
I think that Christian economists should do economics. That may seem too simple or obvious, but I think it is neither. Many Christian economists feel obliged to do things that are not economics. Others think that doing economics means conforming to the mainstream research paradigm. I don’t think either of these approaches is adequate.

I don’t think it is adequate to say that Christian economists as Christians should only address Christians. We may get a receptive hearing within the community of believers, but the temptation will be for us to preach, and most of us are better economists than preachers. It is certainly true that the secular world does not think that Christianity (or any other religion) has anything to say about the ordinary business of life, and would prefer to keep it that way. This makes it difficult for anyone bringing a religious perspective to economics to get a hearing in secular circles. Nevertheless we must persist, because the secular world is wrong. Christ is Lord over all of life, not because the secular world elected him, but because he conquered death on the cross. The demands of God that we conform to God’s will for our economic life come to all people. Nobody is exempted from God’s call simply because they don’t believe. As members of God’s kingdom, it is our duty to get God’s message out to the world in whatever way we can. And it is possible. There is enough of a residuum of Christianity in our culture and enough disenchantment with cynical secularism that some people are still interested in Christian perspectives on economic life.

I also don’t think it is adequate for Christian economists to practice economics as usual within the mainstream neoclassical paradigm, tacking on some Christian values at the stage of policy prescriptions, after all the damage has already been done. I subscribe to what I have elsewhere called the dual critique of neoclassical economics (Tiemstra 1993). The ethical critique suggests that the neoclassical conception of what is normal and what is good in an economy is not consistent with Christian social ethics, and that the behavior assumed of economic actors is not the sort of life that Christians are called to live. Christians, it is claimed, are not utilitarians in social ethics, and their behavior should not be governed by self-interested

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gain-seeking. The methodological critique claims that neoclassical theory falls into ethical, conceptual, and empirical problems because the criteria used to validate it are inadequate. The positivist foundations of neoclassical theory cause economists to oversimplify human decision-making processes and to miss their meaning. (See Tiemstra et al. 1990 or Hay 1989.) The neoclassical framework thus excludes many questions that are of great importance to Christians, questions about how people’s values and religious commitments influence their economic behavior, and how in turn that affects the institutional structure and performance of the economy. If it is true (as Catholic commentator Michael Novak 1982 claims) that market economies only work properly when embedded in a democratic political system and a Christian culture, we need to have theories to explore how those connections work. If we Christian college faculty members are trying to teach our students that their Christianity should make a difference to their behavior in the business world, we need theories to tell us how and why. If God says that following God’s commands will cause us to prosper, we need theories that give us ways of exploring that relationship. Neoclassical economics doesn’t do it, so we need different approaches.

When you leave the neoclassical mainstream it is likely to be said by some of the more narrow-minded members of the profession that you are not doing economics. To illustrate, let me relate an anecdote from my long-departed youth. During my undergraduate days some of my friends thought they could end the Vietnam War by persuading everyone who was against the War to not buy Coca-Cola or Wonder Bread anymore. I had a hunch that this wouldn’t work, but I thought it was worth exploring why someone might think it would. I proposed this as a dissertation topic at MIT. I had a lot of trouble finding faculty who were willing to serve on my committee. Even some people I considered comparatively broad-minded told me they would not help because this topic was not economics. Why was it not economics? Because it was not a question that could be comfortably addressed within the neoclassical framework. I am forever grateful to Charles Kindleberger, who understood that this was indeed an economic question, and who drove me to think the problem through thoroughly and explain it clearly (Tiemstra 1975). To all of you I say: Do economics, but do not let your idea of what is economics be defined by conventional theories.

If one accepts the dual critique and rejects mainstream economics, there are then a couple of options. One is to start from first principles and build a brand-new, specifically Christian economics from the ground up. (This is the approach advocated by my colleague Roland Hoksbergen, 1994.) Post-modernist methodological theory almost suggests that this is the proper course. If any and every scientific theory or interpretive effort reflects the historical and social circumstances and the religious presuppositions of its author, then the only way to make sure that your own commitments are the ones reflected in the theory is to concoct the theory yourself. And why not? There are an infinity of possible theories that are at least broadly consistent with the data, and no foundational criteria for choosing among them. Economists are a very conservative bunch, and won’t give up neoclassicism easily, but there is really no reason for us to continue to cling to a theory we are uncomfortable with.

I don’t think this is good strategy, not because I disagree with post-modernist methodology (I don’t), but because it gets economists away from doing economics, and for that reason it doesn’t work. (In the late 1970’s and early 1980’s at Calvin we did a lot of sitting around, figuratively looking out the windows, trying to think up a whole new Christian economics. Maybe if we had had real windows then it might have worked better.) When economists sit around trying to think up a Christian economic paradigm, they start doing philosophy and theology instead of economics. While I admire versatility in
scholars, most of us went into economics because that is where our comparative advantage lay. Besides, science almost never progresses this way. Because we are so caught up in the axiomatic method and in the history of our own discipline, we forget that science almost always progresses when somebody comes up with a novel solution to a difficult question. This suggests that we should be looking at difficult questions.

The problem with the axiomatic method is that it teaches us to focus on dreaming up lists of axioms and proving theorems. The object of the game (and for many people it is just a game) is to see how many theorems you can prove from a short list of assumptions. This may be a good way to get published, but it is a bad way to make progress in economics, especially if you are trying to be self-consciously Christian in your approach. It is much more important to be able to tell a good story about what is going on. And by a “good story” I do not mean one that is simply entertaining and has lots of funny made-up words to stand for abstractions that only an economist would find useful. By a “good story” I mean a plausible account of the causes and effects of certain economic actions, an account that would have meaning to an educated layperson because it would connect to everyday experience. (I count watching CNBC as an everyday experience.) This is not only a good way to invent new theories, but it is also a good way to teach the old ones and to test their truth.

As I said, we should be taking on difficult questions because that is the way we make progress. It is important to take these questions in manageable pieces. Reading somebody like Novak may give us a taste for grand theories and big questions, but we are much more likely to be successful if we take on a narrow part or a particular instance of a problem or question rather than a great abstraction. Some particular feature of the narrower problem may suggest an approach that turns out to have much wider application than first appears. For example, I think the reason we have made so little progress toward a convincing account of the proper economic role of government is that we insist on thinking of the problem in exactly those grand abstract terms. I think we do better when we start by thinking about particular instances of government intervention in the economy, like welfare programs, or health care, or environmental regulation. When we have analyzed enough of those particular cases we may have a basis for a general theory.

But even when setting out with the task of developing a plausible story about a relatively narrow or particular problem, we still have to have some broader theoretical framework which can connect the problem to an overall vision of the economy and suggest the outlines that a solution may take. If we reject the neoclassical framework because of the dual critique, what alternative is there for us? Different Christian economists make different choices. Some Third-World Christians have chosen Marxism, but to most of us that seems like a poor choice. Some have chosen Austrianism, but those of us who accept the dual critique believe that most of it applies to Austrianism just as well as it does to neoclassicism. The best choice for many of us seems to be post-Keynesian/institutionalist economics, which I will call PKI for short. (Here I am following the practice of Wilber and Jameson 1990.)

PKI economics is appealing to many Christian economists because it does not suffer from the problems pointed to in the dual critique. Let me put that in a more positive way. PKI approaches allow us to introduce Christian values into our concept of what is normal and right about an economy without always tripping over the Pareto-optimality concept. It does not insist that the most important value an economy could serve is to respect people’s preferences, or maximize liberty in making economic choices. It allows us instead to focus on full employment, the condition of the poor, the decentralization of economic power, the care that is taken with the natural environment, and the quality of
the relationships between buyer and seller. PKI economics also permits us to ask all of those especially important questions about how people’s values and religious commitments affect their economic behavior, and the influence that has on the structure and performance of the economy. As a Christian I believe that these things are vital tasks for my professional life. Neoclassical economics does not allow me to do them, and PKI economics does. In the wonderful appendix to Habits of the Heart, Bellah and colleagues express it this way:

Social science as public philosophy, by breaking through the iron curtain between the social sciences and the humanities, becomes a form of social self-understanding or self-interpretation. It brings the traditions, ideals, and aspirations of society into juxtaposition with its present reality. It holds up a mirror to society. By probing the past as well as the present, by looking at “values” as well as “facts,” such a social science is able to make connections that are not obvious and to ask difficult questions. In this book, for example, we have tried to disclose the nature of American individualism, its historical and philosophical roots as well as its present reality, and we have asked whether individualism, as the dominant ideology of American life, is not undermining the conditions of its existence. That question is simultaneously philosophical and sociological, and an answer to it requires not just an evaluation of arguments and evidence but ethical reflection (1985, pp. 301-2).

There are some problems with PKI economics. The main trouble is that it is not just one thing. Unlike other schools of economic thought, PKI theory can be very different depending on who is doing it and what problem they are addressing. This can be frustrating if you are looking for a starting point in approaching some new problem. It also means that not all institutionalist thought turns out to be equally useful for the purposes of making a Christian economics. Many institutionalists are so preoccupied with the role of social conventions and the role of power in their analysis that they maintain the neoclassical assumption of self-interested, gain-seeking economic actors. (Dugger 1984. See my comments in Tiemstra 1992.) Some are just as preoccupied with the goal of economic growth as the neoclassicals are. Some don’t think that full employment is very important. (Galbraith 1973, pp. 250-3. See my comments in Tiemstra 1979.) Therefore Christians must be careful in deciding which among all the PKI theories that are available are useful for our purposes. It also must be said that some areas of PKI economics are simply underdeveloped, but that can probably be said about any school of economics.

Is there any use at all for all that neoclassical stuff we all took such time and trouble to learn? Any use, that is, besides teaching it to our students and developing the dual critique? Yes, I think so. Neoclassical economics is a very powerful tool for examining the pecuniary incentives that people face, and the fact is that pecuniary considerations matter to people, some more than others. The problem is the assumption that pecuniary considerations are all that ever matter, an assumption that the late Donald MacKay would have called “nothing-buttery” (1974). The problem with MacKay’s approach is that he would continue to do his research as if the mind were nothing but a biochemical organ, even as he acknowledged that it was not so. He depended on his idea that brain science and other accounts of mind were complementary theories to enable him to pursue these as separate agendas. I don’t think that will work for us as economists because I see PKI and neoclassical theories as competing and mutually inconsistent rather than complementary. While appropriating some neoclassical tools for particular purposes, we must continue to reject the neoclassical story. Even in analyzing financial markets, where it would seem that pecuniary motives are dominant, the neoclassical story has trouble accounting for expectations formation, waves of euphoria and pessimism, changing attitudes towards
risk, the effect of financial innovation on corporate governance, and motivations behind individual saving and investment behavior.

In what sense is what I have described a distinctively Christian economics? PKI economics as done by Christians does not take sentences from the Bible and try to incorporate them whole into an economic theory. In that way it is unlike what "creation science" tries to do in natural science, or even what "Christian reconstructionist" economics has tried to do in our field. The economics I have described would not be rejected out of hand by secular economists because of overtly theological content. Which is to say it is economics, not theology or philosophy or ideology. But neither does it proceed on the basis that theological presuppositions are entirely irrelevant to the enterprise of economic analysis. It is economics that is informed by Christian theology and ethics. The questions are formulated with their importance for Christian social ethics in mind. The view of human beings as moral agents and essentially religious beings at its foundation is based on a Christian philosophical anthropology. The evidence considered includes not only overt behavior, but also the reasons people give for behaving as they do. The theoretical framework is chosen because of its openness to these considerations.

It should be clear by now that I am not trying to "baptize" a particular school of economic thought, claiming that it is the only option for Christians. I have chosen it for reasons that I take to be related to my faith, and I will try to persuade you to do the same. But I recognize that Christians have and will continue to hold a number of different positions on this issue. I agree with my colleague Kurt Schaefer (1992, p. 134) and I have said before in print (1989), nothing that depends on some particular economic theory should ever be given confessional status. Though I sometimes wish that the church paid as much attention to us as it does to the geologists and astronomers, I devoutly hope that nothing ever happens in our field to resemble the war waged on some of our Christian colleagues in the natural sciences by the advocates of "creation science."

Neither will I be accused of "immanentizing the eschaton" (Gay 1991, pp. 207-14; 1992, pp. 358-61). It is always tempting to claim that your intellectual opponents have become secularized while only you maintain the true faith. It is a temptation that we have to resist. The irony of the situation is that those who are the targets of these accusations are usually those scholars who are most concerned about the integration of faith and learning and most active in pushing forward a Christian intellectual agenda. In other words, they are the ones least likely to be secularized. To spell out the obvious, most of us hold many beliefs at the same time, but not all of those beliefs have the same status. The beliefs that I express on Sunday when we all say the Nicene Creed I hold at an entirely different level than the beliefs I have published on the reasons for economic regulation or the non-existence of an equality/efficiency tradeoff. The beliefs expressed in the Creed I hold with a much higher degree of conviction, and they are not the sort of beliefs one would abandon in the face of contrary evidence. They are also more basic beliefs, in that they have implications that reach to all areas of life, which is not the case with beliefs about economic propositions. It is simply a matter of good intellectual hygiene to try to achieve some consistency in one's beliefs at these different levels. I respect all those who make that effort, even if they disagree with me on issues like the validity of the dual critique.

The alternative is to compartmentalize our lives so that Christianity is our faith in church on Sunday but irrelevant to the lives we lead the rest of the week. That is a half-hearted Christianity that is not fully responsive to the claims of Jesus Christ on our lives, and it does not save us from secularization. It also makes the enterprise of Christian higher education pointless. In his excellent new book, Stephen Carter (1993) recognizes the danger that Christians will try to enlist their faith in support
of some predetermined ideological or political position, and in the process cheapen or secularize that faith (Chapter 4). But there is another danger that he fears far more—the danger that religion and religious rhetoric will be banished from all discussion of public affairs because of some mistaken epistemology or some misguided definition of the separation of church and state. A fear of immanentization that would cause us to bracket off our Christianity from our public life would just as surely lead to the secularization of the public square. As Carter says, we must not be afraid to confront differences in policy views among Christians, but we must not let our views be dismissed from the discussion just because they come justified with religious rhetoric. Carter puts it much better: "Because of this ability of the religions to fire the human imagination, and often the conscience, even of nonbelievers—as, for instance, the civil rights movement did—the religions should not be forced to disguise or remake themselves before they can legitimately be involved in secular political argument" (p. 232).

Christian economists should do economics, and what's more, they will do economics. Should they do distinctively Christian economics? As Alvin Plantinga says, the case that they should is simplicity itself:

As Christians we need and want answers to the sorts of questions that arise in the theoretical and interpretative disciplines; in an enormous number of such cases, what we know as Christians is crucially relevant to coming to a proper understanding; therefore we Christians should pursue these disciplines from a specifically Christian perspective (1990, p. 40).

Schaefer, Kurt C. (1992), "Creation, Fall, and What?," Faculty Dialogue 18, pp. 125-34.