Economics and Religion: Are They Distinct?

H. Geoffrey Brennan and A.M.C. Waterman, eds.

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The editors open their Introduction by recounting an experience which may be familiar to some ACE members: a meeting designed to bring together economists and theologians for exchange of views and ideas. The meeting, predictably, ended in frustration on both sides. We should not be surprised that communication between economists and theologians is difficult, and results in a certain tension. An encounter between economists and sociologists, or economists and chemists would produce the same result. Each of these, after all, is a separate discipline, with its own distinct language, mode of thought, and object of inquiry. However, the difficulties economists and theologians experience suggest a deeper problem, leading one to question whether the two disciplines have enough in common to allow any fruitful conversation whatsoever. Of course none of this has stopped theologians from pronouncing on economic matters nor has it stopped many Christian economists from attempting to integrate their faith and discipline in various ways. But if either or both of these projects is to prove successful, some common ground, some point of contact, must be found.

The object of this volume is to search for this common ground. Specifically, the editors seek answers to the following foundational questions: "[W]hat is the relation between religion and economics? ...are theology and economics entirely autonomous and distinct areas of inquiry?" I suspect that some ACE members, who believe that our comparative advantage is in the *doing* of economics, will not welcome another contribution which is more theological or philosophical than economic. And since previous attempts by Christian economists to answer these questions have failed to reach any consensus, one might question what is to be gained by another such venture. While these are legitimate concerns, I would suggest that readers approach this volume with an open mind—for the approach taken here is at least unique and creative, if not successful.

The editors commissioned seven "case studies" examining the works of economists prominent in the history of thought. The authors of the case studies were asked to explore "the extent to which economics may

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properly be regarded as independent of the religious beliefs of its practitioners." Rather than starting with a philosophical or theological case for or against the autonomy of economics and theology, the approach in this volume is "unashamedly inductive." In the words of the editors, "We are 'trawling the data' for insight."

To continue the "trawling" metaphor, the editors cast their nets rather broadly in commissioning the case studies. Indeed the opening essay, by Barry Gordon, explores not the work of an economist but the Scriptures themselves and members of the early Christian community to seek possible connections between theology and views on economic life. He concludes that "different positions on theological issues (e.g. the effects of the fall) help account for different perspectives on aspects of economic life and its organization" (p. 39). This is followed by A.M.C. Waterman on "The Methodology of Classical Economics." Waterman develops carefully Whately's views which "supplied the first extended account of the 'orthodox' or 'mainstream' economic methodology" which included an *"insulation of 'economics' from 'religion* [as] *an integral part of that methodology"* (p. 58). Indeed, what gives economics its status as science is that it is "publically accessible to all who will submit to its discipline *regardless of religious belief or theological preconceptions"* (p. 59). According to this "orthodox view" economics has nothing to say about human ends or "ultimate judgments of value," which are proper matters for theological inquiry. Such matters are in fact "beyond the reach of unassisted reason," that is reason unassisted by faith.

Other case studies include John F. Henry on John Bates Clark, Ian Steedman on Philip Henry Wicksteed, Ross B. Emmett on Frank Knight, Richard Wagner on the ORDO Liberals and, finally, T.K. Rymes on Keynes. Some are more useful than others in addressing the questions posed by the editors. Questions could be raised about why a particular case study was included or another excluded. For example, it struck me initially as odd that the editors chose to include an essay on Keynes. Perhaps anticipating questions they describe Keynes as a "control" where the questions are "whether Keynes' considered and consistent atheism (which itself might almost be regarded as a form of religious belief) made any difference to his professional work; and whether his *secular* moral convictions influenced his economics in a manner analogous to the effects of the *religious* morality of others" (pp. 12-13). An even more fundamental question about the case studies is this: How do we know that the economists examined in the case studies are representative of the broader universe of economists? This is surely an important question for an inductive study yet the editors have nothing to say on this matter, nor do they address the broader issue of why *this* set of case studies was selected.

Following these case studies come several "interpretive essays" in which the authors were supposed to act as if they were members of jury, responding to the question: "How sensitive is economics to theological considerations?" The editors instructed the "jurors" as to how they were to reach a verdict: "The verdict of each juror was to be delivered on the basis of the evidence afforded by the case studies as a whole."

Of these "interpretive essays" I will comment briefly on those by H. Geoffrey Brennan and Paul Heyne. Especially challenging for Christian economists is Brennan's insight that most of us are, at best, methodological Deists (if not naturalists), by virtue of the fact that we allow no role for God to act in human affairs: "Essentially, all the economists under discussion assume a kind of methodological deism. That is, they conduct their analysis as if God were totally absent from human affairs; as if God were an hypothesis they could do without. But adopting the idea of a totally noninterventionist God commits one to a strong, and I should have thought unorthodox, theological position" (p. 174). Continuing with this line of reasoning, Brennan argues that an economics which "took divine intervention seriously," and which held that "God's will" was "accessible to theological inquiry" would find that "God ought to be a hypothesis one *cannot* do without" (p. 175). But such seems not to be the case, even for the Christian economist who would cling to orthodox theology in other contexts. Are we really comfortable with a methodology which makes God irrelevant, in the sense that we can "do without" God in our hypotheses? And if we are not, what then do we do in response to this discomfort? Challenging questions, these, and worthy of serious reflection by the confirmed dualists among us.

In his "Review of the Evidence," Paul Heyne raises the interesting possibility of reverse causation. That is, he suggests the possibility that the theological views of the economists under examination might have been influenced by their economics rather than the other way around. He points out, for example, that Wicksteed "allowed [the marginal] principle to organize all his thought: his religious and ethical writings as well as his more narrowly economic writings" (p. 218). Similarly for John Bates Clark: "Modifications in his social *theology* after 1886 are best understood as adjustments necessitated by changes in the way in which he had come now to understand the workings of the economic system" (p. 222). While the editors "charge" to the essayists did not limit them to searching for the influence of theology on economics, this is in fact what they tended to do. Yet the possibility of influence running from economics to theology is intriguing. Perhaps someone in ACE will write an article which further develops this line of thought.

It should not come as a surprise that members of the "jury" drew different conclusions from the case studies and therefore failed to reach a unanimous verdict. I suspect that this has more to do with the jurors' prior views about the relation between economics and religion than it does with the evidence. This in itself ought to tell us something about the possibility of objective inquiry.

A. B. Cramp's essay is a good example here. He argues that religious views inevitably affect the way we do our economics, not based on the evidence presented in the "inductive studies," but on account of his prior theological-philosophical beliefs. I doubt that any evidence would be sufficient to convince Cramp that religion and economics are, or ever could be separated because his neo-Calvinist theology holds that such a separation is impossible. One is reminded somewhat of the *a priori* economic methodology promoted by von Mises: empirical evidence can be dangerous because we might be tempted to reject a valid hypothesis (which can be known by deduction from axioms which themselves are known, *a priori*, to be true). Cramp *knows a priori* that separation of religion and economics is impossible so if the empirical evidence seems to suggest otherwise, it is the evidence which is suspect, not the *a priori* truth.

The failure of the jurors to agree also reflects the inherent weakness of an inductive study (to say nothing of the implications for the jury system). Only if the case studies constitute a set of "brute facts" or "raw data" on the basis of which the objective observer (juror) can arrive at an unambiguous conclusion (Truth) according to some value-free methodology should we expect it to be otherwise. But such is most assuredly not the case. I do not mean by this that such an exercise has no merit but only that we should not expect more than it can deliver. But this brings us dangerously close to philosophy and I'll resist the temptation to develop further these ideas.

I do wonder if the editors of this volume, or others, will attempt another study along these lines, perhaps with the work of contemporary economists as case studies. I, for one, would welcome it, though only at a price well below the $85 charged for this volume—a price that will surely, and unfortunately, limit the readership. ■

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