

must be if formal sector banks are willing to forego the very high rates of return Remenyi reports! What is it about CIGPs that allows them to be overcome? If the problems have more to do with moral hazard and adverse selection, what are the implications for how best to structure a CIGP? Do CIGPs succeed where group and church-based lending in effect raises the cost of default? Remenyi speaks to these issues only implicitly, and although such considerations probably underlie his preference for the savings-linked CIGP model they should be made explicit.

After reading Remenyi's book it's easy to see why Christian NGOs get excited about micro-enterprise lending. Church and para-church networks in developing countries may find it relatively easy to establish CIGPs. And, by virtue of their explicit commercial nature, CIGPs stand to benefit even more than most NGO-sponsored programs from the recent

legitimization of markets and the informal sector in the eyes of development agencies. One can only hope that program expansion in this area takes place judiciously and is mindful of the helpful guidelines Remenyi articulates. ■

1 *Far Eastern Economic Review*, August 8, 1991.

2 See Irma Adelman, "A Poverty Focused Approach to Development," in Lewis, J.P. and V. Kallab, *Development Strategies Reconsidered* (Washington, D.C.: Overseas Development Council, 1986).

3 See M. Huppi and G. Feder, "The Role of Groups and Credit Cooperatives in Rural Lending" *The World Bank Research Observer*, Vol. 5 No. 2 (July 1990).

With Liberty and Justice for Whom? The Recent Evangelical Debate over Capitalism by Craig Gay

William B. Eerdmans, 1991. ISBN 0-8028-0289-3 (pbk.).

REVIEWER

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Why has the unity of American evangelicals in their defense of capitalism given way to considerable diversity, particularly over the past 20 years? This is the primary question Craig Gay asks in his book, *With Liberty and Justice for Whom?* He surveys the evangelical writers in this period with the objective of relating theology to economic, social and political issues. His goal is to assist evangelicals to "arrive at more theologically balanced appraisals of public policy issues." He hopes his analysis will be a "lens to correct ideologically distorted vision."

The book is essentially a descriptive exercise in the sociology of knowledge. Specifically, Gay applies the New Class (NC) thesis to the debate over capitalism. As such, the book illustrates a process of "cognitive bargaining" (Peter Berger), where competing world views "come to terms with each other by means of strategic compromise." The NC thesis is that the predominant class conflict within U.S. society is between two relatively privileged segments of a formerly unified middle class. The old middle class was aligned with business and the production of goods and services; the information explosion has led to an identifiable new middle class associated with the knowledge industry—academia, the media, etc. Gay contends that the NC is more heavily secularized than the old middle class and that the debate within evangelicalism reflects this social context. Financial success, education, and social mobility have all influenced evangelical theology. The New Class has disproportionate influence in the political and cultural systems while the old middle class, largely the business class, undervalues the distinguishing characteristic of the NC, education. Thus the conflicting perspectives.

Gay surveys many evangelical writers on political economy. He then applies Berger's classifications to evangelical positions on capitalism, and develops three major categories, the Evangelical Left (EL), the Evangelical Right, (ER), and the Evangelical Center (EC), for these writers. Categorization was done by key clue concepts which "readily identified adherents of these two rival schemes": EL writers "view capitalism as a system of oppression" and use terms like dependency, exploitation, neo-colonialism and liberation; and the ER uses terms like development, growth, and nation building.

While mainline protestantism became increasingly secularized in its theology years ago, Gay argues evangelicals are now undergoing this process. For the EL, secularization means being influenced by

education, and political and cultural liberalism, while for the ER it means coming under the sway of financial success, upward social mobility, and ties to the political establishment. While Gay recognizes that all of the authors he surveyed in the book could be considered members of the NC, he contends that the EL has firmly become part of the NC, whereas the ER, while also part of the academic community, have in a sense "become traitors to the NC" in their persistent defense of capitalism.

The ER continues the traditional evangelical strong defense of capitalism largely on the basis of freedom, whereas the EL criticizes it largely on social justice grounds. It was this criticism that opened the debate over capitalism within the evangelical community. The book is an extensive sociological analysis of the debate over the primary symbol of the differences, market capitalism. As such, Gay goes beyond theology and economics to identify factors which resulted in the current differences and then concludes by trying to provide some direction toward "a more constructive evangelical theology of economics."

Themes running through the EL critiques of capitalism include self interest, concentration of power both economic and political, and unsustainability of unrestrained economic growth. The emphasis is on distributional issues rejecting the notion that the problem is one of inadequate production. The EL contends that wealth and poverty are critical issues in understanding Christian discipleship. "Overconsumption is theft" as one author put it. Policy prescriptions tend to emphasize distributional issues—progressiveness of tax systems, rights of employment, food, housing and health care, and reduction in defense expenditures. Freedom is a measure of economic opportunity, not merely the absence of restraints.

The ER defense of capitalism is in the tradition of classical liberalism. The ER are those who have a largely positive assess-

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ment of capitalism, though those included are less in agreement in their perspectives—neofundamentalists, Christian reconstructionists, neo-evangelicals. They argue the traditional virtues of capitalism including a focus on private property rights, freedom of choice, individual responsibility and wealth production. They also believe that the instability of a mixed economic system will necessarily lead toward increased intervention. The crucial issue for the ER is not capitalism per se but the appropriate (minimal) role of the modern state.

Redistribution is essentially legalized theft for the ER, and welfare results in permanent dependence and poverty. Policy recommendations focus on production compared to the distributional concerns of the EL. The ER opposes impediments to freely competitive markets including rent controls, minimum wages, subsidies, and bailouts; they favor restrictive monetary policy, and their solution to development is foreign investment by multinationals. Reconstructionists in the ER call for the return of the gold standard.

Gay concludes by suggesting ways that evangelicals might get over the ideological impasse in their evaluation of capitalism. He warns that secular merchants dominate the marketplace of ideas and that modernism is slipping into the back door of evangelical thinking. Gay contends that the EL is drifting leftward both politically and theologically and sees some theological compromise currently in the EL. But he believes that modernization is influencing the ER. Indeed, he contends that the individualistic libertarian defense of free markets by the ER is essentially an apology for modernity. To help withstand the tremendous yet subtle influences of secular society, he concludes with a meditation on the Sabbath as a limit to rationality.

The book is well written and the positions are presented in a careful, balanced manner. Gay has done a thorough job of surveying the literature.

However, there are several questions which remain in my mind. First, why are most of those he categorized in the EL theologians? Further, how does it happen that many of those in the EL (Padilla, Samuel, Sugden, Kirk, Escobar, etc.,) either live in the 2/3 world or have spent considerable portions of their ministry there? How does it happen they are the ones most affected by the secularization of American intelligentsia? For example, the René Padilla I know is the Christian most radically committed to discerning Christian principles from the Scriptures regardless of the personal, political or economic consequences. He hardly seems a candidate for secularization. I suspect the categories are somewhat forced.

Second, the criteria for classifying writers are general and the specific criterion by which authors are placed in one or another category is not clearly spelled out. Gay admits this classification is rather arbitrary. While he used key terms as indicators for his classification scheme, in his analysis he states that "NC interests are most accurately described as interventionist, with anticapitalist rhetoric serving only to legitimate a permanent place in the social order for NC services and specialties." If there is a divergence between actual positions held and the rhetoric of the EL, what is the validity of the boundary between the EL and the EC? Christians have a difficult time understanding non-Marxist, yet moral, critiques of capitalism. Further, the preference for welfare programs over defense spending Gay cites in the EL may reflect less on the EL's belief in the state per se than an outright rejection of the idolatry of military expenditures.

Third, a unidimensional ranking of perspectives tends to yield considerable diversity within categories and considerable agreement between categories. For example, the themes of community, stewardship, and freedom run through all three categories. Rankings on some other criteria would quite likely result in considerably different groupings of perspectives.

I believe materialism has influenced all of us considerably more than any of us care to admit. Our views of the market system also may well be more heavily influenced by our economic position than we suspect.

Finally, I find it ironic that the EL, which, according to this analysis, is the most heavily secularized is also the perspective most influenced by Anabaptist theology—a theology which is more fundamentally separatist in its orientation than mainstream evangelical thinking. Perhaps Anabaptists have been monumental failures in communicating the full implications of their theology.

The strength of Gay's work lies in his careful reading of a voluminous amount of material and his summary of it for the

reader. His warnings about secularization are also well taken. However, the book is somewhat less convincing in its attempt to apply the Berger New Class model to Evangelical economic thinking. The classification scheme results in some real anomalies and may be too simplistic in its view of the world. Nevertheless, Gay has made a significant contribution to the debate by surveying a tremendous amount of literature and attempting to provide an objective evaluation of the different perspectives. Given the breadth of the literature included, the work is very well done, and should be read by all who are interested in what the evangelicals have to say about capitalism. ■

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