

### **The Oxford Handbook of Judaism and Economics**

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Judaism has a rich tradition of ethical teaching in commerce and economics. Readers may be surprised by the sophistication of the reasoning and the breath of issues that are addressed in Jewish writings and that laws from ancient times can be applied to twenty-first century issues. As one of the contributors writes, “economic theorizing did not start with Alfred Marshall or even Adam Smith. It can be traced to much earlier periods....Jewish legal writings are a rich source of insightful economic thinking” (p. 145). With a renewed interest in ethical decision making in both business and economic policy, this volume provides insight from thousands of years of Jewish teaching.

The editor’s substantial introduction is crucial to understanding any of the essays for someone who is not well grounded in Jewish teaching. It provides a substantive and accessible review of Jewish teaching in law, economics, and ethics. Levine explains the texts (the Pentateuch and rabbinical commentaries, including the Talmud and Mishnah) that provide the laws and explanations, both from a historical and religious perspective. He then articulates the major themes: “the positive contribution Jewish law makes to business ethics and public policy...the degree to which Jewish law accepts and adapts business practices based on prevailing laws and customs in secular society, and ...the degree to which Jews... have successfully integrated into American economic life” (pp. 8-9). He provides a brief summary of the essays.

This volume’s 33 essays are organized into seven themes: Economic Theory in the Bible; Economic Theory in the Talmud; Jewish Law, Ethics, and the Modern Society; Economic Public Policy and Jewish Law; Comparative Law Studies Relating to Economics Issues; Judaism and Economic History; and The Economics of Judaism. The book is not a systematic and comprehensive analysis of economic topics and how they relate to Jewish thought. I was disappointed that the treatment of the worker—paying on time, fair wages, etc.—was not included. There is much in Jewish law concerning this topic, e.g., Deuteronomy 24:15 states “You must pay his wages on the same day, before the sun sets, for he is needy and urgently depends on it; else he will cry to the Lord against you and you will incur guilt.” Conversely, there are rulings concerning

the worker's obligation to the employer. Maimonides wrote, "Just as the employer must be careful not to steal the salary of the poor [worker], so too must the poor person be careful not to steal the work of the owner by wasting a little time here and there until the entire day is filled with trickery" (Mishne Torah, Hilkhot Skhirut 13:7, cf. Shulhan Arukh, Hoshen Mishpat 337:20 cited in Jacobs 2003, p. 16). Workers are also prohibited from working both a day and a night job, as working double shifts interferes with one's ability to perform either job well (Jacobs 2003, p. 46).

The relative emphasis on ethics vs. economics, law and Jewish thought, accessibility, methodology, and degree of economic technicality varies across the essays. The book might be subtitled "A Legal and Ethical Perspective." Most of the economic theory is very basic; only a few of the essays include mathematical models or graphs, and there is little empirical analysis. All of this makes the book accessible to people who do not have a background in economics. This is not a book one would be likely to read cover to cover. Readers will likely choose essays based on topics of interest. Essays may be read in any order, though it is critical to read the introduction very carefully before anything else.

The 37 authors have a wide range of professional backgrounds. Just over half are academics in economics or business. About a quarter are academics in Jewish studies, Jewish law, Talmud, and/or ordained rabbis. Another quarter are medical doctors or attorneys, some in practice and others in academia. This is worth mentioning because their approaches to the topics (and presumably the choice of topic) reflect their professional backgrounds. In selecting which essays to read, the reader might consider the professional backgrounds of the authors.

Readers will likely be drawn to essays that have a contemporary theme, such as "Jewish Environmental Ethics," "Payment for Organ Donation in Jewish Law," "Principles of Ethical and Communal Investment in Judaism: A Jewish Law Approach," and "The Global Recession of 2007-2009: The Moral Factor and Jewish Law." Similarly, articles that explain aspects of Jewish law that many are familiar with but few truly understand will probably attract readers. The prohibition on charging usury, for example, is commonly known. Yet the nuances of its application are not widely understood, even among Jews. Three of the essays examine this topic.

In a secular society, it is unlikely that the theories discussed in these articles will directly inform public policy and laws. Rather, they might provide a foundation and perspective that help individuals make decisions or affect which politicians and legislation they support based on these faith-based values.

Jewish law relies on rabbinic interpretation of the Bible. For those not well versed in Jewish law, the law that derives from a particular verse is not obvious. For example, the rule not to mix dairy with meat in the laws of *kashrut* comes from Exodus 23:19, “you shall not boil a kid in its mother’s milk.” The verse is repeated in Exodus 24:26 and in Deuteronomy 14:21. I suspect that few would make the connection between that verse and the rule in keeping kosher not to eat dairy products with meat products. In this way, many of the essays explain the connection between Bible verse and Jewish law or teaching.

Space restrictions prohibit a review of all of the essays. I have chosen just a few that are representative.

Probably one of the most well-known but misunderstood economic laws in Judaism is the prohibition of charging interest. “Hetter Iska, The Permissible Venture: A Device to Avoid the Prohibition Against Interest-Bearing Loans” by J. David Bleich offers a very clear explanation that in agrarian times, loans were personal and considered *tzedakah* (usually translated as charity). In the middle Ages, when Jews were forbidden from owning land and therefore turned to commerce, there was a need to enable them to obtain the necessary resources without violating either the letter or the spirit of the law. The solution was *hetter iska* (permissible venture), which creates a partnership between the putative lender and borrower.

In “Jewish Environmental Ethics,” Yehuda L. Klein and Jonathan Weiser contrast the conflicting goals of distributional and intergenerational equity and offer three approaches to sustainable development. The anthropocentric model is basically neoclassical welfare economics, which puts its faith in the market and human welfare as the ultimate value. They attribute the ecocentric approach to the privileged place of people over nature. In the theocentric view, humans are seen as stewards of the earth and are commanded to exercise their dominion ethically. All of creation has “roles and responsibilities within the complex divine will.” (p. 398).

“Principles of Ethical and Communal Investment in Judaism: A Jewish Law Approach” by Asher Meir will be of interest to those concerned with the concept of socially responsible investment. He discusses criteria that should be considered when making investment decisions: accountability, ethics, conflict of interest, and transparency. For each of these criteria, he draws on both rabbinic and contemporary examples. In the case of transparency, for example, the collector of taxes for the Temple was not permitted to wear loose clothing, lest people suspect him of pocketing some of the coins (p. 277). The Bernie Madoff scandal illustrates violations of ethical practices, which he connects to teachings from the Talmud.

“Payment for Organ Donation in Jewish Law” by Fred Rosner and Edward Reichman is among the articles with greater emphasis on Jewish teaching than on its connection to economics and public policy. One section summarizes the state of organ donation in the United States, pointing out the excess demand and prohibition on buying and selling organs. Most of the essay is a comprehensive analysis of how Jewish teaching informs this issue. The most significant contribution of this essay is the way it illustrates the intricacies and subtleties of Jewish law. Just as he explains that the concept of *havalah* (self-wounding) would prohibit the sale of organs, he offers a different interpretation that allows a person to sell a kidney if he has great financial need (p. 330). This illustrates the not uncommon occurrence of two rabbis providing contrasting interpretations and rulings on a topic.

“Land Concentration, Efficiency, Slavery, and the Jubilee” by Jacob Rosenberg and Avi Weiss presents an alternative view of the justification of the jubilee year, where land is returned to its original owner. While usually interpreted as a social justice law, they view it as a way to attain economic efficiency by preventing monopolization of wealth. When wealth, in the form of land, is spread over a wider population, the reasons that people become slaves are diminished. This interpretation is one of several examples in the collection that demonstrates the advanced thinking of the day.

“An Extended Talmudic Search Model” by Yehoshua Liebermann is one of the best essays for illustrating how economic theory relates to Jewish thought. He begins with a discussion of search theory and the importance of transactions (search) costs. As Liebermann writes, “considerations underlying the ultra-modern economic theory of information search, for which...George Stigler won the Nobel Prize, are so deeply rooted in ancient Talmudic thinking” (p. 143). Based on the biblical verse “And if thou sell a sale unto thy neighbor, or acquirest aught of thy neighbor’s hand, ye shall not deceive” (Leviticus 25:14, p. 129), the Talmud actually puts a limit of one-sixth on how far the price charged can deviate from the market price. This law is known as *ona’a* and has applications to price fixing and other antitrust law as well (though these topics are not addressed in the essay).

“The Economic Progress of American Jewry: From Eighteenth Century Merchants to Twenty-First Century Professionals” by Barry R. Chiswick provides a chronological review of occupations held by American Jews from Colonial times through the Russian immigration at the end of the twentieth century. The U.S. Census does not include questions on

religion, as it does on race and ethnicity, so Chiswick devotes significant time to methodology. For example, for the significant migration from Eastern Europe and Russia in the early twentieth century, individuals were identified as Jews by their “mother tongue” (Yiddish, Hebrew or Ladino were accurate indicators of Jewish heritage) or, less accurately, birthplace or parental birthplace. German Jews, who arrived in the late nineteenth century, were predominantly merchants, and some created well-known department stores such as Bloomingdales, Saks, and Nieman-Marcus (p. 628). He finds that Jews are disproportionately represented in professional jobs compared with the general population.

There are several ways in which Christian economists might benefit from the essays in this volume. Many provide an approach to economic and legal issues from the perspective of the shared value of social justice (*tikkun olam*, repairing the world, in Judaism). More generally, they provide a lens through which to view these issues that is part of the Judeo-Christian tradition. And even more broadly, they may serve as an example or guide for similar analysis from the Christian perspective.

### **Reference**

**Jacobs, J.** (2003). The living wage: A Jewish approach. *Conservative Judaism*, (Spring) 38-51. ■