

Getting and Spending: A Primer in Economic Morality

by Peter L. Danner

Kansas City: Sheed and Ward, 1994. ISBN: 1-55612-552-7, \$15.95.

This is an old fashioned book. It is a throwback to a time when the condition of the human soul was the central concern of those engaging in what might loosely be called economic discourse. I am speaking, of course, about the Aristotelian/Scholastic tradition which formed an important foundation for modern economics via its influence on the Protestant natural law theorists and through them, Adam Smith. Smith's theory remains the backbone of contemporary economic analysis, but the moral dimension has been all but lost. For the Christian economist this loss represents an impoverishment of economics. As Scripture says, what does it profit us to gain the world if we lose our souls? In his book Peter Danner redresses this imbalance by viewing the human being as both a material creature with legitimate material desires and as a spiritual being, made in God's image, with an eternal soul.

Before discussing the argument Danner develops in the book, I believe it would be helpful to explain what the book is not. It is not a critique of contemporary mainstream economics from a Christian, or even a religious, perspective. Economic theory is not even discussed in the book, and the character of *homo economicus* makes no appearance. Indeed the book gives the impression that Danner would be relatively satisfied with the principal tenets of mainstream economics. Furthermore, the book is not about policy, and it is only tangentially about contemporary social life, although it certainly has implications for the latter. The economic morality for which this book is a primer is essentially a personal matter. It has a great deal to say about how we as individuals should view the economic aspects of living and keep them in proper ethical and spiritual perspective, but it has nothing to say about public policy. The book is not, therefore, a critique of modern capitalism or any "ism." It is not even an overtly religious book. I believe Danner wants to appeal both to a religious and to a secular audience. There is only one chapter of the book which attempts to lay a theological foundation, and I shall have more to say about it below.

The book, then, is addressed to the individual and is an exhortation to the individual to live a consistent and healthily integrated economic and

REVIEWER

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moral life. I would summarize the central message of the book as follows. As humans we have material needs and desires which are natural and legitimate. This includes the desire to live abundantly in a material sense. However, we face the inevitable economic problem of scarcity which necessarily entails competitive behavior and gain-seeking as fundamental forms of human behavior. These are viewed as facts of human existence, and, therefore, not morally condemned. Engaging in these behaviors is not wrong, and indeed helps produce good things as we must help others in the process of helping ourselves. But even helping ourselves frequently involves provision for children and others in the household. In short material abundance is a good thing, and it is positively correlated with human welfare broadly defined. However, as moralists and religious teachers of all ages have recognized there are also moral dangers associated with economic activity. The pursuit of wealth can easily become an end in itself. Gain-seeking can lead to all kinds of exploitative behaviors and pervert relations between people. There are also the dangers of greed and envy and excessive preoccupation with self. The list goes on and on. The challenge for the individual, then, is to have wealth without it having you.

Equipping the reader to meet this challenge is really the heart of the book. In four chapters Danner exhorts us to strive toward the higher values over the lower, cultivate the virtue of justice, be moderate in our pursuit of wealth and in our consumption habits, and to practice spiritual poverty. Each of these chapters, then, addresses a different aspect of the many faceted temptations to sin associated with the pursuit of material goods in an already abundant society.

Space does not permit a discussion of all of these areas. Therefore, I will confine myself to two: economic justice and spiritual poverty. Danner's treatment of justice is noteworthy for its use of the categories of justice found in Greek and

Scholastic sources. In this tradition economic justice is viewed as a multidimensional problem dealing with the relationships between individuals within a community. Briefly, commutative justice relates to relations between individuals, and it requires the individual to respect the rights of others in all aspects of personal interaction, including buying and selling. Determining the conditions under which prices are just is, therefore, an example of commutative justice.

Contributive justice, or what Aquinas called "general justice," places the individual under the obligation to serve the general welfare of the community (see Gordon, p. 158). Danner views it as a necessary counterweight to the excessive individualism of modern American life. Lastly, there is distributive justice which respects the right of all to share in the benefits of economic activity. For Aquinas it represented a communal obligation to the individual. Danner follows Catholic tradition in making distributive justice a matter of government policy. However, he does not view it as achieved only through income transfers. Ideally policies designed to achieve distributive justice should seek to involve the poor in the economy as productive contributors. In this way distributive justice promotes economic growth and transcends the equity/efficiency trade-off.

The beauty of this approach to economic justice is that it covers all the bases, so-to-speak. The individual who would cultivate the virtue of justice must respect the rights of others, show compassion and generosity to the poor, and contribute to the general welfare of society, as well as of other lower level communal organizations such as local churches. Moreover, it avoids the simplistic approach that justice is essentially a matter of distributive equity. This has the unfortunate result of creating bad public policy, e.g. price controls, on the grounds that justice trumps all other social policy goals and that justice itself can be reduced to distributive justice alone. It also emphasizes the dual nature

of justice as both a set of personal moral virtues and a criterion for public policy.

Danner's use of the Aristotelian and Scholastic categories of justice are another manifestation of the old-fashioned nature of the book. It is interesting to speculate on what happened to this tradition in the development of modern economics. Adam Smith is normally thought to have given birth to economics as a separate intellectual enterprise when, with the publication of the *Wealth of Nations*, political economy "escaped" from its ethical past (Winch, p. 87). I suspect, however, that J.S. Mill's distinction between the laws of production and the laws of distribution had more to do with shaping the current view which is based on the twin dichotomies of positive/normative and efficiency/equity.

I cannot offer a fully developed argument in the confines of a book review. However, I will suggest two points. First, as Barry Gordon and I have tried to show there is substantial evidence that the Aristotelian/Scholastic view of justice was transmitted to Smith via the Protestant natural law theorists, Grotius, Pufendorf, and Hutcheson to name three of the most noteworthy (Young and Gordon, 1992). In addition, we have also shown that Smith was concerned about both commutative and distributive justice, and that, as in the case of his predecessors, he viewed commutative justice as more fundamental for the existence of society. His main achievement was to bring about a greater unity of the two types of justice which in previous discussions frequently resulted in conflicting policy advice. His assumption of a dynamic, growing economy was the principal innovation which allowed him to argue that beneficial distributive outcomes would tend to follow the introduction of a system of political economy based on the requirements of commutative justice.

My second point is that the current equity/efficiency dichotomy which follows from Mill's assertion tends to associate economic justice with distributive justice alone. In its narrowing of the

meaning of the word "justice," this is a clear departure from the earlier traditions. Even though previous writers (including Smith, I would argue) placed distributive justice above commutative justice when the two came into conflict, the bulk of the just price literature views the ethical analysis of pricing as an exercise in commutative justice. It is this sense of justice, along with general justice, which is lost in Mill's approach. I am not suggesting that Mill and his intellectual descendants have lost sight of the substantive content of commutative and general justice. What I am suggesting is that Utilitarianism provided an alternative philosophical underpinning from which to conceptualize issues of individual rights (commutative justice) and social welfare (general justice), such that they were no longer viewed as parts of economic justice. I am quite willing to admit that Smith significantly modified the framework which he inherited and that he normally confined the explicit use of the discourse of justice to the commutative sense. However, this alone places him closer to his predecessors than to his heirs. The decisive break from this tradition occurred in the nineteenth century when Utilitarianism replaced the natural law philosophy Smith was taught. As Danner has shown, though, the old approach to economic justice is still relevant and reminds us that justice is a matter of respecting others' rights, of giving to the poor, and of participating in the collective life of the community.

I do not think Danner is as successful when he develops the specifically Christian theological foundation for the book. He summarizes his theology of wealth in the concept of spiritual poverty.

For Christians, therefore, spiritual poverty requires four elements: complete commitment to God's will, freedom, though not divorce, from reliance on material riches; preferring poverty to wealth as evidence of complete trust in Divine Providence,

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and seeing the sacramental nature of the poor since in serving them one encounters Christ and thus God (p. 172).

This is a peculiarly Catholic interpretation of what Scripture teaches about wealth and poverty. Contemporary mainstream Judaism, for example, derives a very different message from the Old Testament teaching on wealth. Meir Tamari summarizes that teaching:

Man's economic desires are treated by Judaism in exactly the same way as all other basic human needs: as legitimate, permissible, and beneficial, but restricted, educated, and sanctified by observance of God's commandments (p. 29).

I believe that modern Evangelical Protestants would hold to a similar view, and in the final analysis so does Danner when he says that:

...the spirit of poverty affirms the goodness of material goods and wants them shared equitably. It applauds economic abundance, provided all and not just the selfish benefit from it (p. 184).

The problem, then is not with the practical interpretation, but rather with the theology. I do not believe the Bible teaches us to prefer poverty to wealth. I believe it does teach that wealth is a good thing, it is one way God chooses to bless His people, and honest labor to produce wealth is a God-serving activity. The Bible also has ample warnings about the pitfalls of greed and selfishness and admonishes us to be generous in giving. I do not see Danner disagreeing with this. My point is that his attempt to reconcile this view of wealth, which I think does have a strong Scriptural basis, with the Catholic concept of spiritual poverty is a failure, and it represents the least successful part of the book. The view of wealth, and its relation to human moral

and material well being, which he develops consistently throughout the book simply does not sit well with his theology.

In a concluding chapter Danner contends that there is synergy between the economic and the moral. Although personal morality appears to be the main thrust of the book, if there is a lesson in it for social policy it is to be found in the last chapter. Rather than postulating a sort of trade-off between the economic and the moral, he suggests that they can actually support each other. Prudence and justice, for example, support the economy by laying the ground work for efficiency and growth. These in turn provide the material underpinning for generosity, distributive justice, and the eradication of poverty.

While I am sympathetic to Danner's project and welcome attempts to go back to the ethical roots of economics, I nonetheless found the book unsatisfying. Despite its erudition, there really does not seem to be anything new. I suspect most members of the Association, for example, have long ago come to the conclusion that "Christian Economist" is not an oxymoron; that material wealth is a good thing, but the individual must be careful not to be trapped in its temptations. Neither does the book offer any really new advice to help avoid these pitfalls.

In fairness though, I do not think the Christian economist is the intended audience. With end-of-the-chapter glossaries and discussion questions the book is clearly aimed at the student. I think Evangelicals will generally have trouble with the book's theology, but, nonetheless it may be valuable as a teaching tool where the goal is to integrate the teaching of economics with the development of personal morality. Danner is to be commended for not falling into the trap of treating economics and the pursuit of material abundance as inherently evil.

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Beyond Economic Man: Feminist Theory and Economics

Marianne A. Ferber and Julie A. Nelson (eds.)

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In *Beyond Economic Man*, a number of essays are presented in which the authors assess what it would mean if women—their scholarship, their concerns, and their roles in economic life—were more central to the economics discipline. Most of the contributors are female economists; although one sociologist, one philosopher, and one male economist also appear in a distinguished line-up.

I would recommend this book as a useful way for economists to get some initial insights into the topic. The main authors and discussants range from friendly skeptics to committed feminists. After reading the book, I still find myself closer to the first camp than the second. However, in this review I would like to sample and respond to some particularly interesting points made in several of the chapters.

In the opening essay, "The Study of Choice or the Study of Provisioning? Gender and the Definition of Economics," Julie Nelson argues that since the time of Adam Smith, mainstream economics has unnecessarily narrowed its scope of inquiry, especially in our century. In particular, the most esteemed contributions are now expected to take a highly mathematical form, and to focus on the economics of choice, largely in market settings. Nelson agrees with several other writers in this volume that such a narrowing of the discipline of economics has its roots in Cartesian

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