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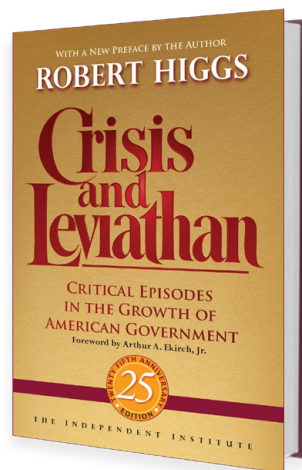
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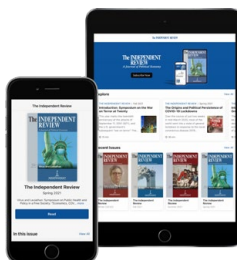
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Robert Nelson

Taking Economics Seriously, but Still Having Fun

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ANDREW P. MORRISS

Robert Nelson (1944–2018) was one of the most interesting economists in the past (name your period here) years. He deeply understood economics but did not hesitate to challenge fundamental precepts. He deployed economic ideas to great effect in analyzing governments, regulatory programs, public lands, private neighborhoods, and the world at large but also pushed the boundaries of what it meant to be an economist by applying theological concepts to explain and understand the development of economics itself. Spending time with Bob at a conference or over dinner was always an adventure—it seems impossible to me for you to have had a conversation with him that didn't leave you thinking deeply about an insight Bob had or seeing something from a different perspective. And you always left with a smile because conversations with Bob were not just intellectually stimulating but fun as well. I cannot think of a better person to make a conference panel interesting and entertaining, to turn a meal into an exciting exploration of ideas across almost any possible topic, or to be a better sounding board. Bob took the dismal out of the dismal science better than almost anyone I have ever known.

Bob earned his Ph.D. in economics at Princeton in 1971, worked for the U.S. Department of the Interior for almost two decades, and taught in the University of Maryland's School of Public Policy from 1993 until his death in December 2018. His

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work spanned a wide array. He published nine books and more than a hundred articles and book chapters. Summing up the impact of his widely ranging intellect in a brief essay is impossible, so I'll focus on three key areas: property rights and land, environmentalism and environmental regulation, and economics as a discipline. Bob's work in these areas is not neatly separable into three distinct fields, of course, for one of his most impressive talents was the ability to make connections across subjects that did not have as obvious a connection as appeared after he made it.

Property Rights and Land

In *Zoning and Property Rights* (1977), *Public Lands and Private Rights: The Failure of Scientific Management* (1995), and *Private Neighborhoods and the Transformation of Local Government* (2005), Bob tackled many of the major issues in the economic analysis of property rights in land. His zoning book was one of the first to note that what most textbooks (and, unfortunately, most scholars at that time) assumed was a public activity was being increasingly privatized. Bob didn't just bring public choice and economic theory to bear on zoning—he figured out what was actually happening in zoning and used economic tools to think about what that meant.

When Bob took a job with the Department of the Interior's Office of Policy Analysis (which he described as “an in-house think tank”) in 1975, he started learning the details of how the government handled the lands it owned. One key result was *Public Lands and Private Rights*, which was a thorough demolition of the mythology of the “scientific management” of public lands. That mythology's origins in the Progressive Era sparked a career-long interest in the intellectual impact of Progressive ideas, in particular their impact on the field of economics.

Private Neighborhoods brought public-choice theory to the increasingly important subject of the substitution of private neighborhood associations for many functions that had been the preserve of local government. Bob wasn't the only scholar or even economist to think about these issues, but he brought fresh insights into both the opportunities and the challenges that private neighborhoods created.

What unites these books is the mastery of the (often surprising) facts followed by the creative deployment of economics. Having that foundation—the result of deep dives into a wide range of sources and data—meant that Bob's insights were not just theorizing but also informed by how the world was actually working. At the same time, Bob was able to theorize usefully based on those facts. His ability to mix the two set his work apart from much academic work—after finishing one of Bob's books or articles, readers felt as if they had learned both particulars and generalities.

Environmentalism and Environmental Regulation

Bob's interests in land and Progressive Era ideology led him into environmental regulation and environmentalism. Again, his work spanned the particular, such as

The Making of Federal Coal Policy (1983) and *The Use and Management of Federal Coal* (2017), and works of broader scope, such as *The New Holy Wars: Economic Religion versus Environmental Religion in Contemporary America* (2010). In addition, Bob used his deep knowledge of the Interior Department to usefully critique federal land management in *A Burning Issue: A Case for Abolishing the U.S. Forest Service* (2000).

What sets Bob's work apart here from much of the literature on both the statist and market-oriented sides is his deep engagement with the facts as well as the theory. In *A Burning Issue*, Bob's argument was not merely that the Forest Service had made mistakes (in its fire-suppression policy, for example) but that its foundation in flawed Progressive Era ideological assumptions undermined its chances of success due to the tensions from embedding "scientific management" in a centralized political agency.

His experience at the Office of Policy Analysis had a big impact on his scholarship. As he described it in *Economics as Religion: From Samuelson to Chicago and Beyond* (2001), he discovered that

the details of formal economic calculations had little to do with most policy decisions reached in the department. If economists had any influence—which they sometimes did, if rarely decisive—it was seldom as literal "problem solvers." Rather, the greatest influence of economists came through their defense of a set of values. Much of my own and other efforts of Interior economists were really to persuade others in the department to act in accordance with the economic value system, as compared with other competing priorities and sets of values also represented within the ranks of the department. (xvi)

Most importantly for Bob's long-term contributions, this discovery helped set the stage for his exploration of the role values play in economics and elsewhere. In particular, his work on environmental issues led him to write "Calvinism without God: American Environmentalism as Implicit Calvinism" (2014), a paper that circulated for some time before its publication. In this paper, Bob uncovered important links between Calvinism's theology and modern American environmental thinking. As he predicted in conversations over the course of the paper's development, the connection irritated many environmentalists. It is increasingly common today to hear environmentalism referred to as a religion, and the (at least) quasi-religious rhetoric of many environmentalists from John Muir to former interior secretary Bruce Babbitt make it easy to see a surface connection. What distinguished Bob's pioneering work in this area was that he dug into Calvinist theology to make the connection more than a useful analogy. For Bob, environmentalism wasn't just *a* religion; it was a specific religion, and the specifics of that religion had important consequences.

Economics as a Discipline

Although I don't know for certain, I think Bob may have been proudest of his trilogy of works on economic thought: *Reaching for Heaven on Earth: The Theological Meaning of Economics* (1991), *Economics as Religion: From Samuelson to Chicago and Beyond* (2001), and *The New Holy Wars* (2010). In the first two, Bob recast the entire history of economic thought through the lens of Christian theology. To do that, he not only mastered the history of economic thought at a level few economists can equal but also learned a huge amount of theology. By bringing the two disciplines—hardly natural intellectual bedfellows—together, he made what I think is a disturbingly convincing case that economics is a religion of secular progress that is profitably analyzed using tools of theology. This connection proved profoundly upsetting for many. In a contribution for a symposium on *Economics as Religion* I helped organize, the late Fred McChesney, who was both a deeply religious man and a superb economist, titled his assessment of the book “When Bad Books Happen to Good People” (2006).

What Bob did in these books is make economists (including me) uncomfortable. We had thought, after all, that we had learned science and math, not made a profession of faith in ultimate mysteries (at least not professionally). But—despite Fred's and others' qualms—what is compelling about Bob's analysis in these works is that the analogy illuminates. *Reaching for Heaven on Earth* did for economics what “Calvinism without God” had done for environmentalism: it clearly connected the ideas of the founders of modern economics to theological ideas. Not only that, it made the evolution of economic thinking more understandable. What was disturbing for economists about *Economics as Religion* was not just that our intellectual forebears had imported their theological underpinnings into their “science” but also that we had done it too. Making us, as Bob did, “the priesthood of a modern secular religion of economic progress” was not something the economics profession welcomed (2001, xv).

Even if the image we economists saw in the mirror Bob held up to us proved uncomfortable, it is a useful one. To be sure, Bob's analogy is a clever one—it was intellectually stimulating and fun to debate over dinner with as learned and able a wit as Bob just which economist was the closest analogue to which theologian—but it also provided more. He concluded *Economics as Religion* with six points:

1. Modern universities face a crisis in finding a place in the world. As Bob noted, universities were historically religious institutions. If we are moving away from our religion of progress, as embodied in modern economics, universities “may be facing fundamental change” (2001, 334).
2. The social sciences are among the most vulnerable in any change, transforming economists into “more like accountants, lawyers or doctors, administering a necessary practical service” (334). With the increasing rejection of economic orthodoxy by populists on both left and right, being seen as offering anything “necessary” might be an optimistic view.

3. History, but not as currently practiced, is most likely to be revived as a field. A more “theological” history will emerge. It seems too early to tell whether Bob was right here, but history as a field is certainly in the midst of considerable change.
4. Nation-states are also rooted in a religion of progress, and that religion’s decline will challenge them as well. Whatever the rise of populism and the decline of politically more orthodox parties around the world mean, these trends certainly suggest Bob was right about challenges for nation-states.
5. The legitimacy of secession will be an increasing problem for nations, both for regions and for individuals. From Catalonia to Brexit to cryptocurrencies, Bob’s prediction seems to be coming true.
6. The “cutting edge of social thought” lies in environmentalism and libertarianism, and among economic thinkers only Frank Knight has approached an integration of the core ideas of both. Bob’s prediction remains to be tested here, but there are signs that he identified—at least with respect to environmentalists’ success through Green parties in Europe and a nascent revival of interest in Frank Knight’s work among economists—important trends (336).

The culmination of Bob’s work in this area is *The New Holy Wars* (2010). I know Bob hoped to provoke both economists and environmentalists to engage in debate over the book’s argument that they provided two contrasting theologies battling for dominance in modern life and that he was disappointed that so few took up the challenge he posed. The failure to do so reflects poorly on both sides rather than on Bob. *The New Holy Wars* is a book few people could write today because Bob had to master such a wide range of material even to pose the questions the book raises. Writing it required knowing the history of environmental thought, the history of economics as a discipline, theology, and the details of environmental policy in dozens of areas. That Bob had a command of all of these fields and the ability to synthesize them was an amazing accomplishment.

Taking on the Ultimate Question

In Bob’s penultimate book, *God? Very Probably: Five Rational Ways to Think about the Question of a God* (2015), he made a case for God or, at least, a god. For me personally, among his books this one is the most difficult to read because although he makes his case that it is rational to believe in a god, it is neither the arguments for God’s existence nor the portrait of God that I find compelling. What stands out in this book—which drew plaudits from religious economists as well as from some theologians—is how Bob brought to the question of the existence of a god the same intellectual tool kit he brought to the question of whether the Forest Service was a good idea and to the implications of private neighborhoods. *God? Very Probably* is a terrific example of a brilliant mind working through a hard problem. Even for those of us who would not resolve the issue in this way, it is a brilliant exposition.

Bob Nelson, Truth Seeker

I think all of us who knew Bob will miss the chance for one more encounter with him. Finding a mind so eager to tackle hard questions with determination and good humor is a rare thing. I can't remember a dinner or conference session involving Bob that wasn't intellectually stimulating, fun, and surprising. For example, Bob loved Zimbabwe, and I remember well a great debate at a Liberty Fund conference dinner about whether it was rational to buy a house in Harare (Robert Mugabe was still in power). Bob wanted the answer to be "yes" because he wanted a place there, but over the course of the meal he talked himself out of it because of his political economy analysis. That conversation captures Bob for me—he could distinguish what he wanted to be true from what his analysis showed him was really true. But he had a great time figuring that out.

Bob dedicated *Economics as Religion* to the memory of Paul Heyne, "whose life exemplified the search for truth." So did Bob's.

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