



## Christmas Works

BY RICHARD W. RAHN

PEACE AND PROSPERITY REIGN WHERE THERE IS TOLERANCE

Why do billions of people, Christians and non-Christians alike, look forward to Christmas? It is a holiday that makes almost all children, and most adults, happy. Globally, it has evolved into a non-threatening holiday that non-Christians can embrace with good cheer. Merchants of all faiths love it because it means more sales. And it is a joyful holiday that promotes peace and good will toward others.

There are, of course, those who dislike Christmas — severe sorts — like some atheistic socialists who hate anything to do with religion and commercial activity, certain fundamentalist Muslims, and those who are openly hostile to even the origins of Christianity. Some Christians are, and have been for the last two centuries, unhappy about the way Christmas is celebrated as it has moved away from its religious roots — perhaps without fully realizing that the secular Christmas celebrations around the globe, for the most part, also carry the indirect message of helping others, along with peaceful and happy coexistence.

Many economists, including myself, have studied the differences that religion and culture play in economic success. A simple

example is the concept of interest. Economic progress depends on capital investment. Capital comes from saving and investment, and a way to encourage more saving is to pay interest. Historically, both Islam and Christianity had prohibitions on paying interest. Up to the time of the Protestant Reformation, the Jews became the moneylenders because their religion did not prohibit the payment of interest. John Calvin and other Reformation leaders changed the rules so that their Christian followers were allowed to charge interest on loans, which, like the Jews, gave them a competitive advantage. The popes, seeing the results, soon changed the rules for Catholics, also allowing them to charge interest. The fact that Islam failed to change its rules to the now global standard has been one of its many growth inhibitors.

Religions that focus on the hereafter, rather than on individual self-betterment and accomplishment, partially deny their adherents the ability to improve their positions. The Protestant Reformation and then the Enlightenment in Europe, known as the Age of Reason, which stretched roughly from the mid-17th through the 18th century, gave us the modern world. The old order of monarchs and the political power of the Catholic Church were destroyed. The ideas of individual freedom and legal equality for all became widespread, as well as separation of church and state. It provided the foundation for a scientific, economic, and political revolution, of which the creation of the United States became the premier result of the new thinking. There was much diversity in Enlightenment thought, and the founding fathers of the United States were much more influenced (thankfully) by the Scottish Enlightenment than they were by the French or German Enlightenments.

Many of the ideas, culture, and institutions of the Enlightenment were carried, particularly, by the British to their colonies around the world — where they were picked up by the locals. The now very prosperous states in Asia trace their political and economic reforms back to the Enlightenment as spread by Europeans. These ideas included the rule of law over that of the rule by men, the protection of private property (including intellectual property), and free markets — all of which were critical in

creating for the first time in human history sustained increases in the well-being of most.

The modern Christmas celebration (which is only about 200 years old in the United States) not only evolved from celebrating the birth of Jesus, but from incorporating pagan winter festivals, some stemming from Roman times and including the German and Scandinavian use of the Yule log and Christmas tree. Many nations which only have very small Christian populations, like Japan, have added their unique twists to the Christmas celebration.

Much of the present-day tension in the world stems from the fact that Islam never had a reformation and enlightenment. There is no room for questioning and tolerance toward other religions among large segments of the Muslim population. Where most Christian majority countries are now accepting and tolerant towards other faiths, virtually all Muslim majority countries treat other faiths less well, and some engage in outright oppression.

The result — because of the ability to question scientific, religious, and political authority — the overwhelming number of advances in science, medicine, engineering, business, legal and financial systems have occurred in non-Muslim majority countries since the time of the Enlightenment. There is little doubt that human life spans and material well-being would be much less if Islam were the religion of the world.

A world where Christmas could be legally celebrated everywhere, by both believers and non-believers, is also likely to be a world of tolerance where both peace and prosperity reign.

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