

Christianity and the Culture of Economics

Donald A. Hay and Alan Kreider, eds. Cardiff: University of Wales Press. 2001. ISBN: 0-7083-1704-9. \$29.95 (paper).

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In *Economics Today: A Christian Critique*, Donald Hay gave economists one of the first serious critiques of the discipline of economics from a Christian perspective. Hay expands this line of criticism in *Christianity and the Culture of Economics*. In this edited volume, Hay and his coeditor, Alan Kreider, lead their readers through a thoughtful consideration of the role that values may play in markets and their operations. In nine essays, originally given as a series of lectures at Oxford during Michaelmas Term 1999, the contributors evaluate the dynamic between values and markets from a variety of specific—though always Christian—perspectives.

For an edited collection, the book holds together remarkably well around its central theme of the interaction between values and markets. The book is broadly organized around two competing points of view. In the first view, markets are value free. The market mechanism is merely a mechanism and imparts no values to society. At the very most, markets—as evidenced by their outcomes—may reflect the values present in society.

In the alternative view, free markets and their operations drive value. Due to the ways that free markets operate and allocate, agents acting in them are influenced by the market mechanism to behave in ways that are increasingly self-interested and, at worst, selfish. This is the same view pondered in examinations of the impact that studying economics—and market mechanisms—may have upon the views and behaviors of undergraduate students.¹

These alternative views can yield altogether different implications for the Christian economist. Consider first the view that markets impose their own values systems upon the surrounding culture, promoting acquisitiveness and selfishness. If this view is correct, then an appropriate Christian response might include advocating the introduction of new, or continuation of existing, governmental institutions and policies that provide incentives for agents to act in less self-interested ways. For example, a Christian economist might champion the continuation of tax deductions for charitable giving.

If, as indicated by the alternative view, markets are value free, then a Christian economist might be able to rest a bit easier. While institutional reform may still be appropriate, it is no longer the primary concern of the Christian economist. Instead, inasmuch as markets are wonderfully efficient allocative mechanisms, the role of the Christian in the market system is to act *individually* according to Biblical

principles for economic life, such as those derived by Hay (1990), and to exhort others to do likewise. As individuals acting according to Biblical principles interact in the marketplace, market outcomes may move closer to outcomes indicated by such principles.

One of the most wonderful aspects of this book is its very broad selection of authors and range of views concerning the topic at hand. Moreover, the authors write from four different perspectives. First, two nonacademic economists give their individual views from the front lines concerning what may be inferred about the role of values in the marketplace from the behavior of agents. In the first chapter of this section, Lord Griffiths of Fforestfach (the former Brian Griffiths), provides his observations concerning the market culture. Griffiths, former head of the policy unit of the Thatcher administration and presently an international investment banker at Goldman Sachs, sees markets as value neutral. Griffiths outlines a case for their legitimacy, and provides anecdotal evidence of much individual action in markets that is considerably less self-interested than one might expect. In the following chapter, David Nussbaum uses the concept of shareholder value to provide a contrasting view. According to Nussbaum, Finance Director of Oxfam, shareholder value works well in finance and other disciplines as a positive analytical tool. However, Nussbaum warns against the advocacy of share value maximization as a unique objective, noting that the resulting outcomes may be “sinister.”

Second, two case studies of nontraditional business organizations, Amish microbusinesses and worker-owned cooperatives, give insight into whether such organizations must ultimately—under pressure from the market—unravel due to selfishness. In a fascinating chapter, Donald Kraybill describes the evolution of Amish society from exclusively agrarian to one that is increasingly microbusiness oriented. According to Kraybill, rising land prices and steady population growth have driven the Amish community into pursuits beyond farming. Kraybill indicates that—due to their intentionality—the Amish have been able to remain faithful to their calling to be separate, even in their changing circumstances. Hence, market forces have not led the Amish to forsake their calling. In the other case study, Roger Sawtell describes the phenomenon of worker-owned cooperatives in the United Kingdom. Sawtell’s view of the tension between markets and values is more pessimistic, and he sees cooperatives as a positive influence in the marketplace.

Third, the reader is invited to consider what relevance the interaction of values and markets has for three policy areas: international trade, labor markets, and the welfare state. Isabella Bunn considers through what channels trade policy might be effective in influencing values among our

global neighbors. For Bunn, embargoes designed to effect a greater concern for human rights are unlikely to succeed. Instead, Bunn suggests that the opportunities for interaction that free trade brings are a more promising channel for the promotion of human rights. Hence, the free market may be a positive force in the promotion of human rights. Next, drawing upon the principles of Hay (1990), Andrew Henley thoughtfully considers the main themes of contemporary labor economics in light of Hay's principles. Henley regrets four aspects: the view of time spent working as merely "not leisure," the view that work is an individual activity (not a social one), the disruptions in our lives that tend to accompany economic growth and success, and the presence of discrimination. Nevertheless, Henley sees only a limited role for government intervention in labor markets—for example, facilitating retraining rather than paying limitless unemployment benefits. Lastly, Andrew Dilnot describes the state of the welfare system in the United Kingdom in relation to the tension between markets and values. Dilnot asserts, quite correctly, that the free market itself will never spawn a state-funded welfare system.

Finally, two academic economists each consider how values might enter into the analysis—both positive and normative—conducted by the Christian economist. In addressing economic growth, Bob Goudzwaard calls us to be as concerned with the stewardship and care of inputs in production as we are with outputs. His fear is that the forces and values of the market may blind us to the effects the unbridled pursuit of growth may have upon the factors of production.

In the final chapter, Hay calls the reader to ponder the appropriate vocational response of the economist who is also a Christian. Hay sees three possible paths. The first path may be thought of as a two-kingdom model. The Christian economist is an economist who also happens to be a Christian. Her faith has no impact upon her practice of the discipline. The second path is to build a Christian economics; Hay considers the Reformed approach as an example. Finally, Hay envisions two ways in which the Christian economist may bring his faith into the practice of economics. First, faith can influence the questions he considers within the neoclassical paradigm; Hay calls this the subversive approach. For example, Lunn and Claar (2002) model forgiveness using standard economic modeling techniques, but do so because of the authors' interest as Christians in forgiveness. Alternatively, a Christian economist may interact with the discipline in more overt ways, letting her Christianity be more transparent in her research; Hay calls this the critical approach.

Christianity and the Culture of Economics is a marvelous collection of essays that consider how values interact with the market system. Colleges interested in faith and learning could profitably adopt it as a companion text in a senior seminar course for economics majors. Though written from a broad variety of perspectives, all of the entries

give careful consideration to Christianity in a market culture.

Endnote

- 1 See, for example, Carter and Irons (1991); Frank, Gilovich, and Regan (1993); and Whaples (1995).

References

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Modern Catholic Social Documents & Political Economy

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In this volume, Father Albino Barrera synthesizes more than 100 years of papal encyclicals and other documents to summarize Catholic Church teaching on various areas of political economy. The result is a wide-ranging but in-depth discussion of Church teaching on subjects such as employment conditions, "just" wages and prices, government redistribution policies and social safety nets, agricultural policy, Third World credit access, and the relative virtues of socialism. In the past, authors of strong ideological bents have appropriated isolated bits of papal teachings to reinforce particular political arguments. To my knowledge, however, this is the first truly balanced attempt to construct a full-scale integration of Catholic teaching and modern economic thought. Barrera is an engaging writer, and thus, while the subject matter does not exactly make this book "beach reading," readers interested in the subject will enjoy it.