

Viewpoint

The “Crazy” Idea of a Christian Libertarian Economist

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Editor’s note: With this “Viewpoint” column we revive a tradition in *Faith & Economics* of offering thoughtful opinion pieces on matters of interest to members of our Association. Suggestions and submissions for future Viewpoints are cordially invited, as are responses.

It’s crazy to think of a Christian libertarian economist. They are rare. But it’s not the link between “libertarian” and “economist” that sounds crazy; that’s quite common. Writing in *The New York Times*, Harvard economist N. Gregory Mankiw (2013) said economists “tend to have a libertarian streak.” Economists generally believe that free markets lead to the best outcomes for society. Economists look first to the market for solutions to any social issue. What *is* “crazy” is for an economist to actively integrate a Christian worldview into his or her work in the discipline.

It is rare, too, for a libertarian to be a Christian. Writing in 1979, economist Murray Rothbard wrote that “many if not most libertarians at the present time are atheists.”² More recently, Jason Brennan of Georgetown University maintained that few libertarians today have any faith at all—most, he suggests, would be considered agnostic, or at best deists (Brennan, 2012). However, a valid argument can be made that a Christian libertarian is just getting back to his or her roots. The movement was founded primarily by Christian philosophers. As Rothbard also noted, “among the classical liberal forebears of modern libertarianism in a more religious age there were a myriad of Christians: from ...John Locke in the seventeenth century, to Frédéric Bastiat ...and the great Lord Acton.”³ The political economy of libertarianism is consistent with a Christian

Author’s Note: This is adapted from my Northwest Nazarene University Centennial Faculty Award Series presentation, February 2013. The positions represented here as well as all errors and omissions are my own; comments are welcome. prcrabb@nnu.edu.

worldview. A Christian can be an economist, an economist can be a libertarian, and a libertarian can be a Christian.

The principles of modern libertarianism are found in the writings of Robert Nozick, among others. Nozick wrote *Anarchy, State, and Utopia* (1974) in part as a response to a treatise of modern liberalism, John Rawls' *Theory of Justice*. Nozick specifically argued against Rawls' application of liberalism and utilitarian principles to the question of the distribution of economic outcomes, and made the case that any redistribution of income or wealth is unjust. Nozick showed that resources, or wealth, are not initially "distributed" by anyone. They do not appear from behind a veil; they are not conjured into existence by policy. Resources, whether intangible or tangible, are gathered or created by individuals, who then exchange them. When the state redistributes resources, income, or wealth it violates individual rights.

Of course, libertarianism is concerned with issues other than economic policy. Some libertarians see no role for the government at all. Anarchists, or anarcho-libertarians, say people can protect their own rights. But a larger group of libertarians argue that by forming a constitutional government based on rights, the people are doing just that. This branch of libertarianism is most often referred to as classic liberalism. Milton Friedman said, "The consistent liberal is not an anarchist" (2002, p.34). Applying the same logic, the Christian committed to libertarian principles is not an anarchist, either, but *is* committed to the protection of individual rights. Government is necessary for the enforcement of voluntary contracts, and for punishment for crimes, but the redistribution of income is not a legitimate role for government. There is a violation of natural rights, or justice, when the government takes income or assets from some individuals and gives it to others, in order to achieve a particular distribution of income, equal or otherwise.

Libertarians conclude that equality of opportunity is more important than equality of income. Thus, they believe the government should enforce individual rights to ensure that everyone has an equal opportunity to make the most of his or her talents and to achieve success. That is, government should show no partiality; this is a biblical principle found in both the Old and New Testaments. When the government shows partiality, it must coerce others in the society in order to accomplish its goal. This involves aggression, which both Christians and libertarians find immoral and unjust. David Boaz of the Cato Institute explains it well when he says, "You have to make the case for government action. It's the exercise of power, not the exercise of freedom, that needs justification."²⁴

The fact that governments must act aggressively to enforce laws also brings Christians to libertarianism. Norman Horn, the founder and editor of LibertarianChristians.com, writes: “The core of libertarianism is the non-aggression principle: that the initiation of force against person and property is immoral, and it is in many respects a kind of political corollary to the Golden Rule” (2011). Thus, markets that rely on voluntary cooperation and not government assistance have a higher moral standing. Adam Smith makes such an argument in *The Theory of Moral Sentiments* (1976 [1759]). Smith demonstrates how freedom, particularly economic freedom, cultivates morality within individuals. In free markets, an individual encounters opportunities for both moral and material growth. Only by participating voluntarily in free markets is it possible to increase both material and moral well-being. Bob Roller of Mount Vernon Nazarene University says the philosophies of libertarian thinkers like Friedrich Hayek are consistent with a Christian worldview. “The individualism that provides the foundation for free markets has Christian roots,” Roller writes, “With free markets, the fallen nature of people tends to work for the good of both the individual and society, in that greed is harnessed for good.”⁵ Libertarianism thus finds its roots in a Judeo-Christian tradition.

Jacqueline Isaacs of the American Enterprise Institute outlines where libertarianism lines up with the biblical principles of Christianity. First, the individualism of libertarianism appeals to Christians because their own salvation was an individual choice. Jesus died that all may be reconciled to God, but humans do not experience this reconciliation automatically or corporately; each individual must accept God’s gift of salvation. Also, while Christians believe that social engagement is an imperative of the faith, it cannot be coerced. In his first letter to the church in Corinth the apostle Paul said we must win over people, not force their conversion. He wrote, “Though I am free and belong to no one, I have made myself a slave to everyone, to win as many as possible.” Finally, Christian libertarians believe strongly in Christ’s message of liberty. In the Gospel of John, Jesus says, “If you hold to my teaching, you are really my disciples. Then you will know the truth, and the truth will set you free.” To be free, an individual must have the ability to make his or her own choices. Each individual has the ability to make a choice about salvation: to accept Jesus as Lord, or continue on a Christ-less path.⁶ Christian libertarians believe society must encourage choice, and not separate choices from their consequences.

In short, libertarianism lines up well with Christian ideas of freedom and Jesus’ principles of liberty. But economists need to see these principles at work; the data needs to support the theoretical positions. Libertarianism

not only has to line up with the virtues of Christianity—it has to work.

There is overwhelming historical evidence for the power of free markets. In their 1993 book *What Everyone Should Know about Economics and Prosperity*, economists James Gwartney and Richard Stroup show that when a national government's role in the economy is limited, and individuals in that country are generally allowed to trade freely with each other and with other countries, everyone is better off. Gwartney and Stroup point out that in a free-market economy, workers “produce about five times more output per capita than their ancestors did 50 years ago.... and their inflation-adjusted per capita income is about five times higher” (p. 14). A Christian libertarian economist thus reasons that at least some of the inequality of income and wealth observed across nations is due to inability to trade freely with others. That is, some people are not free to receive the rewards of their work. The appropriate response is not income redistribution. Obstacles to free trade are violations of natural rights, and are unjust. Foreign aid, which takes from some and gives to others, is a similar violation. The only appropriate response is more open trade, or free markets.⁷

Despite the many benefits of voluntary markets, Christians frequently argue that the government has to help those who are hurt when businesses fail. Some even argue that because bankruptcy may do harm to some workers, the government should not allow businesses to fail. R. J. Moeller of the American Enterprise Institute notes that Christians often feel uncomfortable talking about the consequences of bad economic decisions, just as they feel uncomfortable telling people they could go to hell. He writes,

Bad business ventures should fail. Lazy employees should be fired... [b]ecause actions have consequences. But also, good business ventures should succeed. Hard-working employees should be promoted. Good investments should make money.... That is capitalism. And capitalism without bankruptcy is like Christianity without hell.⁸

It's not crazy: a libertarian political philosophy applied to economics is consistent with a Christian worldview. Christians may have trouble applying libertarian principles to other social issues such as drug use and homosexuality, but consistent reasoning requires these issues to be addressed by the Church, and not the coercive force of government. Since government intervention in the economy most often violates the God-given rights of individuals, since the biblical principles of justice can be served through voluntary markets, and since the free market works so well for so

many, it makes perfect sense for a Christian economist to be a libertarian.

Endnotes

- 1 See Mankiw (2013).
- 2 See <http://www.lewrockwell.com/rothbard/rothbard168.html>
- 3 See <http://www.lewrockwell.com/rothbard/rothbard168.html#7>
- 4 <http://youtu.be/GmBUDJLgurY>
- 5 Comments made by Robert Roller at a presentation to faculty of the Council for Christian Colleges and Universities at the Free Market Forum, Houston, TX in 2012.
- 6 These comments appear on her blog post at <http://valuesandcapitalism.com/dialogue/faith/four-things-christian-libertarians-believe>
- 7 My empirical research in economic development supports such a conclusion. See Crabb (2008).
- 8 <http://www.valuesandcapitalism.com/dialogue/faith/bankruptcy-and-brimstone>

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