pillars of a modern market economy from the eleventh century onwards. Bills of exchange; double entry bookkeeping; joint stock companies; banks; the Franciscan *Mons Pietatis* (pawn bank); hospitals; universities, etc. are only some of the fruits of this blossoming. It was especially during the civic humanism period (fifteenth century) that the notion of business as a legitimate, morally demanding profession was born and properly systematized on theoretical grounds. (By the way, this remark helps us to understand why already in the first half of the nineteenth century a substantial change in Protestantism occurred both in Europe and in the USA in the direction of a severe critique of the theory and practice of capitalism, conceived as a product of Enlightenment thought and not of Reformation). “Our theory predicts that, other things equal, rent-seeking societies would reject Protestantism, whereas profit-seeking societies would embrace it” (p. 120).

It is really difficult to maintain that Tuscany – to give just one example – in the fifteenth to sixteenth centuries was a rent-seeking society.

The Marketplace of Christianity represents an important addition to the economics of religion literature. The authors have rendered us a great service by contributing so much to this urgently needed area of inquiry. The closely knit narrative tells a fascinating story, so much so that the reader feels that one cannot leave it aside too lightly. I would strongly recommend its reading.

Reference


Stefano Zamagni, University of Bologna, Italy

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It is a well-known fact that aging populations in industrialized countries are the main factor which undermines the financial stability of the social security systems and, at the same time, are the reason why those unstable systems are not subjected to suitable reforms. From an economic perspective, the shift of the age composition of generations towards higher ages increases the number of retirees who receive social security benefits and decreases the number of
working individuals who pay contributions to the system. In the predominant pay-as-you-go pensions system worldwide where the pensions are financed by contributions of workers living concurrent to the retirees either contribution rates have to be increased or benefits must fall in order to balance the pension budget. But both measures have natural limits. This financial crisis reaches its peak in the years between 2030 and 2040 when the baby boom generations in the different countries are in retirement. From a political economy perspective, in democratic societies the necessary reforms to heal these financial crises like reductions in the generosity of benefits or the postponement of retirement ages are blocked by the voters because the fraction of older voters increases. Pensioners and older workers who view their past contribution payments as sunk cost are inclined to favor the extension of benefits. They vote for larger unfunded pension schemes.

This book adopts a politico-economic approach by using a median voter model to simulate the political support for social security systems in democratic societies. The focus is to explain how pension systems will evolve until 2050 when the electorates voting for the systems grow older. This quantitative analysis is performed for six countries with aging populations: France, Germany, Italy, Spain, the United Kingdom, and the United States. The selection of the countries is not entirely transparent. So it would have been a valuable addition if a Scandinavian country had been included exemplifying the Nordic type of very comprehensive pension schemes covering not only workers but all citizens.

After an introduction in the first chapter the institutional and parametric characteristics of pension schemes and recent reforms are presented in Chap. 2. Moreover, the demographic and labor market trends of the six countries are described showing that the demographic problem of aging societies for the long-term financing of pensions is exacerbated by early retirement tendencies. Due to those developments the ratio of retirees to contribution paying workers increases much faster than the old-age dependency ratio of persons aged above 65 years and persons aged between 20 and 64 years. This observation already hints to the main conclusion of the book that raising the effective retirement age is one of the most promising and viable reform steps to be undertaken in aging societies to alleviate the pension crisis. Finally, this chapter shows that the demographic aging implies a rise of the median age among voters.

Chapter 3 provides an overview about theories explaining the existence and expansion of welfare states. Here the book mixes normative justifications with positive explanations of public pension systems. From a normative point of view the chapter reflects individual myopia and missing private insurance