

Translations: Introduction to a Symposium on Readings for Christians in Economics

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During the years of my PhD formation in economics, in the middle years of the 1980s, I was fortunate to have several Christian colleagues. At the time, we were hungry for readings that could help us to reflect on the possible connections between Christian faith and economics. It seemed, at the time, that the pickings were slim. I remember getting our hands on a copy of a mimeograph of a set of lectures by Tony Cramp, which we read like samizdat literature. There also was Roman Catholic social teaching, but not a lot of help in understanding its implications (if any) for how economics grad students should think about their work—not much help, at least, for graduate students in the middle of the secular academy. During my early years as an economist, I found that there were a few PhD economists working in this area, but many were just getting started.

Looking back on those early years, I am struck at how much better off a young PhD student is today; in the last thirty years, scholars inside and outside of economics have mined a rich vein of reflection on Christian moral theology and economics, from many different Christian perspectives. Graduate student time, however, is as scarce as ever; time devoted to this research is time not spent on the dissertation, publication, job searches, tenure, and promotion. Even the recently-published *Oxford Handbook on Christianity and Economics* (Oslington, 2014) may be a bit daunting for a young scholar trying to keep up with and contribute to his or her mainstream economic specialty.

As an aid to time-strapped PhD students and curious PhDs who are either unaware of the literature or do not know where to start, we have asked several economists for advice. Each contributor was asked to respond to two questions:

1. What books/articles, have influenced most your understanding of the relationship of Christian faith to economics?

2. What books or articles on this topic would you recommend to a young Christian who is an economist? Why?

In asking for autobiographical reflection we run the risk of self-indulgence, but we are also more likely to compile a list of books and articles which have had a significant impact on economists who have given significant thought to these questions. We asked the contributors to limit the number of recommendations, to focus on the books they have found the most insightful.

The contributors approach the relationship between economics and Christian faith from different Christian and philosophical perspectives: some insist on a strict separation between ethics and economics, some advocate for economic analysis grounded more explicitly on Christian principles, and some argue for a practical, if uneasy, tension. Waterman (2017) outlines a historically-rooted taxonomy of the relationship between economics and religion. The major divide in this taxonomy is between *economic analysis*, more commonly called *positive economics*, and various forms of *political economy*, whose purposes are practical: the management of the economy toward some goal (ideally, the goal of human flourishing, and not just the private ends of the rulers).¹ Waterman argues that, although *political economy* is by its nature normative—directed by and shaped by ethical reflection, including Christian ethics—*economic analysis* is by its nature separate from theological ethics: “there can be no such thing as ‘Christian’ ... economic analysis” (Waterman, 2017, p. 198).

Waterman’s classification divides along the familiar positive-normative distinction: economic analysis is a highly-refined technical method by which patterns of behavior and other social outcomes are discerned, predicted, and interpreted. The theoretical parts of economic analysis formalize the assumption that “social phenomena may be understood as the unintended consequences of purposeful, self-regarding acts of individuals” (Waterman, 2017, p. 204). The empirical parts of economics employ sophisticated and creative statistical methods to discern patterns of causation in data. Taken on its own analytical terms (without regard to the uses to which positive economic knowledge will be put), economic analysis is logically separate from Christian reflection on how a modern economy ought to be governed. Christians and non-Christians alike agree on the mathematical properties of a theoretical model specified in a particular way, or on the asymptotic properties of a particular estimator. By itself, positive economics cannot determine what should be done.

It is possible for an economist (including an economist who is a Christian) to practice her profession in a purely positive way—interested in no more than the development of new formal models and empirical methods—without ever thinking about the practical applications of her knowledge to political economy.² There is real value in this sort of work, since it refines the theoretical and empirical tools of the discipline, while improving our understanding of the economy through the lens of economic method. Ongoing ferment and creative innovation in economic theory and econometric method is testimony to field’s drive to understand social phenomena in positive terms.

We should not, however, overstate the number of *purely* positive economists, or the difficulty of maintaining positive purity. A purely positive economist must agree with Nassau Senior, the first chair in Political Economy at Oxford, that “his conclusions, whatever their generality or truth, do not authorize him in adding one syllable of advice” (Senior, 1938/1838, p. 3). He should either preface *every syllable* of his policy advice with a strong disclaimer, or resolutely recuse himself from *all* policy discussions and offhand comments. However committed to excellence in positive method, most economists are unwilling to go this far—to be as starkly modest as the ideal *purely* positive economist. Economists are in demand as legislative advisors, are offered positions in government bureaucracies, teach economics and its implications for public policy, are asked their opinion *as economists* on law and regulation, and are expected to point out the policy relevance of their research when they publish. Many are motivated by practical questions of poverty alleviation, economic growth, and economic justice, and became economists to address them. In other words, practitioners of positive economic analysis often engage in *political economy*—the practical application of economic analysis.

When a Christian asks whether Christian moral theology or biblical ethics have any bearing on economics, he is entering the realm of political economy, moving from positive to normative analysis. Normative inquiries, which are practical inquiries, are radically broad and open compared to the methods of economic analysis. Deliberations about practical policy bring into play conceptions of happiness (what it is and what sort of happiness is achievable in a fallen world), of the place of community and politics in human life, as well as questions of what is politically and economically feasible. One may seek some abstract perspective (like

economic theory) on these questions, but when normative questions cash out in action, the action is anything but theoretical and abstract. It is practical, and in practical matters not even the framework of analysis escapes evaluation. Positive analysis and political economy may be logically separate inquiries, but their relationship is necessarily entangled when practical questions of policy are at stake. Even offhand comments about the efficiency and rationality of individual behavior and government policy make the content of positive models and methods fair game for normative critique.

In the broader inquiries of political economy, the abstractions of economics, taken as given in circumscribed positive analysis, must themselves be evaluated. The positively justified assumptions about human behavior and market structure (rational choice, heuristics, prospect theory, perfect competition, monopolistic competition, for example) must be evaluated on their match or mismatch to the realities of motivation and market structure facing the policymaker. Positive economics is a set of tools; if normative policy is to employ these tools intelligently, then it will have to evaluate what sort of tools they are and how fitted they are to normative, practical projects.

The Christian economist who wants to be a good economist according to the positivist standards of his or her training, but at the same time wants to promote a social good (alleviate poverty, foster economic development, promote more just institutions), must, of necessity, ask what positive analysis contributes to these ends. This evaluation has two parts:

1. How useful a tool is positive analysis? What are the shortcomings of positive models and econometric analyses as guides for practical normative evaluation and decision-making?
2. Should the positive tools of economic analysis be modified to make them more useful for normative work?

The contributors to this symposium answer these questions in very different ways. The differences in their answers reflect differences in how the authors think about normative questions: their evaluation of what sort of political institutions are possible and desirable in a pluralistic polity, judgments about what constitutes human flourishing in community, judgments about the relationship between the city of God and the city of Man. These questions cannot be answered from a purely positive perspective. “Useful” is a normative term.

Note, also, that the answer to the second question is not determined by the answer to the first. If one thinks that all positive analysis is useful for policy, then no modifications are necessary, of course. However, one may think that positive economic analysis has certain clear deficiencies as a normative framework and yet not insist on modifications to positive method and practice. Economic analysis need not be a perfect tool, as long as one is aware of its limitations.

The Christian economist trying to relate Christian ethics to his or her economics must, of necessity, look at economics through a normative lens. I have found the principal difficulty of this task to be one of translation. Christian ethics and economic analysis are different languages. When you learn a new language, you find words and concepts which do not translate cleanly into your native tongue, and concepts expressed in your native tongue which have no exact counterpart in the language you are learning. For example, the economic word “rationality” is a thin and narrow translation of the concept of “reason” in many Christian traditions. Even the economic word “normative” means something narrower and thinner than Christians mean by “ethics.”

Consequently, a Christian economist should seek to encounter theological and philosophical ethics in a way that makes difficulties in translation apparent. For example, once you realize that English translations of the Greek term *eudaimonia* (happiness, flourishing, wellbeing) are imperfect, each distorting Aristotle’s understanding of the term, you cannot simply claim that non-economists mean “utility-maximization” when they talk about happiness. The classical virtue of prudence (or practical wisdom) is distorted beyond recovery when it is translated as “rationality” by economists (Yuengert, 2012, p. 167). The theological virtue of “charity” is much more than “altruism”; to hear the word “altruism” every time you read the term “charity” is to fail to understand Christian charity.

A curious economist can encounter the foreign-ness but reasonableness of normative concepts from outside of economics in many different ways. The contributors to this symposium cite works in the history of economic thought, primary works in philosophy, theology, and economics, and influential works in economic theory which broadened the field’s theoretical vocabulary, as helpful guides to anyone seeking to place economic analysis in a broader normative context. They disagree on what (if anything) is deficient in positive economics, and on what (if anything) should be done about it, but all testify to the imperative of understanding

the concepts and perspective of theology and ethics in the terms of theology and ethics. A real understanding of these disciplines can deepen our understanding of economics and (by the way) help economists to better communicate the poorly-understood concepts of economics to Christian theologians and philosophers, who need econ-speakers to help them understand economics better.

Endnotes

- 1 Waterman (2017) identifies two kinds of political economy. The first (“political œconomy”) adopts an explicitly religious or ideological framework for the governance of the national economy. The second (“political economy”) adopts a more secular and pluralist normative framework, in which religion may affect governance indirectly, through public opinion and electoral politics, but is not a senior partner in politics.
- 2 A purely positive Christian economist might draw on his or her faith as a source for new hypotheses for this positive project. These hypotheses have no special status in positive theory, of course; they are put to same tests that alternative hypotheses must survive in economic analysis. For many Christians in economics, this is how they perceive of themselves as Christian economists: Christians who practice positive economic analysis. Faith may affect the choice of research topic or (less frequently) faith may generate new hypotheses to test. It does not (and ought not) affect the methods of economics.

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Paul Oslington

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I'm grateful for the guidance early in my explorations of the relationship between Christianity and economics from wise senior economists like Kim Hawtrey, Donald Hay, Anthony Waterman, Geoffrey Brennan, David Richardson, and others. The Zadok Institute and Sydney Christian Economists Group were important to me as a student, and eventually I was put in touch with the Associations of Christian Economists in Britain and the U.S. As well as these economists, historians and theologians have shaped my thinking. Peter Groenewegen and others at University of Sydney helped convince a young theoretically oriented economist that the history of economics was important and interesting. John Hedley Brooke's course on the history of the relations between science and religion while on sabbatical at Oxford was especially significant, as well as discussions on subsequent sabbaticals with Peter Harrison, Margaret Schabas, Bob Nelson, Deirdre McCloskey, Max Stackhouse, and Wentzel Van Huysteen.

One of the difficulties was getting access to the key books and journal articles, something that was a particular problem for me an Australian between university sabbaticals. Australia's higher education system is divided between extremely secular public universities and theological colleges that have prepared candidates for ordained ministry in the denominations. Neither has much interest in the relationship between economics and Christian theology, and library holdings reflect this. So early on I tried to collect together and make accessible some of the key readings (Oslington, 2003, and Oslington, Williams & Hirschfeld forthcoming). I also sought research funding to build a reasonable collection at St Mark's National Theological Centre in Canberra. (Incidentally, St Mark's also holds the archives of the now-defunct Zadok Economists Group and Sydney Christian Economists Group, an excellent resource for anyone wanting to better understand the rise of Christian economics in the late 1970s and 1980s or compare developments across the world.) The peculiarity of the Australian system is partly why I joined friends four years ago to start a Pentecostal Christian Research University in Sydney, which would be the first private university accredited in Australia since commonwealth government regulations permitted it. Australian Catholic University is actually a public university that came out of gov-

ernment university reforms in the 1980s and for many years lacked both a chapel and a theology faculty. Australia is a peculiar place.

Kurt and Andy asked contributors to this symposium to nominate two works encountered early in our career that influenced our outlook as Christian economists. The 1994 symposium in *Faith and Economics* was important for me, including contributions from John Tiemstra, David Richardson, and Paul Heyne (who I sadly never had the pleasure of meeting). In trying to sort through the issues, I was increasingly attracted to study of the history of the relationship, and an important guide in this was Anthony Waterman's 1987 survey, to which Ross Emmett, his then PhD student and research assistant, contributed.

They also asked contributors to nominate two works we would recommend to a young economist, and to explain why. My first recommendation would be to do some reading in the history and philosophy of economics, and a good place to start would be Roger Backhouse's *The Penguin History of Economics* (more accessible than the sprawling unfinished work of Schumpeter, Viner's unfinished history of the relations between Christian theology and economics, or Anthony Waterman or Donald Winch's books on the beginnings of the discipline in Britain in the 18th and 19th centuries). The almost complete disappearance from leading undergraduate and graduate programs of the history of the discipline, in its wider intellectual context, impoverishes the education of contemporary economists. My second recommendation would be a book which I suspect will appear on a few lists, Donald Hay's *Economics Today: A Christian Critique*. The main reason I'm recommending it, though, is not the sensible and theologically well-informed treatment of various economic issues, but the attention to hermeneutical questions, especially in the appendix which many readers overlook.

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I earned my PhD in economics from Harvard University in 1989 and went on to teach economics at Occidental College, a small liberal arts college in Los Angeles. I was not Catholic, and accordingly had no inkling that there even was a body of work labeled “Catholic Social Thought.” Prior to my conversion, doubts about mainstream economics had already begun to creep in. Most notably, I began to worry that

economic well-being was not closely tied with happiness, at least in developed countries. My own experience had been that the doubling of income that accompanied landing my first real job made no meaningful difference to me. The larger apartment and an actual car were nice, but they didn't change the quality of my relationships or my understanding of myself. And yet economic analysis is trenchantly rooted in the assumption that economic wealth plays an important role in promoting happiness. The economic approach to human behavior did not rest well with me either. But lacking any philosophical training, I was ill-equipped to develop these misgivings into a well-articulated research program. I bumbled along teaching a few courses on the history of capitalism and economics and philosophy that gave me some scope for exploring my unease. But I found nothing that really helped me to see how to integrate my training in economics with a more robust account of happiness.

My conversion to Catholicism in 1997 was wholly unexpected. I had been a standard-issue spiritual but not religious type and had never really considered becoming Christian, much less Catholic. So the conversion was a revolution for me, upending my intellectual world. In turning to the rich tradition of Catholic thought, I found much wisdom to help me better understand what happiness is and how it might be pursued. But that simply increased the tensions in my own thought, since material wealth has little role to play. Indeed, for people who already have enough, concern about material wealth is actively counter-productive.

Unfortunately for me, turning to Catholic Social Thought for guidance on how to integrate economics with what I was learning about the faith was not particularly helpful. CST seemed to be deaf to economic logic and to undervalue the genuine insights on offer from economics. It seemed to me that on subjects like how to address poverty or how to think about economic justice, CST had a lot to learn from economists, but not as much to teach. I did not need to turn to CST to discover that poverty is an evil and that we should object to exploitative and/or unjust economic arrangements.

What did make a difference was encountering the work of Catholic philosopher Alasdair MacIntyre (1981). In his seminal work, *After Virtue*, I caught a glimmer of the basic problem. Economics is predicated on a type of moral language that is at odds with the moral language that undergirds CST. *After Virtue* opened the door for me to distinguish between the intrinsic goods that constitute happiness and the

external goods like wealth that are meant to support that pursuit. More importantly, it helped me begin to see that the *shape* of our pursuit of happiness depends on our conception of happiness. That is, one cannot capture the project of pursuing intrinsic goods by simply changing the arguments of one's utility function. The third book in MacIntyre's trilogy, *Three Rival Versions of Moral Enquiry* (1990), deepened my impression that the task of bridging economics and theology would be challenging. To paraphrase MacIntyre, what would be required to bring economics and theology into conversation would be someone who was fluent in two completely different moral languages.

I made the radical move of giving up tenure at Occidental and going back to school to study theology, to become fluent in that second language. The task of translating is still daunting, because it's more like translating Martian into English than French into Italian. But I found the thought of St. Thomas Aquinas to be amenable as a base from which to work, and have found a way to think theologically about economics in a way that still does justice to what I learned as an economist. Perhaps not surprisingly, when one turns back to CST with such a background, CST makes much more sense (though arguably, the magisterium could still do with a better understanding of basic insights into how markets work).

So what books do I recommend for people who do not want to give up a decade of their lives to retrain as theologians? Happily, there are two books by people who bridge both worlds. Andrew Yuengert's book *Approximating Prudence* (2012) thinks through the limitations of the rational choice model using Aristotle's account of prudence as a guide. He writes as an economist, for economists, but he understands Aristotle well and lucidly sets out the differences it would make to think about economic practice in light of the different moral language employed by Aristotle. Insofar as Aristotle influenced St. Thomas, and St. Thomas is hugely influential to Catholic Social Teaching, Andy's book is a very good place to begin.

The second book I would recommend is *The Business Francis Means* by Fr. Martin Schlag. It is an accessible account of Francis's economic thought that provides some good historical background on the development of Catholic Social Thought. That is all very useful. But the book is of particular value because Fr. Schlag also understands economics, and thus offers an accessible bridging language. Taken together, these

two books provide a good introduction to the bilingual approach that is necessary to do economics in a way that is nourished by the Catholic tradition.

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John P. Tiemstra
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My serious study of Christianity and economics began with a seminar at the Institute for Christian Studies in Toronto in July 1974, led by A.B. (Tony) Cramp of Cambridge University and Bob (Bob) Goudzwaard of the Free University of Amsterdam. That was also where I met George Monsma and Eugene Dykema, and began discussing with them the possibility of my teaching at Calvin College.

The seminar took a hard critical look at neoclassical economics, suggesting that it is not a useful paradigm for scholars looking for a Christian approach. I found this argument very convincing, but for a long time it was hard to find the case made in print. Cramp’s notes were issued in booklet form by ICS, but were not easily available. Goudzwaard’s ideas about this became more available with the publication of his magnum opus, *Capitalism and Progress*, which appeared in English in 1979.

But a more influential voice, at least with English-speaking economists, was Donald A. Hay of Oxford University. Hay published a couple of pamphlets in the 1970s that circulated among the few who were interested in these ideas. One of these was reprinted in the *Through the Eye*

of a *Needle* readings collection that we produced for our Calvin economics students, the first edition of which appeared in 1984. His work finally came out in book form as *Economics Today: A Christian Critique* in 1989. It was published by British Inter-Varsity, and was briefly distributed in the U.S. by Eerdmans.

Economics Today sealed the case, as far as I was concerned. Hay devotes his first 80 pages to covering biblical and theological principles that bear on economic life. This material is an open-minded look at what our religious faith teaches us about how we conduct our business with each other. Then he contrasts that with the account from neoclassical economic thought, to devastating effect. This book had a profound influence on my thinking and my career.

But if I were going to leave the neoclassical school behind, how would I do economics? What paradigm would I use? By the early 1980s, a number of Calvin alumni were doing graduate work in economics at the University of Notre Dame, and that is where I found the answer I was seeking. In a 1983 book titled *An Inquiry into the Poverty of Economics*, Charles Wilber and Kenneth Jameson (both then at Notre Dame) proposed Post-Keynesian Institutional (PKI) economics as an alternative to conventional, mainstream thought. They elaborated this approach in the sequel, *Beyond Reaganomics*, which appeared in 1990. While this school of thought has always been rather loosely defined, it gave me a place to start my analytical work.

The other piece of the missing paradigm came from Michael Novak's landmark work, *The Spirit of Democratic Capitalism*, which appeared in 1982. Novak conceived of society as consisting of three sectors, not just two. There was the business sector, the government sector, and the moral-cultural sector. His book described the vital role each of these play in constructing a good society, and how they interact with each other. This structure has guided much of my research since then.

By 1990, there was quite a large, serious, scholarly literature about Christianity and economics. I wrote a literature survey with 121 references that appeared in *Christian Scholar's Review* (with the customary delay) in 1993. Since then, the literature has continued to grow. For young economists today looking for a way into Christian thinking about economics and the economy, there is an abundance of resources. Here are the two I would suggest as a start.

First, read Daniel K. Finn's *The Moral Ecology of Markets*. Finn be-

believes that self-interested behavior in the context of markets can be a vital part of a moral society, but only if there is a context of moral institutions of civil society, individuals and groups understand and behave according to moral principles, and there is provision for essential goods and services. Finn helps us understand how the problems of our economy relate to our understanding of fundamental moral principles.

Global Neighbors: Christian Faith and Moral Obligation in Today's Economy is an anthology, edited by Douglas A. Hicks and Mark Valeri. It contains essays by many of today's distinguished Christian economists, scholars of business, and theologians, including Rebecca Blank, Rebecca Todd Peters, Jeff Van Duzer, Kent Van Til, Shirley Roels, and quite a few others. The emphasis is on globalization, and a variety of views are represented. The reader catches up quickly with an important conversation that has been going on for a while now.

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John Lunn
Hope College

For the early years of my career, I did not think much about how my faith impacted my work as an economist. I came from a sectarian background with a focus on morality rather than a worldview. I didn't look for ways to connect economics with my Christian faith either as a graduate student or an academic. A turning point for me came when I read Jaroslav Pelikan's *Jesus Through the Centuries* when I was close to 40 years old. This was my first serious examination of church history and of Christian doctrine. Soon I was reading Augustine, Anselm, Aquinas, Erasmus, Luther, Calvin, and Wesley. I read short histories of the Lutheran Church, Episcopal Church, the Presbyterian Church, and some works on Catholicism and Eastern Orthodoxy. I also joined ACE and moved to Hope College, which put me into contact with alternative viewpoints concerning the relationship between faith and economics.

My contact with different views about economics and faith did not "convert" me to the view that there should be a uniquely Christian economics or persuade me to denigrate mainstream economics. I remained an economist who used neoclassical economics, econometrics, and some institutional aspects à la Ronald Coase, Armen Alchian, and Harold Demsetz. This is probably one reason I resonated with Robert Benne's *The Paradoxical Vision: A Public Theology for the Twenty-First Century*. Of the various ways Christian traditions have dealt with the tension between Christ and the world, Benne supports the Christ-and-culture-in-paradox approach as the best way to deal with the tension. He offers his arguments, which follow a Lutheran approach, in this book. This includes the idea that God rules the world in two ways—through law and governments, and through grace and redemption. As a Christian, I am to love my students, but I grade on the basis of law rather than grace.

The question has been asked: What two books would I recommend to a Christian graduate student pursuing economics? The first is Paul Heyne's *Are Economists Basically Immoral?* and *Other Essays on Economics, Ethics, and Religion*. Heynes was both an economist and a theologian, having pursued graduate work in both. He was also raised Lutheran and attended a Lutheran seminary, which probably places him in the Christ-and-culture-in-paradox way of thinking. This particular book was published after Heyne's death, and contains previously published

and unpublished papers he had written. The editors describe Heyne's vocation in this way: "...to explain to a society ignorant of the principles of economics, and sentimentally attached to a half-remembered Christian ethic of interpersonal relations, that the seemingly immoral prescriptions of economics are often the best way to achieve ethical goals that all would approve" (p. xxiii). Of the twenty-six essays in the book, I have taken considerable notes on the following: "Are Economists Basically Immoral?," "Can *Homo Economicus* Be Christian?," "Controlling Stories: On the Mutual Influence of Religious Narratives and Economic Explanations," "The U.S. Catholic Bishops and the Pursuit of Justice," "Christian Social Thought and the Origination of the Economic Order," and "Economics Is a Way of Thinking." In this last essay, he summarizes the economic way of thinking: "*All social phenomena emerge from the choices of individuals in response to expected benefits and costs to themselves*" (emphasis in original).

My second recommendation is also a collection of essays. This time the author is A.M.C. Waterman and the book is *Political Economy and Christian Theology since the Enlightenment: Essays in Intellectual History*. I think this book will be especially useful because the history of economic thought is so neglected in modern graduate education. Further, Christian theologians tend to regard the Enlightenment as an awful period that is responsible for the reduced influence of Christianity on modern life. Waterman shows that the term "Enlightenment" is not useful, since the British "Enlightenment" and the French "Enlightenment" differed so much.

The essays in the book trace out how and when Christianity went from coexisting in the intellectual world of the eighteenth century to being incompatible in the nineteenth century and totally separate in the twentieth century. Essays I found particularly helpful are: "Why the English 'Enlightenment' Was Different," "*Wealth of Nations* as Theology," "The Sudden Separation of Political Economy," "Methodology of Classical Political Economy," "The Intellectual Context of *Rerum Novarum*," "Market Social Order and Christian Organicism," "Establishment Social Thinking," and "Economics and the Mutation of Political Doctrine." In the last of these essays, Waterman discusses the neo-classical synthesis associated with Paul Samuelson, describing it as "...none other than that French *oeconomie politique* that Adam Smith and his followers hoped they had stamped out once and for all" (p. 239).

Both Heyne and Waterman utilize the idea of “spontaneous order” that came out of the Scottish Enlightenment as crucial when trying to apply ethical principles to economic life. Modern economic life is impersonal due to the size of the population and the extensive specialization of labor employed. However, biblical ethics are based, for the most part, on personal relationships. Both Heyne and Waterman are critical of pronouncements made by church leaders and theologians who refuse to recognize the difference between the two types of societies; the two societies differ with regard to knowledge that agents have about how and by whom goods and services are produced. Both Heyne and Waterman also treat both the Bible and theology seriously.

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Do nothing from selfish ambition or conceit, but in humility regard others as better than yourselves. Let each of you look not to your own interests, but to the interests of others. —Phil. 2:3–4

Christianity and concern with justice came first, economics later. After undergraduate school and before going back for graduate work, my wife and I became very involved in our local parish, particularly in its social ministry. It was then that our Christian faith became revitalized as we came to realize through study of the Bible and Catholic Social Thought

that we all are called to do God's work in this world. To love God is to love neighbor.

The tradition of CST is rooted in a commitment to certain fundamental values—the right to human dignity, the need for human freedom and participation, the importance of community, and the nature of the common good. These values are drawn from the belief that each person is called to be a co-creator with God, participating in the redemption of the world and the furthering of the Kingdom. This requires social and human development where the religious and temporal aspects of life are not separated and opposed to each other.

As a result of these fundamental values, two principles permeate CST. The first is a special concern for the poor and powerless, which leads to a criticism of political and economic structures that oppress them. The second is a concern for certain human rights against the collectivist tendencies of the state and the neglect of the free market.

With this theological and philosophical background, I was drawn into graduate work in economics by my desire to attain a better understanding of the causes of poverty and how to overcome it. Msgr. Ivan Illich invited me to teach at the Catholic University in Puerto Rico. During our stay, he became my mentor and convinced me that I needed to get a PhD in economics before anyone would listen to what I had to say. I accepted an assistantship at the University of Maryland with the intention of concentrating on the problems of development in Third World countries.

At that time, the economics department at Maryland was dominated by Keynesians and even included courses in Institutionalism. However, they were all thoroughgoing secularists. As a Christian, I wanted more. Two sources led me to see how my faith and the economics I was learning could be reinforcing. The early 1960s issues of *The Review of Social Economy* are where I found many articles that connected economics and my Catholic faith. Articles critiquing the economic man idea in light of faith forced me to think creatively. See F. Knox (1960), "The Doctrine of Consumer Sovereignty." Other articles on Joseph Schumpeter's approach opened up new ways of seeing the economy in a more dynamic model.

A second important source for seeing connections between faith and economics was in the History of Thought class I was required to take, where we actually read Adam Smith's *The Wealth of Nations* (1776) and the *Theory of Moral Sentiments* (1759). Doing so was a revela-

tion. At that time, most mainstream economists saw themselves following in his footsteps. However, I found that Smith had much in common with Catholic Social Thought. I came to see that the popular version of Smith's theory—that the so-called invisible hand of the free market converts the self-interest of individuals into the maximum social good—is a caricature of the real Adam Smith. I have come to a fuller understanding of my original impressions through the work of others, particularly Jerry Evensky.

Smith's writings, especially his *Theory of Moral Sentiments*, suggest that he had a much more nuanced understanding of human beings than the one which assumes that individuals are driven solely by self-interest. Although Smith argued that self-interest has a strong influence on people's behavior, he had a pluralist view of human nature, in which empathy—the ability to perceive things from another person's perspective—has an important role.

Moreover, his views on the role of self-interest leading to the common good are not so clear-cut either. He thought that “humanity, justice, generosity, and public spirit, are the qualities most useful to others” (Smith, 1985 [1759], 190), and believed that while self-interest is useful in certain situations, these virtues are useful in other cases.

Especially towards the end of his life, Smith began to have doubts about the role of the invisible hand of competition and self interest in yielding the common good. In his revision of the *Theory of Moral Sentiments* in 1789, he added a new sixth part containing a practical system of morality. He appeals to all people to place the well-being of society as a whole above that of their own factions, and stresses especially the role of statesmen in constructing such a moral society through their actions and by setting examples for others.

For Adam Smith, virtue serves as “the fine polish to the wheels of society,” while vice is “like the vile rust, which makes them jar and grate upon one another” (Smith, 1789, 244). So Adam Smith would be quite comfortable reading in *Laudato Si*, Pope Francis's statement, that “The economy accepts every advance in technology with a view to profit, without concern for its potentially negative impact on human beings... Yet by itself the market cannot guarantee integral human development and social inclusion” (Francis, 2015, 109). Rather, we are called to control the unrestricted pursuit of profit by allowing ethics to guide us as citizens and consumers, so that both the planet and all peoples can thrive.

What would I recommend today for young PhD economists to read? They couldn't go wrong reading Adam Smith, particularly, *The Theory of Moral Sentiments*. Finally, every economist, Christian or not, could benefit from reading the 1986 pastoral letter of the United States Catholic Bishops Conference, *Economic Justice for All*.

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I must have been a strange young man late in high school and in college, because I knew then, in my heart of hearts, that I wanted to be an economist. I entered college committed to the aim of earning a PhD. How crazy is that? I would never recommend that as a career strategy for anyone, but that is the truth of it for me.

I wish I could say that it was deep reading in Aristotle, Augustine, and Aquinas, not to mention John Paul II and Kuyper and Knight and Viner, that set me on the path of Christian ethical reflection in economics for a major part of my professional work. But that would be wrong. Instead, my path began in an extremely mundane way.

In college in the late 1970s, there appeared to me to be essentially no scholarly resources that related the discipline of economics and economic policy to Christian ethical and theological reflection. This was a disappointment. It was also, of course, a sophomoric judgment in all senses of the word. Had I bestirred myself, there was a lot to be found, from Wilhelm Roepke, Dennis Munby, Josiah Stamp, and others from an earlier generation, as well as from the work of a then-emerging generation of

Christian scholars, including Paul Heyne and Douglas Vickers, let alone the classics mentioned earlier. For me, all that came later.

Instead, I was exhilarated when a good friend gave me a copy of Anthony Cramp's *Notes Towards a Christian Critique of Secular Economic Theory* (1975), which he had come across at the Institute for Christian Studies (ICS) in Toronto where it was issued. This ended up being the first book that influenced my thinking as a specifically Christian (and wannabe) economist. Andy Yuengert's introduction rightly likens Cramp's piece to "samizdat"—in its blue paper cover and rudimentary layout it looked like it was produced on a kitchen table, and one could debate whether it was really a "book" or an article.

To read it was like inhaling oxygen: I had never encountered something so obviously concerned to engage economic theory substantively while taking Christian theology seriously, and that was profoundly helpful. The book was humble—it didn't pretend to be the last word. It addressed, in part, how Reformed theology could be applied to thinking about economics, an enormous eye-opening moment for me. And it took neoclassical theory seriously to task for unbiblical assumptions about *homo economicus*. These topics opened before me like broad attractive paths to explore and, indeed, in the summer before senior year I attended a conference at the ICS and learned a lot about Goudzwaard, Kuyper, Dooyeweerd, and Reformed thinking in general. All this was valuable and inspiring.

But the book's influence on me, overall, might not have been quite what Cramp intended. I was not convinced that, from a Christian point of view, the methodology of economics was fundamentally in error, or that it was not a useful means of studying economic behavior and policy. Rational evaluation of costs and benefits, thinking at the margin, optimizing behavior—all this did not seem to me to be at odds with humanity's creation mandate to "till and to keep" the earth and be God's stewards, nor did it seem unreasonable to assume, as a first approximation model of human behavior, that people acted this way. The usefulness of mainstream economics for thinking about poverty, growth, the environment, and a host of other pressing problems was becoming clearer to me by the day in my coursework. And so I knew, even in college, that I did not want to take the turn towards re-forming the discipline of economics with a new methodology, as some Reformed thinking did.

The second book that was influential in my early thinking wasn't even a book when I encountered the author and his arguments at the Brook-

ings Institution, of all places, where I might least have expected to be challenged to think in terms of a Christian worldview. I was fresh out of college and working there as a research assistant. Brian Griffiths showed up, seemingly out of the blue, to give a series of lectures on Christian faith and the morality of markets.

Though he was already prominent as a key advisor to new Prime Minister Margaret Thatcher, I knew absolute nothing about Griffiths. His bracing talks—well-argued, energetically-delivered, and well-attended—were a revelation. I had never heard such a clear-eyed and theologically-informed Christian *apologia* for the market. I found the lectures deeply winsome; they spoke to many of the instincts I'd been fumbling to develop in my own thinking. Yes, markets rely on self-interest, but they are not intrinsically dependent on selfishness; yes, free transactions for mutual gain create value and are defensible in Christian ethical and theological terms; no, other systems really do not handle better the well-known human fallibilities that cause trouble in markets.

I learned later that the lectures were commissioned as the 1980 London Lectures in Contemporary Christianity (under the directorship of John Stott), and their U.S. presentation was sponsored by the C. S. Lewis Institute. They formed the basis of Griffiths' 1982 book *Morality and the Market Place* (Hodder and Stoughton) and also informed Griffiths' 1984 book, *The Creation of Wealth* (IVP). I have used the latter for many years in my classes to introduce students to a basic understanding of the real, if not always realized nor always complete, congruence of Christian theology and ethics with market economies. Griffiths' work in the lectures and books encouraged me greatly and set me on the road to embracing Michael Novak-style democratic capitalism (though in 1980 I had just first heard of Novak).

Two items (and yes, it's very hard to limit myself to two) I'd recommend that today's students of economics read are John Paul II's 1991 encyclical *Centesimus Annus*, and Jennifer Roback Morse's *Love and Economics: Why the Laissez-Faire Family Doesn't Work* (Spence, 2001). The former is, I think, a moving, compelling statement of the deep underlying compatibility between Christian faith and the market system, despite all the ways that market systems can go wrong. Both works, in different ways, affirm the essential role of faith to families, to communities, and, broadly, to civilization itself, and invite reflection on the limits of economic analysis and policy prescriptions.

Kurt C. Schaefer

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The turning point came for me during freshman year of high school, when my older brother introduced me to daily, extended, systematic reading of the Bible.

We grew up in a conservative, sectarian Lutheran tradition that was quite sure it had the true, objective reading of the Scriptures. Everyone else was injecting their subjective bias. Our tradition took a strong view of the connection between revelation/faith/redemption, on the one hand, and science/knowledge/creation/the-practice-of-one's-professional-life, on the other. In sum, there was virtually no connection. It's a rather medieval view, sometimes called a nature-grace distinction or a Christ-and-culture-in-paradox view. "Jesus' kingdom is not of this world," and you mustn't expect it to have much to say about this world's work. Just be an ethical individual.

As I read the Bible I gradually became skeptical of that nature-grace distinction. God has made and loves human culture and the physical world; they will not be abandoned to decay, and if they experience fires of judgment these are fires of purification, not annihilation. How could I be a follower and lover and worshiper of this God without wanting to participate in God's aims for his creation?

As one might expect, the Bible is not silent about those aims. Christianity comes with its own basic social theory baked in; when you convert, this is part of what you convert *to*. Wherever in the world there is division and cliquishness, God's people re-enact what they learn in The Lord's Supper. Wherever there is ethnic or racial suspicion, God's people re-enact Pentecost. Wherever there is flippant disregard for the earth, God's people re-enact the respect of Eden. When there are incentives toward self-centeredness, God's people re-enact incarnation. When there is bragging and selfishness and aggression, God's people re-enact beatitudes. When there is bewilderment and fear, God's people breathe out a blessing and offer the Spirit of Peace. And the value of all of these responses is presented as baked into the creation's structure, not as peculiar truths that only apply to believers.

And, of course, the Bible is also not silent about epistemology—the standards by which one considers truth claims to be credible. Scripture is full of narratives and poetry and direct teaching about the relationship

between revelation and observation, the effects of sin upon one's preferences and ability to know, the extent to which worldviews overlap such that there is agreement about truth across a variety of starting points

Just how deep and wide does this theistic social/epistemological theory reach? That became my question in college—at a thoroughly secular institution, following my large, urban public high school experience, with very little relevant material to read. I stumbled across Francis Schaeffer's *The God Who is There/He is There and He is not Silent*, and Ron Sider's *Rich Christians in an Age of Hunger*, at about the same time that a friend gave me a copy of Gary North's *Introduction to Christian Economics*. Even at that tender age I could see that North's libertarian Reconstructionism wasn't what I was looking for, but at least he was trying. So were Schaeffer and Sider, from different angles, though I didn't end up quite in their shadow either. The fact that they were all self-consciously working from the basis of a coherent worldview, and coming to conclusions not only about ethics and policy but also about economic analysis, cracked open a door for me.

I began to peer into the room on the other side. My senior economics seminar syllabus included Lindbeck's *The Political Economy of the New Left* and Galbraith's *New Industrial State*. Friedman released *Free to Choose*. My history of economic thought course put the positivism of the neoclassical tradition into its cultural context. Everywhere I looked I could see that an economist doing modern analysis is working out of some bigger, external tradition that influences her work. "Neoclassical" ideas had appeared and receded throughout history; their current resurgence was related to the worldview of British Utilitarianism, and where that utilitarianism had not flourished neoclassical analysis also had some difficulty gaining traction. The current vogue for econometrics and symbolic representation of abstractions as a way of doing epistemology—making truth claims—had emerged after a nudge from von Neumann and Morgenstern; behavioral economics was just beginning to peep out from the excursions of psychologists into economic theory; people were hinting the things that are now becoming neuroeconomics. None of these influences from traditions external to "economics" sought to replace mainstream economics with an utterly different approach; they instead had the effect of refining and sifting, of redirecting the mainstream. The big, good influences on the profession seemed often to come from somewhere outside.

So why not from theology and biblical studies? What light could they shed, if taken seriously? One might trivialize the conversation by saying something like “there’s no theistic way to minimize the sum of squared regression errors.” But I could see from my undergraduate econometrics course and my summer research job that, when you actually do empirical analysis, you are making hundreds of small decisions which, if not exactly subjective, are certainly traditioned, informed and influenced by one’s first principles.

So what was this odd little tribe of American economists—people who seemed to believe that their current analysis was the positive, objective path to truth? Did they know their own history? It reminded me of my religious childhood. Here, I thought, was a profession to which I might be able to contribute something, and contribute it *as a Christian*.

That has been my project, in one way or another, during the forty years since I declared my undergrad economics major. I’m not expecting that there is always a different way in which Christian economists should do their work, though sometimes there might be, and sometimes the ore they mine may prove valuable to economists of any worldview. I also realize that the chain of logic between revelation and analysis is long and subject to ideological contamination; the whole enterprise is something to be discussed only in calm tones of deep humility. The project can easily go off the tracks into eccentric and absurd conclusions, and even in the best case it leads to many difficult questions. People have good reason to resist it. A friend recently opined in a private email that projects like this have not “added anything novel, arresting, or revealing, nothing very penetrating, nor very insightful.” But I still think it’s a worthwhile venture, though the number doing it is vanishingly small.

What reading to recommend? Modesty prevents me from mentioning a book that tries to live out this agenda, *The Uses and Misuses of Data and Models*, by W. James Bradley and Kurt C. Schaefer, available wherever fine treatises are sold. I understand it’s been used as a text at UW–Madison, and it anticipated the BITTS movement by about a decade, so maybe this is not all *that* lacking in novelty or insight. I’d also suggest that people read the Bible more carefully, systematically, professionally, and in a way somewhat segregated from devotional reading. We all tend toward eisegesis, so you’ll want some assistance, something to jar you out of the circularity of finding in Scripture the things you expected to find. I’d suggest a solid, scholarly commentary with which you may be likely

to disagree, perhaps *Hermeneia* or *International Critical Commentary* or *New International Commentary* or *Searching the Scriptures* or *True to our native land*.



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For a Christian wishing to understand economics, *The Wealth of Nations* may seem to be one of the most obvious choices. I have found that its essentially ethical arguments are understood more if it is read alongside Adam Smith’s earlier book *The Theory of Moral Sentiments*. While *WoN* is essentially a careful analysis of ways in which economic value is created within markets and through the careful design of institutions, *TMS* attempts to explain how our behavior is shaped by our consciousness of how other people will interpret our actions. It is an immensely hopeful book, presuming human perfectibility. I find it almost impossible to believe—even in the context of the activities of Edinburgh’s Whig *literati*, many of whom were ordained ministers preaching a Christianised Stoicism, which was entirely consistent with *TMS*—that Smith could have been a faithful Christian any more than his ebullient friend, David Hume.

I have found that understanding individual decision-making in a social context is of great value to Christians studying economics. Akerlof’s *Market for Lemons* paper continues to fascinate me. It was the first (essentially microeconomic) paper in which I encountered ideas about how we might think of institutions as a response to the limitations of human behavior. Many of the questions which Akerlof has explored throughout his career are very similar to the ones which Smith explored two centuries beforehand. Society might have changed, but people have not.

Akerlof’s paper presaged advances in behavioral economics, such as the early work of Kahneman and Tversky as captured in *Judgment Under Heuristics*, arguments around self-management as put forward in Schelling’s *Micromotives and Macrobbehavior* and *Choice and Consequence*, and Ainslie’s theories of the divided self in *Picoeconomics*, which itself drew heavily on Herrnstein’s arguments for hyperbolic discounting and time-inconsistent choices in *The Matching Law*. But I would cite another book, Elster’s *Ulysses and the Sirens*, as being especially influential in shaping my understanding of where there might be interesting problems

of economic behavior.

The myth of the sirens, and of Ulysses' anticipation of his inability to resist their temptation voluntarily, runs in parallel to the Christian understanding of the fallen nature of humanity. But it differs because Ulysses, who is supposed to be worldly-wise, only sees the costs of choice in terms of physical suffering, rather than through divine judgment. All these arguments suggest how Christian economists might seek to use their beliefs to shape debate within economics. God graciously reveals our long-run interests and how we might realise them through faithful lives.

Perhaps no one has attempted to fuse together the insights of economics with Christian theology more than Thomas Chalmers. Parish minister, university professor, and church leader, after being appointed Professor of Divinity at the University of Edinburgh in 1828, he began the first regular lectures in political economy in Scotland, published as *On Political Economy*, 1832. Chalmers—and indeed his writings on economics—are perhaps easily misunderstood if we treat him simply as a contemporary of Malthus and Whewell. His ambitions were unique, and were no less than the revival of the theocratic element of Scottish society through an evangelical parish ministry.

To understand the scale of Chalmers' ambition requires immersion in his copious writings. His arguments, usually developed from lectures, proceed slowly, and are full of rhetorical flourishes. His *Christian and Civic Economy of Large Towns*, 1821–1826, is his most complete survey of his intentions, but it lacks clear structure. Begun while he was a parish minister, and published in three volumes, it is really a set of essays on the role of the church parish as the main provider of social services, primarily education and poor relief. We do not have to agree with Chalmers' opinions about the efficacy of markets, or the moral superiority of charity over statutory provision of poor relief, to see how he proposed renovating traditional arrangements in the context of urbanisation. But we can step back from those details of early 19th Century political economy, and try to understand his work as an attempt to apply economic principles to the design of religious institutions. Chalmers, following very closely from Smith but from an explicitly evangelical perspective, repeatedly tried to explain how specific institutional arrangements were necessary to promote Christ's kingdom here on earth. We might survey his career and conclude that, in almost every element, it was ultimately unsuccessful.

But his definition of the church as an economic organisation was to be influential in Scotland and North America throughout the 19th Century. Chalmers, failing, had more impact on society than most people who are considered wildly successful.

Lastly, reading the history of economics, I am frequently inspired by the extent to which its roots are to be found in Christian ethics. We can see this in Chalmers and even in Smith, but it becomes fully apparent when we go back to debates about the nature of economic activity in Scholastic theology, which assimilated Classical philosophy and Roman jurisprudence into Patristic theology. The Schoolmen's reputation perhaps still suffers from the rejection of their metaphysics during the Enlightenment, but there are many areas of thought in which we still rely on their insights.

In economics, for example, it was the Schoolmen who argued for the primacy of market exchange. They were the first to argue that it was possible for a Christian to amass wealth from commercial activity. Exploring the ethical conditions for a contract to be binding on both parties, they argued at length about the role of justice in exchange, and from these debates, they considered the question of whether the taking of interest would be licit. Their answer was much more nuanced than a simple denial. There is, I think, one exceptional survey of the work of the Schoolmen on matters of economic theology, Langholm's *Economics in the Medieval Schools*. The term *economic theology* is carefully chosen by Langholm. This is not modern economics, or even classical political economy. It is a precursor of these intellectual traditions, within which we can see that understanding the nature of economic relations helps us to understand not just the Creation, but something of the mind of God.

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As a young economist I found a pair of surprising articles, written many years earlier, by four world-renowned economists in my field of international trade and economic development. “Directly Unproductive Prophet-Seeking Activities” (Dixit & Grossman, 1984), published in the *American Economic Review*, and “Religion as DUP Activity” (Bhagwati & Srinivasan, 1986), published in *Public Choice*, both analyzed organized religion. Since none of the authors was a professing Christian, I was intrigued. Dixit and Grossman assumed that an unknown force has appointed religious institutions as an intermediary to hand out tickets to heaven. The religious sector, therefore, had the incentive to extract rents from people who were willing to pay for the chance to be in heaven. Such directly unproductive profit-seeking (DUP) activity reduced society’s welfare. Bhagwati and Srinivasan also assumed that organized religion acted as an intermediary between man and God, thus generating

an incentive for rent-seeking activity. However, organized religion could also potentially make individuals' prayers more effective—a productive activity for which people were willing to pay. Thus, the welfare of society might still be improved by the existence of organized religion.

These two papers were intended to be humorous. But they showed me how economic tools, accurately used in the hands of renowned experts in my field, could lead to false conclusions. In both papers, a scathing critique of the church arose because a reductionist view of religion was adopted, and false premises were assumed. The analysis was elegant, logical, and accurate, but the conclusions were simply wrong. I also saw that we Christians—even Christian economists—are just as prone to these dangers. Some Christians, for example, fault the economic system for not addressing all moral problems in society. Yet this neglects the crucial role of legal systems, the church, the family, and other societal organizations in shaping moral behavior. Others characterize economic systems (market, socialist, mixed) in an inaccurate or incomplete way. Given the premises, the analyses logically show that a system is or is not consistent with Christian principles. But the premises are false. How important it is for us to use our tools with integrity, not falling into the traps of reductionism or distorted premises.

What books or articles would I recommend to a young economist? There is much to be learned from reading a volatile debate. Working in the fields of empirical international trade and development, I have often started my development class with op-ed articles by William Easterly and Jeffrey Sachs, debating how to solve global poverty. These are eminent economists in the field, and both are passionate about solving this problem, yet they take diametrically opposite views on the issue. Sachs' book, *The End of Poverty* (2005), argued for a “top-down” approach to reducing extreme poverty. Governments needed to work together on multiple economic, social, and institutional dimensions simultaneously, designing policies to boost agriculture, improve basic health, invest in education, improve supply of electricity or other sources of power, provide clean water and sanitation, and more. Easterly's book, *White Man's Burden* (2006), argued that such top-down approaches were difficult, ineffective, and often damaging historically. He argued that a “bottom up” approach was more effective. Easterly emphasized that large-scale government programs often have many unintended consequences, some of which are likely to worsen global poverty. This occurs in large part

because such policies are designed at the top by those who are unfamiliar with the complex multiplicity of intertwined causes of poverty at the bottom.

These books (and other writings by these authors) have taught me much about the need for clear economic reasoning grounded in evidence and for finding root causes of serious economic problems. Reading Sachs' book, I wondered why the more than 50 years of evidence on the failure of large-scale development programs was not addressed. What about the entire literature on why foreign aid has not worked well? What was new here that would make this top-down approach work better now? Easterly's critique provided much of this evidence, and mounted the case against top-down. But what was needed, beyond this, was much more in-depth analysis of the root causes of global poverty. Analysis of those local multiple causes that combine to lead to extreme poverty would help design bottom-up solutions that could actually alleviate it. It might also reveal areas where both approaches could be useful. Reading this debate has helped discipline my own work. As an empirical economist trying to understand the efficacy of different policy choices, I see once again the importance of learning from the past, of addressing the evidence head-on, of paying attention to unintended consequences, and of designing solutions that address problems at their root. All of these help me work with integrity.

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I entered into PhD studies in economics because I was convinced that economic analysis offered unique insights into the operations of markets and society that were generally overlooked or ignored, and was consequently a powerful framework for thinking about public policy. At the same time, the U.S. Roman Catholic bishops and a long line of papal teaching insisted that the economic approach to human beings, their motivations, and their communities was a radically incomplete basis for policy and reform. At the very beginning of my studies as an economist, I felt the imperative to reconcile these competing accounts.

I am highly skeptical that Christian ethics and economic analysis can be combined into “Christian economics” without doing damage both to economics and to Christian ethics. “Christian economics” is not a combined discipline, but a conversation between economics and Christian ethics about the constitution of the social order, the place of economic activity in that order, and the direction of social reform.

Anyone who has participated in formal or informal exchanges between economists and theologians is aware of the mutual incomprehension and frustration inherent in these conversations. Too often the exchange takes place within the single mind of the economist as he or she tries to reconcile what he or she knows as an economist and as a Christian. The exchange between economics and theology needs translators on both sides, each able to learn the language and inhabit the intellectual worldview of the other. The four works I recommend, three by non-economists and only one written from an explicitly Christian perspective, are clear accounts of concepts and categories which do not fit cleanly into the economic framework. In these accounts, the curious economist will discover the foreign-ness but reasonableness of a non-economic worldview, to bring into focus the advantages and the shortcomings of the economic approach. Armed with even a limited fluency in a non-economic language, the willing economist can engage more fruitfully in the exchange with theology and ethics.

Aristotle (1941), *Nicomachean Ethics*: Too many economists, when they read Aristotle, focus on his somewhat obscure analysis of money and value in the *Politics*, but *The Ethics* provides the more important challenge

to economists. *The Ethics* begins with an account of human motivation: “Every art and every inquiry, and similarly every action and pursuit, is thought to aim at some good” (1.1). At the same time it issues a challenge to economists: “precision is not to be sought for alike in all discussion” (1.2). After this beginning, Aristotle continues on to a discussion of the nature of human happiness, of human action, the place of the virtues in a good life, and the nature of friendship. I first read this book four years out of graduate school, and found myself repeatedly trying to place Aristotle’s analysis alongside the economic analysis of human behavior. The conversation with Aristotle has continued throughout my academic career.

John Finnis (1980), *Natural Law and Natural Rights*: This classic of legal philosophy is not uncontroversial. It has been faulted by other natural-law theorists for its acceptance of the fact-value distinction, and its deductive, analytical style of argument. Ironically, these perceived shortcomings make this book a very accessible guide to natural law theories for economists. Its clear explanation of the relationship between instrumental and basic goods, and of the incomparability among the basic goods, present economists with a rigorously described alternative to utility theory. Moreover, even though the basic goods (beauty, truth, life, justice, play, religion, friendship) are not fully comparable, Finnis insists that human choice can still be governed by reasoned deliberation, and develops principles of practical reason.

James C. Scott (1998), *Seeing Like a State*: Scott offers an explanation for the failures of technocratic social plans (what he calls “authoritarian high modernism”) which emphasizes the importance of what planning must leave out. States and other large institutions operate at a distance from the societies they govern; to manage social reality, they must abstract from it (“see” it through a model). Scott describes what is left out of technocratic models, including economic models of every ideological stripe: local knowledge and skills, which he calls *metis*. Technocratic models do not just happen to leave out *metis*; since *metis* is by definition the set of skills and knowledge needed to grapple with the shortcomings of an abstracted view of the world, it *cannot* be included in an abstracted view of the world (in a model), even though it is crucial to the flourishing of society. Scott’s book explores the shortcomings of analytical models without advocating their abandonment; the best social plans give space

for *metis*, even though *metis* cannot be formally modelled. Any economist who takes this book seriously will take a different view of the uses and limitations of economic models.

Daniel K. Finn (2006), *The Moral Ecology of Markets*: Finn has done significant graduate-level coursework in economics, and combines this training with a PhD in religious social ethics. Consequently, he is well placed to talk across the disciplinary boundaries between theological ethics and economics. He offers an ethical evaluation of markets, taking seriously and treating fairly arguments from the right and left for and against markets. Any economist looking for a treatment of the topic which takes economics and its contributions seriously will find this book enlightening. To the traditional concerns of production (allocation) and distribution in the evaluation of economic outcomes, Finn adds considerations of scale and social relations. This allows him to broaden the normative discussion of markets, respecting and putting into perspective traditional economic concerns.

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