Discussion: Economics and Theology in Conversation

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The magnitude of the chasm between economics and theology is such that it is unsurprising that the panel spent more time discussing the conditions for fruitful dialogue between the two disciplines than in engaging in actual dialogue. As Paul Oslington observes, there is a high return to investment in such preliminaries. My own experience at two conferences sponsored by Lumen Christi to facilitate dialogue between economists and theologians (see Russell Hittinger's article and Joseph Kaboski's response in this issue, for an example of an exchange from one of these conferences) is that the project of establishing the conditions for dialogue is both daunting and essential. Both disciplines could benefit enormously from exchange, yet the two disciplines speak very different languages and some mode of translation needs to be established before meaningful exchange can take place at all.

My task here is to offer some suggestions from the perspective of an economist who left the field to train as a theologian. As Andrew Yuengert notes, people who follow my career path end up as theologians who do economics, rather than as economists who do theology, and that is certainly true in my case. Nonetheless, the hope is that having once been an economist, I can describe the boundary territory in a way that is accessible to economists.

Let me begin with a caveat. Whereas economics is a reasonably unified discipline such that there is agreement on what it means to "think like an economist," there is no such unity among theologians. In addition to holding different faith commitments, theologians work from a variety of methodologies. My own approach builds on the teachings of St. Thomas Aquinas, both because his thought is central to Catholic social thought and because his framework can accommodate a respectful approach to human science without capitulating to it. I should not be seen as speaking for the discipline of theology, for the simple reason that no one person can speak for the discipline. That said, Aquinas is a Doctor of the Church and is a figure of sufficient stature to warrant attention from non-theologians.

Before proceeding to the substance of my remarks about what economists can learn from theologians, I want to acknowledge the frustration that economists often feel when speaking to theologians. Michael Pollitt observes that theologians tend to think in terms of the system as a whole, with little room for political differences or empirical evidence. He is right in this, though I would suggest that it is a trait common to many non-economists, especially those located in the humanities. Theologians are prone to making two errors when approaching economics. First, they do speak of the system as a whole, and they do so with little (or no) nuance. Markets are often presented as either an unqualified good or (more commonly) an unqualified evil. In the latter case, *homo economicus* is mistaken for *homo avidus* (greedy man); and the widespread gains in material well-being for billions are overlooked in favor of focusing on instances of economic injustice. Second, to quote Partha Dasgupta (2005), non-economists are apt to mistake disagreements among economists over policy as debates over values rather than debates over facts. For example, lay people often mistake an argument against rent control for an argument against public policy aimed at helping the poor.

There is no simple Rx for overcoming these difficulties. The first, especially, issues from a lack of understanding about economics—and it is difficult to persuade people that they not only need to take a year of Econ 101, but that they need to make sure they understand it. Still, it is worth trying to convey that markets are complicated phenomena and that "capitalism" delivers a mixed bag of results.[1] The second mistake should be easier to correct by emphasizing that economists often share the goals the non-economist is pursuing and are simply talking about the most effective way of achieving those goals. Most of us think affordable housing should be available to all. The question is how best to achieve that. Andrew Yuengert's suggestion that theologians be designated as policy makers, i.e., the ones who identify desirable goals, could help non-theologians recognize the instrumental nature of much economic analysis.

Most economists are well-aware of how much non-economists could benefit from trade with economists. At the same time, economists also typically underestimate the gain from such trades to themselves. Economists can be every bit as naïve about philosophy and theology as non-economists often are about economics. Yuengert's insistence that economists interested in this sort of boundary work learn some philosophy or theology cannot be stressed enough. The unity of economic thought is both a strength and a weakness. It delivers rigor and clarity, but it does so by being overly narrow in its vision. The resulting cardinal error is the identification of the field with its method and the assumption that the method can be applied far more broadly than is appropriate.

So concretely, what could economists gain from a trade with theologians? Pollitt has already noted what some of these are, namely insisting on the importance of concerns for justice and poverty. As already noted, Yuengert suggests seeing theologians as policy makers in need of some expert advice from economists. Those are both good places to start. But ideally economists should be open to more far-reaching challenges from philosophy and/or theology. Let me identify two such challenges.

First, dialogue with theologians and other non-economists can help economists get a better grasp of their own concepts—most especially with respect to the limitations of those concepts. To take an example that surfaced at the latest Lumen Christi conference, the economists present wanted to translate the theological concept of a "common good" into either a public good or a social welfare function. Neither translation does justice to the concept. Reflections on how the translation fails could lead to a better understanding of the limits of economists' categories. To think of the common good as a public good, for example, entails thinking of goods (all goods) as something limited by resource constraints. But it is not clear how, say, a spirit of community or teamwork is limited by such constraints. They are different types of goods than are harbors or national defense installations. Challenges to that concept could be seen as a challenge to think about how to model goods that are not obviously subject to scarcity, but which are also not "free" goods. Similarly, a social welfare function includes an assumption that communities are just aggregations of individuals. But there are richer concepts of community available, and it would not hurt for economists to grapple with how such notions could enter into economic analysis. In general, it is worth pausing to think about what assumptions the tools of economic analysis impose on the subject matter and thinking through whether they really are applicable in a given case. Thinking along the boundary of such concepts could well enrich economic analysis itself by forcing economists to be more nuanced in the application of their concepts and models.

Second, dialogue with theologians or philosophers would force economists to think harder about how economic matters fit into the overall structure of a human life. In the Thomistic language I would employ, all human actions are ordered to an end. That probably does not sound all that different from the economic view wherein individuals seek to maximize a utility function which constitutes an end, however individuals choose to define it. The differences are subtle, but important. First, the end is not the fulfillment of preferences. That distinction can be mapped onto the discussion within economics of whether we should regard utility as merely a preference ordering or whether it ought to measure something substantive, like actual human flourishing, or subjective reports of happiness. Thus, there is room within economic thought to accommodate the idea of an end based on something other than subjective preferences. An economics that can do justice to a theological vision would need to be built around a utility function that corresponds to some substantive good; or failing that, it would be an economics willing to concede that its core concern with the efficient satisfaction of subjective preferences limits its usefulness in application to the question of how best to foster human flourishing.[2]

The real difference is with respect to how we understand the nature of reason. For economists, "rationality" just is instrumental reason—the calculation of how best to achieve a given set of ends. But on a more theological account, the accent is on discerning what those ends actually are. If our ultimate end lies in God, who is beyond us, life becomes a journey of discovering what the good actually is. To complicate matters, we are fallen creatures who are apt to project a distorted account of the good onto creation. Our task is thus not so much to figure out how best to fulfill our desires, but rather how best to train ourselves to desire what is genuinely good. On this account, economic activity is only of value to the extent that it helps us achieve the actual good. I like to think of it as shifting the focus from the question of whether we are efficiently translating resources into income to the question of whether we are efficiently translating income into a life well-lived.

An economist might reply that there is a division of labor, wherein economists should focus on the first question and philosophers and theologians on the second, but the two questions cannot be easily divided. For example, imagine a society which was abjectly miserable at translating income into a life well-lived. Any focus on fostering economic growth, understood as rising incomes, would be at best neutral, but at worst actively bad. If, for example, we are considering a society where basic material needs are well-met, but where for cultural reasons people seek distractions to prevent themselves from engaging in the quest of discovering what is truly good, policies designed to promote economic growth would actively damage achievement of the true end of human life. To be clear, I do not think any society can be adequately characterized in that manner. But insofar as tendencies in that direction might be present, an economic analysis that focuses only on the maximization of means will, at times, be counterproductive. To take another example, if the purpose of human striving is to live a life of virtue, it is not clear how to do the accounting on economic growth resulting from unvirtuous behavior. In general to the extent that economic growth is not always in service of genuine human flourishing, economic growth ought not to have the status of being intrinsically desirable full stop.[3] A proper assessment of economic analysis should always be done in light of the ends our economic activities are meant to serve.

From my perspective, both disciplines are badly in need of these gains from trade. The complete separation of the two disciplines distorts both of them. Unfortunately, this seems to be an instance where specialization hinders productivity, because exchange is difficult, if not impossible. Theologians really need some basic training in economics, and economists really need some basic training in philosophy or theology. Even then, the two discourses are sufficiently divergent that it would frequently be the case that large misunderstandings between the two fields would remain. An example of the difficulties can be found in Long and Fox (2007), in which an economist and a theologian attempt a discourse, but make little progress in mutual comprehension. A deep translation requires serious training in both fields and this is difficult to achieve. Nor is there sufficient demand for individuals with dual training to compensate for the extraordinary costs of acquiring it.

Still, one ought not to let the perfect be the enemy of the good. The suggestions made by the panelists all work as steps in the right direction. To even achieve an awareness that the two disciplines need each other would be a good start. Projects like the one Yuengert suggests wherein economists would explicitly consult theologians with respect to goals would at least focus economic analysis in directions that are useful to the church and people of good will. Ongoing efforts like that of Lumen Christi to foster dialogue across disciplinary lines are helpful. Such small steps could serve to generate the demand for deeper analysis, which in turn would call forth a supply of those capable of doing it, and in the meantime are well within the range of the possible.

Endnotes

1 Avoid the temptation of responding to excessively critical assessments of markets with an excessively positive assessment of markets. See, for example, McCloskey (2006), an ode to the virtues of capitalism, particularly pp. 1-60, which risks not being heard by those who could profit from it, due to its one-sided accounting.

2 In my view, economists usually like to have it both ways. They believe economics can make important contributions to the pro-