

The Catallactic Tradition in Economics: A Theological Analysis

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Abstract

Economics has long been grounded in methodological individualism and the foundational assumption of the utility-maximizing homo economicus. Although recent decades have seen a growing interest in the social dimensions of economic behaviour, the individualistic paradigm continues to dominate the discipline. This paper revisits a largely forgotten tradition in economic thought: the catallactics school, originating with Richard Whately (1787–1863) and culminating in the work of the American economist A. L. Perry (1830–1905). Central to this school is the conception of the human being not as an isolated maximiser, but as a fundamentally social creature—an “animal that makes exchanges”—with economics defined as the “science of exchanges.” This paper traces the historical development of the catallactics tradition, explores the reasons for its marginalization, and assesses its potential relevance for contemporary economic thought. Specifically, I examine the theological underpinnings and implications of catallactics, arguing that this tradition aligns with a long-standing strand of theological reflection that views innate human differences as a basis for division of labor and trade. By drawing on overlooked sources, the paper seeks to contribute to a renewed dialogue between economics and theology, proposing a richer, more relational vision of economic life that transcends the limitations of individualism.

Key Bibliographic Sources

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