karma, and it is therefore prohibited or to be avoided.

4. Buddhist Economics

The Buddha, on the other hand, had no problem with lending money as long as certain principles and doctrines were recognized and adhered to. In relation to Buddhism, there is an official term called Buddhist Economics. It's a way of engaging with economics from a holistic, all-inclusive perspective. No part or detail is left out of the equation. The processes of intention, production, sale, consumption, waste, et cetera are all considered.



DID YOU KNOW

Doctrine of Dependent Origination is a Buddhist doctrine that states that everything is somehow dependent upon something else for its existence and identity. This doctrine influences Buddhist Economics.

From this, the notion of anata, or “no-self,” emerges. When considering economics, which is based on the idea of exchange, one has to ask, what is the nature, the structure, and the identities involved in this exchange? Buddhist Economics is an approach to this form of exchange that emphasizes spiritual principles, which come down to the level of psychology.

The first two noble truths of Buddhism state that life is suffering and that suffering is caused by desires and cravings of an unclear and ignorant mind. The idea is that economic activity, like other things in life, is motivated by the psychological mechanisms of anxiety, fear, and desire—all the emotions that grab hold of us, causing us to respond in one way or another.

The hope with Buddhist Economics is to come to some understanding of balance, a middle way, between harm on the one hand and excess on the other. Along this path, one might see what “beneficial” really means in terms of an economic exchange.

5. Just Exchange

While Buddhist Economics might seem to be a unique perspective, perhaps it isn't so different from the others. What links them is the hope of a fruitful, fair, and just exchange. An exchange with the higher principles of devotion, respect, honesty, charity, justice, and equality. Certain material expressions of these principles might be seen as a binding influence that may even draw the religions together at times.

All of these religions have economic practices ingrained in them. For example, purchasing and exchanging gifts during the holidays of Christmas and Hanukkah. The festival of Eid al-Fitr, the Muslim breaking of the Ramadan fast and paying the zakat. All of this economic activity might function to bring communities together in a positive recognition of what it could really mean to exchange.



SUMMARY

There is a relationship between the **Abrahamic traditions and giving**. The Jewish tradition calls for believers to tithe for charity. In Christianity, there is a custom of giving to support the church. In the Islamic faith, one of the pillars is the zakat. These faiths have traditions regarding **lending** as well. Christianity supported lending but was against usury. The Jewish people can lend at interest but not to other Jews. For Muslims, lending is considered against Islamic law. In **Hinduism**, usury is considered unethical, and lending tends to bring bad karma. The Buddha did not see anything wrong with lending so long as certain principles were adhered to. **Buddhist Economics** is a way of engaging with economics from a holistic perspective. These religions all have principles that attempt to lead to **just exchange**.

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