

action, which plays on selfish motives and views income support as a payment for social peace, and instead suggests that "we can collectively be held morally responsible for what are the foreseeable consequences of our decisions" (p. 215).

I find two essays disturbing—one for heart reasons and the other for head reasons.

Meir Tamari's essay on the "Jewish Tradition and Ethos of Generosity," disturbs me for heart reasons. Tamari does an excellent job summarizing the Jewish tradition and the essay is full of practical advice. But the essence of this tradition, which is to help others but count the cost, goes against my evangelical Wesleyan bones. Its excessive legalism about how to count the cost of generosity seems to contradict the very essence of generosity itself.

Peter Vardy's essay on "Theology and Sharing the Economic Cake" is highly stimulating in its theology, as described above, but disturbing for head reasons in its portioning of the economic cake. The policy measures suggested are connected to the theological foundations by a thin thread—the idea of individual responsibility. Beyond that, the policy suggestions seem to be generated without foundation, and lack awareness of economic reality.

Finally, Frank Field's advice for welfare reform in Great Britain, outlined in his essay, "The Welfare Debate," shares practical policy advice that is also relevant for the United States. He believes politicians should harness, not try to change, human motivations. Two important policy suggestions include assistance for individuals to reenter the work force, and tapering off support so that work disincentives are softened. Of course the difficulty in tapering support is paying for it. Although not mentioned by Field, this ongoing problem with the welfare system was identified as the "Iron Law of Welfare" by Henry Aaron in 1973. That is, there are three goals to any welfare system which conflict with each other—providing support for those in need, sustaining work incentives, and keeping overall cost and caseloads down. Third, Field advises Great Britain to follow a model closer to the mentality in Europe, which is to focus on underpinning working families' living standards.

Considering the book overall, while some contributors believe self-interest motives should be harnessed, others are more hopeful about changing motives toward a collective sense of responsibility. Some see collective responsibility as being met by community, and others see it as being met by individuals bearing their own responsibility. However, all see the need to think carefully about our responsibility to meet social needs, both through the eyes of theology and through practical economic policy solutions. All see the faith community as making a difference to the broader society in our impact on meeting the needs of the underprivileged. Because these authors see a clear primary purpose, write with passion and stimulate careful thinking, this book is recommended for wide readership. ■

### The Stakeholder Society

Bruce Ackerman and Anne Alstott, New Haven, CT & London: Yale University Press, 1999. ISBN 0-300-07826-9, \$26.00 (paper).

Reviewed by Eric Beversluis, Aquinas College (MI).

**T**he *Stakeholder Society* offers an approach to economic justice that focuses on wealth distribution rather than income distribution, albeit without denigrating wealth or private property *per se*. Christian economists have a natural interest in economic justice that is not necessarily matched by secular economists. Yet both groups seem to have focused too much on questions of *income* distribution when the issues of *wealth* distribution seem more basic.

The authors of this book, both professors at Yale Law School, cast their basic argument in terms of "equal opportunity." While Americans are supposedly committed to the principle of equal opportunity, recent developments in both income and wealth distribution suggest that we are diverging further and further from that ideal. Contrasting their approach with both the (conservative) libertarian approach, which says we can count on the market system for the best outcome, and the (liberal) utilitarian approach, which emphasizes the welfare state approach, Ackerman and Alstott go back to an idea proposed 200-some years ago by Thomas Paine—that each citizen should, by right, start off adult life in possession of a share of the society's wealth.

By owning a share of society, each citizen has a stake in the sense of "grubstake," that is, the money or other resources advanced to a prospector to support his venture. In the Ackerman and Alstott proposal, the venture is the person's life project. Besides their basic claims about the justice of a stakeholding program, they also argue that citizens who receive the stake will by and large develop a strong sense of identity with and commitment to American society and governance.

Giving each citizen a significant amount of wealth to use in planning and carrying out a meaningful life plan, Ackerman and Alstott argue, is the best way to move our society back in the direction of equal opportunity. They propose, specifically, that each citizen become entitled to a one-time grant of \$80,000 upon reaching the age of twenty-one, which they would then be free to use however they choose. (Younger people attending college would be permitted to draw on this stake to pay for their college education.) The only preconditions for obtaining this grant would be citizenship, graduation from high school, and absence of a criminal record. The program would be financed by a combination of wealth, gift, and death taxes, including a "pay-back" requirement for the recipients of the stake.

How do the authors come up with the figure of \$80,000? They see a paid-for, quality college education as a paradigm of an appropriate stake that meets the objectives of this

program. Such an amount, then, should be available to all citizens (equally), whether they believe that education or something else would be the best use of the stake given the circumstances of their life.

The authors also propose other far-reaching and attractive reforms. While the stakeholder program would help make these possible, they are not necessary concomitants of the program. These include: (1) Replacing the present social security system, which is based on work history and the misleading notion that it is an "insurance" program, with a "citizen's pension" that promises a minimally decent standard of retirement available to all citizens regardless of wealth or work history. (This plan would actually be a 2nd phase of the stakeholding principle.) (2) Replacing the payroll tax, which is linked to the "insurance" concept of social security and is unjustly regressive, with a "privilege" tax as basis for the citizen's pension. (3) Providing a quality education for all, removed from dependence on local property taxes, to meet another social obligation implied by commitment to equal opportunity.

While the stakeholder proposal obviously entails numerous practical difficulties, and much of the book is devoted to the authors' explanation and justification of the details of the program, I believe the ethical aspects of their position are what it is important to focus on. The solutions to the practical difficulties will not be convincing to one who does not believe that the basic idea of the program is ethically appropriate. But if economic justice does in fact require a program such as this, then we as a society should pursue it, solve the practical problems as best we can, and live with the remaining difficulties—whether they be imperfections of administration or economic inefficiencies.

The basic ethical argument of the book is in terms of equality of opportunity. I see three strands to their argument:

- Stakeholding would give each citizen at least the minimal conditions for exercising freedom and responsibility in making fundamental decisions about how to structure their lives and realize their potentials. When young adults are thrown into adult life with nothing but their (possibly-quite-limited) earning power, with no financial capital to serve as a cushion and stake, they have not been given a fair opportunity to exercise freedom and responsibility in making a go of their lives. Rather they are forced into various combinations of short-term strategies to make ends meet, dependence, and constrained opportunities to realize their potential.
- Each individual born into society has an equal right to a share of the wealth of the society, regardless of what family she happens to be born into (what I would call a "birthright").
- Some significant but unmeasurable amount of the rapidly growing wealth inequality is due to lack of equal opportunity in our society. Thus there is compensatory justice in using some of that wealth to provide a starting

stake equally to each new adult member of society.

One major issue in justifying the stakeholder program is what to do with those who "waste" their stakes—either by just using them for consumption (with or without working), or by using them for "unwise" investments, or by being duped. Ackerman and Alstott make several points: (1) The program is based on the importance of respecting individual freedom and responsibility. This principle requires that we allow people to make bad decisions. (2) That same respect for individual responsibility also counts against a paternalistic imposition of "society's" judgment as to what it is appropriate to do with the stake. (3) Social pressure and individual prudence will ensure that most people make reasonable decisions about how to use their stakes—where what is "reasonable" will depend to a large extent on specific factors in the individual's life situation.

In commending this book to the consideration of Christian economists, I would suggest that each of these argument strands resonates well with the elements of a Christian approach to economic justice. Dignity, respect, and equality are all ideas that owe much of their vitality to the impact of Christianity. In addition, the specific value of being able to exercise meaningful stewardship over resources can be seen as the principle underlying much of Old Testament norms for economic organization in Israel.

One comment about the physical layout of the book—footnotes and bibliography materials are all at the back of the book, causing major inconvenience for the reader. Fancy wordprocessing today makes it easy as can be to incorporate footnotes right on the page. It is thus paradoxical that books are more and more going in the opposite direction.

*The Stakeholder Society* is, then, a challenging book for Christians attempting to understand economic justice. It presents a proposal based on premises that fit well with Christian perspectives on stewardship, property, and human dignity, and it fleshes the proposal out with a mass of detailed practical considerations and arguments (that I have not attempted to summarize in this review). ■

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### **The Uses and Misuses of Human Data: The Mathematization of The Human Sciences**

W. James Bradley and Kurt C. Schaefer, Thousand Oaks, CA: Sage Publications, 1998. ISBN 0-7619-0922-2, \$24.95 (paper); 0-7619-0921-4, \$54.00 (cloth).

*Reviewed by Annette Tomal, Wheaton College (IL).*

**R**oughly three-quarters of the contributors to the *American Economic Review* misuse the test of significance." A sensationalist blurb on the back cover to grab attention and increase sales? No, but the quote by McCloskey (1985, p. 201)—buried on page 152 in the book—is indica-