Nicoleta Acatrinei Ph.D.
University of Lausanne, Switzerland
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The Birth of the Third Sector in Late Antiquity

The Constantinian Revolution as a Historical Natural Experiment

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Abstact

This paper treats the fourth-century Christianization of the Eastern Roman Empire centered on the urban centers of Antioch and Constantinople as a historical natural experiment. It examines how the Edict of Milan and the ensuing "Constantinian revolution" redirected wealth, reshaped social obligations, and generated durable institutional forms that prefigure the modern third sector (nonprofit, philanthropic, and quasi-public organizations). The analysis combines economic-historical reconstruction of urban transformation with an intellectual history that traces the normative foundations of welfare economics to patristic anthropology.

Part 1 situates the emergence of third-sector-type organizations within the broader economic and social reconfiguration of the two cities. Classical civic euergetism, elite provision of public amenities in exchange for prestige and honor was gradually displaced by a Christian ethic of non-reciprocal charity grounded in the dignity of the person (*imago Dei*). Bishops, notably John Chrysostom, assumed managerial roles previously performed by the curiales, channeling private wealth into institutionalized care: hospitals, orphanages, hostels for travelers and the elderly, and systematic support for widows, prisoners, and the poor. In Antioch, Chrysostom documented the Church's maintenance of roughly three thousand widows and virgins alongside other vulnerable groups; in Constantinople he redirected episcopal resources from residential aggrandizement to hospital construction. These activities professionalized caring roles, expanded monetary circulation, stimulated related economic sectors (agriculture, construction, urban infrastructure), and established a social safety net that contributed to the long-term resilience of Byzantine institutions. The comparison between the two cities, Antioch with its deeper Hellenistic-Syrian identity and commercial traditions versus the newer, more heterogeneous imperial capital, allows finer-grained analysis of how the same religious impulse produced convergent institutional outcomes under differing local conditions.

Part 2 turns to the history of economic thought. This section argues that core normative commitments of modern welfare economics such as diminishing marginal utility of income, the moral priority of the worst-off, the legitimacy of redistribution, and the concept of a social welfare function are secularized residues of patristic teaching on stewardship, the universal destination of goods, and almsgiving as "lending to the Lord." Chrysostom and the Cappadocians (Basil of Caesarea, Gregory of Nyssa) articulated a conditional view of private property, a preference for voluntary redistribution oriented toward spiritual as well as material ends, and an inversion of social hierarchy that placed the poor at the center of the community. Subsequent medieval, Reformation, and Enlightenment transformations progressively stripped these ideas of their theological

framework while retaining their redistributive logic: from the commodification of spiritual capital in late medieval almsgiving, through Calvinist categorizations of the deserving and undeserving poor, to the utilitarian calculus of Bentham, Mill, and Sidgwick. Pigou's welfare economics and Sen's capability approach are presented as further stages in this secularization. The paper contends that recognizing the religious genealogy of these concepts clarifies contemporary debates on interpersonal comparisons, the limits of market efficiency, and the integration of normative considerations into positive analysis.

The overall thesis is that the Constantinian reorientation of urban wealth toward institutionalized care constituted the historical birth of third-sector organizations and simultaneously planted the normative seeds of welfare economics.

The resilience of the resulting institutional forms, visible in the continuing role of faith-based organizations in public-service delivery, offers lessons for contemporary societies navigating fiscal pressure, social volatility, and the limits of purely market or purely state provision. The paper remains explicitly a work in progress, combining historiographical reconstruction with conceptual genealogy and calling for further empirical and theoretical development of both strands.

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Nicoleta Acatrinei Ph.D.
University of Lausanne,
Géopolis 5236, Lausanne, 1015
Switzerland
nicoleta.acatrinei@unil.ch