Comments on Tiemstra, Heyne, and Richardson

Robin Klay on Tiemstra

I don't regard the "dual critique" as convincingly undermining the neoclassical model. First, regarding the methodological part of the critique: There is still, to my mind, an important virtue in attempting to separate positive from normative. As John Lunn and I argue elsewhere, the fact that every act involves values does not mean that the principle dimension of each act is moral. Accordingly, though economists may exercise Christian values and concerns in their choice of research topics, this need not be the principle origin of all their intellectual endeavors. Furthermore, when we use a neoclassical model to describe economic choices, we are not simultaneously making efficiency our god; nor are we holding out cold-blooded selfishness as the principle, and highest, human motivation.

Regarding the ethical critique: Throughout the development of economic theory, beginning with the classical writers, attention has always been given to the fact that in economic (as other) choices, there are indeed motives beyond pecuniary ones, and that economists are not relying on narrow selfishness in their depiction of human choice. Instead, economists are saying that behavior is purposeful, in that we are trying to do the best X with what we have.

As a consumer, I generally look for the lowest price of products of equal quality. This I do despite the fact that I sometimes buy a Christmas tree, or magazine, or candy bar as a way of supporting local Christian and school groups. In looking for a job, I include the opportunity to serve students in ways that fit my gifts. But when comparing two positions which are in this (and other important respects) similar, I will likely be drawn to the one with the higher pay. This is true, unless I have a strong inward sense of God's direction otherwise. On the other hand, I look to use my non-work time in ways that satisfy other values—charity, community, justice, etc. The fact that pay will affect my choice does not make me materialistic, assuming that I am responsible and stewardly with my income.

As an investor, I will choose instruments with higher expected returns over lower returns (for the same risk), unless I have some special reason or concern, such as charity or respect for worker rights. As the owner of a business, I will hire secretaries and plumbers in the range of prevailing

Discussants

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I would not like to see Christian economists move in droves out of the neoclassical mainstream... wages for those skills. This I will do to remain competitive in business. In general, to do otherwise would not serve my employees, other investors, or the community. Competition may not exclude social/ethical "investments" in benefits (e.g. childcare) to improve worker welfare, or in good relations with the community (e.g. paid internships for disadvantaged youth), but it certainly puts limits on such expenditures—no matter what my values!

Since I don’t find the dual critique convincing, I am pleased to see that increasingly neoclassical economists are using their analytical tools to investigate the power of nonpecuniary values, like loyalty.

I see the usefulness of Christian economists devoting some attention to evaluating economic institutions and policies using Christian values—whether they do so within the neoclassical tradition, as social economists, or as institutionalists. This has always been part of the highly normative field of political economy. Since I am not convinced by the dual critique, it does not strike me as "patch work business" to introduce values at this stage—rather than insisting that the neoclassical approach be abandoned in order to integrate values into a broader umbrella of motivations for the basic economic behaviors being analyzed.

I support Christian economists who, having found the neoclassical approach ethically deficient, look to other approaches, as Tiemsra looks to PKI. More power to them, if they can explain some economic behavior by incorporating motives and data and institutional analysis which are underemphasized by neoclassical researchers. Even so, I would not like to see Christian economists move in droves out of the neoclassical mainstream and into PKI. Why? First, because the former has proven to be a powerful research program. Second, because it would abandon the core of the profession to non-Christians (some of whom just might be tempted to collapse self-interest into selfishness and call it good). Third, because there is still lots of room for issues of ethical concern to Christian economists to be addressed within neoclassical economics, as David Richardson never ceases to point out. Fourth, because a Christian in any professional field is called to serve God and humanity by doing the very best work possible—in terms of honesty, creativity, insight, and technique—with the gifts God has given her. To do this does not require that a Christian bifurcate life into two separate realms—work and faith. His work, no less than that of an institutional economist who is dealing with unemployment, or poverty, or the environment, is a sacrificial offering of praise to God, and service to humankind.

ENDNOTE


Kurt C. Schaefer on Heyne

To get our bearings, let us review the options for how Christians have thought about the relationship between Christ and Culture—that is, between our confession/belief/revelation on the one hand, and the products of human effort/the direction of civilization, on the other; or between being a believer and being an economist.

These are especially important questions at a moment in history like ours, in which we wish to make a positive contribution to what is generally perceived to be a crisis of cultural authority. Niebuhr’s classic Christ and Culture gives five possibilities:

1. Christ is opposed to culture; the Christian must withdraw from things "worldly" and create a Christian