

## **No “Aphoristic Spectacle of Cruel Passions”: Economics, Natural Law, and the History of Ideas**

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The seventeenth century brought with it an increasing recognition of an “economy” which occupied its own sphere, subject to its own natural laws. Mercantilist writers appealed to these laws, and often the divine providence of the God who established them, as justification for a litany of trade-related policies that would support domestic industry—restrictions on the importation of finished goods, export promotion, loose immigration and tight emigration laws, and so on. Quesnay and other physiocratic writers of the eighteenth century appealed to their own conception of natural law to support measures that would repeal mercantilist policies, replacing them with those that favored agricultural concerns. Mercantilism and physiocracy begat Adam Smith and his system, also grounded in natural law. Smith begat Malthus and Ricardo, and they in their turn begat Mill (and Marx!). These classical thinkers begat Marshall and Walras, and Marshall and Walras in their turn begat Friedman and Samuelson. So many economists (political and otherwise), so many natural laws.

Of what concern is this for the Christian economist, or, indeed, for any other economist of faith? If the economics profession has largely dismissed the study of the history of economic ideas from its purview, why might the Christian economist feel any need to do otherwise, to engage Marshall or, still worse, his predecessors? Abraham Kuyper provides us with one answer, through his Calvinist vision of a divine order of nature, grounded in the theology of predestination, amenable to discovery by humans. The history of science, so conceived, is the story of humanity’s attempts to come to grips with that order and to attempt to reconcile two different concepts of the natural order—the way things are, and the way things should be. It is the story of efforts, knowingly or not, to get a glimpse of the mind of God and perhaps order our affairs here on earth

in light of that glimpse. A circumspect faith, one attuned to the multi-faceted interplay of faith and reason, would seem to call us back to the texts of the past. We are people of The Book, yes, but also of the unfolding revelation across every sphere of life and thought. How others have attempted to make sense of that—of the world and of what lies beyond (and behind) it—matters.

## 1 Knowing One's Way Around a Canon

Every tribe has its canon—its texts, myths, oral tradition—that serves to define what it is and how it came to be that which it is. In this, economics has much in common with religion, and with theology in particular. These elements of the canon are themselves surrounded by their own histories, are subject to multiple interpretations, and are *used* by members of these tribes to promote their particular views. In short, canonical works, and certain of the ideas embodied in them (see Smith's "invisible hand") have a tendency to take on lives of their own in the hands of subsequent commentators.<sup>1</sup>

Yet, we live in an age in which the notion of foundational texts is widely regarded as quaint, and that of a canon hopelessly outdated. It is an age in which many churches trumpet their lack of attention to any theology, and sermon references to pop culture figures can safely be said to outnumber mentions of giants of our religious heritage by a thousand to one on any given Sunday. In economics, meanwhile, we find today a body of scholars almost none of whom have engaged with Smith, Ricardo, Mill, Marx, Walras, Marshall, or Keynes—to say nothing of Aristotle, Mun, Say, Torrens, Senior, the Austrians, or the American Institutionalists. The latest NBER working paper has become the sacred text, and the idea of a collective body of knowledge, evolving over time and shaping what we have come to be, has been all but lost. The absence of an interest in our collective past is yet another piece of evidence for the *Age of Fracture* about which Princeton historian Daniel Rodgers (2011) has written so eloquently.

## 2 Making Knowledge

We have not simply *arrived at* the present. Nor is present knowledge simply the accumulation of the wisdom of the past, the outcome of a win-

nowing process in which the right or better marches on and the wrong or lesser is cast to the side. This is to ignore the complexity and messiness of intellectual history and the history of science, its substantial human and contextual elements, and the variety of processes through which certain ideas come to be accepted and others rejected. There is more than a bit of justice in the claim that there is no point in reading Marshall if doing so is simply an exercise in finding out where the origins of key points in the modern principles of microeconomics text are located. Does it really matter whether it was Cournot (1838) or Marshall (1890) who first elaborated the concept of marginal revenue? (Hint: It was not Marshall.)

Elzinga is a brilliant teacher, and this shines through in his efforts to lead the reader through the important contributions that Marshall made to what has come to be present economic knowledge. But this, as Elzinga would no doubt agree, is far from the only reason to sit down with Marshall. For in doing so, we are introduced into the process by which knowledge is worked out. And it is a messy process. Watching Marshall wrestle with how to conceptualize demand (a notion all but absent in any functional way from classical economics), elaborate a tractable measure of economic welfare, and feel his way through the effects of external economies and diseconomies is less about observing genius at work than a lesson in the halting, tentative, and provisional nature of understanding the world.<sup>2</sup> Indeed, engaging with Marshall's misses—at least as measured by the state of modern theory—is as enlightening as reading his hits.

Marshall was quick to emphasize the continuity of his thinking with that of the classical tradition, but in doing so he was generous to a fault. For if the classical tradition embodied all that was in Marshall, there would have been little point in his writing the *Principles*. Marshall set out to understand the economic laws of motion and, having done so to his satisfaction, set about conveying them to a wide audience. Advances in mathematics, and his felicity with that tool, allowed him to understand these things in a different way than had the classical. He wrote them up for the educated layperson and buried the math in the appendices. Choices were made along the way—e.g., to ignore the extended interdependencies upon which Walras (1874/1954) had insisted, tucking vast swaths of life under the umbrella of *ceteris paribus*—which profoundly influenced the system that Marshall developed and what others chose to do with it. Cambridge (England) proceeded to build out his analysis in one direction, Cambridge (US—Harvard) in another, and Chicago in

still another.<sup>3</sup> It may indeed be the case that it is “all in Marshall,” but what that “all” has come to be, and to mean, is a creation of the community of economists—no less so than with Adam Smith, dozens of visions of whom exist in the literature.

### 3 Engaging the Past

What unites Marshall and Kuyper is that each calls upon his readers to understand the world in a new way and to act based upon that new understanding. Each sought to fill what he perceived as a serious lacuna in our collective life. Pure economic theory and systematic theology are beautiful things, but it is in the operationalization of their insights that they have their true import. Marshall, for his part, provided a simple but elegant framework for understanding and evaluating economic forces and their effects, and for engaging in policy analysis in light of that. If economics is religion, Alfred Marshall was engaged in practical, rather than systematic theology—the latter being relegated to appendices.<sup>4</sup>

It would be rather easy for the readers of this journal to examine the excellent essays found in this symposium and conclude that, having done this well in their careers without knowledge of these classic works, there is really no point in engaging with the originals—that the editor has done his job by getting us the toe-in-the-water afforded by these essays. And therein lies the rub. As worthy as the authors are, it is not possible to get a good sense of the importance of these documents without sitting down and wading through. I would have written a very different article about Kuyper’s *Stone Lectures* than did Pahman, and a rather different piece about Marshall than did Elzinga. Not better; just different.<sup>5</sup> If such able scholars as Hicks and Friedman could read Marshall very differently, it should come as no surprise that Medema might emphasize different things than Elzinga.

All of this makes many economists uneasy. The professional fascination with determinate optimal solutions to questions of theory and policy conditions the mind to be uncomfortable with indeterminacy, multiple interpretations, and the provisional and value-laden nature of truth claims. Of course, this is no less true of many faith traditions. But the fact is that meaning is created by communities. Attempts to make that meaning are part of the unfolding revelation, to the study of which Kuyper issued a clarion call:

It was now understood that it was the “common grace” of God which had produced in ancient Greece and Rome the treasures of philosophic light, and disclosed to us treasures of art and justice, which kindled the love for classical studies, in order to renew to us the profit of so splendid an heritage. It was not clearly seen that the history of mankind is not so much an aphoristic spectacle of cruel passions as a coherent process with the Cross as its center; a process in which every nation has its special task, and the knowledge of which may be a fountain of blessing for every people. It was apprehended that the science of politics and national economy deserved the careful attention of scholars and men of thought. Yea, it was intuitively conceived, that there was nothing either in the life of nature round about us, or in human life itself, which did not present itself as an object worthy of investigation, which might throw new light on the glories of the entire cosmos in its visible phenomena and its invisible operations. (1898/1943, p. 125)

The history of ideas—of attempts to divine God’s order for the world, even if only, as St. Paul (the apostle, not Samuelson) put it, “through a glass, darkly”—is one such object, one away from which the hubris of the present all too often pulls us.

### **Endnotes**

- 1 On the multiple interpretations and uses of Smith’s invisible hand concept, see Samuels (2011).
- 2 Marshall’s view of theories as tendency statements is, intentionally or not, reflective of this.
- 3 Would that the tree flowing from Calvin was as simple as this (Kuyper 1898, chapter 1, provides an overview).
- 4 Of course, religion was once very much a part of the science of political economy, though that ship largely sailed more than a century ago with the discipline’s professionalization (Banzhaf and Bateman, 2008).
- 5 For example, this writer would have placed great emphasis on Marshall’s principle of substitution at the margin. See, e.g., Marshall (1960 [1920], p. 341).

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