

## 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).<sup>1</sup> 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.<sup>2</sup> 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.

### References

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