

Two Approaches to Fashioning a Christian Perspective on the Liberal Market Order: A Symposium

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Editors' Note: *Faith & Economics* book review editor Edd S. Noell arranged this symposium to mark and reflect on the 2003 publication *Wealth, Poverty, and Human Destiny*, edited by Doug Bandow and David L. Schindler (Wilmington, DE: Intercollegiate Studies Institute. ISBN 1–882926–83–8, \$29.95). The different perspectives reflected in the essays gathered here mirror the range of views in the Bandow and Schindler volume itself, and offer, we hope, some encouragement and stimulation in thinking about these important questions.

Poverty, Freedom, and Economic Justice: The Need for An Extended Dialogue

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Alongside the extensive global dissemination of the “Washington Consensus” of privatization, market liberalization, and trade liberalization, fundamental challenges have surfaced for modern followers of Christ participating in the liberal market order. These challenges call for necessary deliberation and consequent responsible action in relation to the meaning and purpose of economic freedom, wealth, and poverty. In recent years, Christians struggling with the biblical mandate regarding wise and just stewardship of their possessions and the responsibility to minister to the poor have been led to consider again the compatibility of these particular ends with the ends served by the predominant forms of market-driven economic systems around the world. Does the liberal economic order produce genuine freedom to love and serve God and one’s neighbor? Or is it rather inclined to generate greater temptations to absorption with material things that in turn leads to violation of the two great commandments by which Jesus summed up God’s will? In like manner the phenomenon of globalization has led many believers to reexamine their responsibility towards the poorest of

the poor in lesser-developed nations; what does the Lord’s requirement to “do justice” (Micah 6:8) mean for Christians in the global marketplace? To address these and other similar challenges, the John Templeton Foundation and the Intercollegiate Studies Institute have come together to produce a volume of essays entitled *Wealth, Poverty, and Human Destiny* (hereafter referred to as *WPHD*). Among the issues considered are income inequality, the role of the family, the implications of changing technology for the human community and the environment, and the ramifications of globalization for living standards in less-developed countries. The ways in which *WPHD* addresses these concerns are considered in the essays which follow in this symposium. The purpose of this essay is to provide an overview of the structure of *WPHD*, to outline the central thrusts of the two main perspectives it presents, and briefly to evaluate how the volume treats the challenges related to poverty, economic freedom and justice.

The stated objective of *WPHD* is “to investigate whether and to what extent the market economy helps the poor” (p. vii). Editors Bandow and Schindler have each chosen a core group of contemporary Christian scholars to represent their particular take on this investigation. Included among them are economists, philosophers, and theologians who present their perspectives at some length in a volume of over five hundred pages. *WPHD* provides twelve core chapters, an additional chapter length summary and response by each editor, and two additional essays as appendices. The table below indicates the participants and the particular perspective with which they are aligned.

Market Economic Order Compatible with Christian Teaching (editor Doug Bandow)	Market Economic Order Incompatible with Christian Teaching (editor David L. Schindler)
P.J. Hill Michael Novak Samuel Gregg Jennifer Roback Morse Daniel T. Griswold Richard John Neuhaus	Adrian Walker D. Stephen Long William T. Cavanaugh David Crawford V. Bradley Lewis Arthur Davis
Appendix B: Max L. Stackhouse (with Lawrence M. Stratton)	Appendix A: Wendell Berry

Bandow’s group asserts the superiority of market economies in lifting individuals out of material poverty. These authors find no essential

conflict between Christian teaching and the liberal market economic order, though several of them emphasize the necessity of a moral and democratic framework for capitalism. None of them explicitly identifies free market capitalism as God's sole prescription for ordering society's economic arrangements. Indeed, Bandow poses the question "Is capitalism Christian?" and responds "No. It neither advances human virtue nor corrects ingrained personal vices; it merely reflects them." Yet in a fallen world the collectivist approach of "socialism and its weaker statist cousins" are a much worse alternative, for they "exacerbate the worst of men's flaws" (p. 345). Addressing the tax and transfer system employed by the American mixed market economy, Hill argues that government efforts to redistribute income "change institutions in ways that hinder" the process of wealth creation (p. 15). Instead, the poor are better served by largely relying upon the voluntary efforts of the private sector. As Morse puts it, "we can build a free society by embracing those who are legitimately dependent on us," including children, the disabled and the elderly (p. 212). Among the market reforms needed to address global poverty, "secure rights to private property," "opening rich-country markets to poor country exports," and "reserving foreign aid for true emergencies" are key measures sorely needed (Griswold, pp. 236–239).

By contrast, Schindler's group finds the liberal economic order in fundamental tension with the Christian values of loving interdependence expressed in community. A different meaning of poverty is emphasized by these essayists. Liberal economics in itself is declared poor in the deepest spiritual sense. Thus Walker contends that "the techniques of liberal economic rationality" offer no real hope of solving the problem of material poverty (p. 50). Because of its grounding philosophically in an "abstract sense of personal self-identity," modern "instrumentalist economics" suffers from a "congenital" defect that renders a human being (as both producer and consumer) "homeless" (Schindler, pp. 353, 380, 412). That is, he is not rooted in "the relations that most profoundly constitute his being as a creature." The primary relation is the location of the creature made in the image of the Triune God (who exists in a loving community of three persons and one essence) in "abiding ontological community" with this God. Additionally, this central connection rightly gives him his place in the cosmos and also makes him intrinsically related "to all other entities of the world" (Schindler, pp. 351–353). In regards to economic matters, these relationships are genuinely expressed only by an "economy of love" (Schindler, p. 363) that centers economic relations in gratitude for God's intrinsically good gifts. An economic order grounded in gift and gratitude

offers the prospect of rightly addressing the problem of poverty and engendering true freedom. In the main Schindler's essayists contend that this will not require more active state intervention over economic activity; rather, as Cavanaugh puts it, "...the churches should take an active role in fostering economic practices that are consonant with the true ends of creation" (p. 128).

The broad theological framework out of which the essayists pursue their arguments about the nature of both market exchange and poverty should be noted. Several of the essayists in each group (most notably Novak, Neuhaus, Walker, Gregg, Crawford, Griswold, and Schindler) clearly acknowledge their dependence upon the magisterium of the Roman Catholic church. They readily appeal to the authority of papal statements on the market, particularly the pronouncements of John Paul II. Protestant readers will likely desire a foundation for a Christian perspective on markets centered more closely on the Scriptures. Those looking for a careful exegesis of the biblical material on poverty, freedom and justice that provides support for a Christian evaluation of market institutions will encounter some helpful discussion in Bandow's essay but will otherwise be largely disappointed. Nonetheless, almost all of the essays will likely stimulate Christian economists to think carefully about their understanding of such core concepts as poverty and freedom.

How one understands "freedom" certainly plays a key role in the arguments made in *WPHD*. This is evident in the argument stressing individual choice offered in defense of the market by Bandow's group. Novak draws upon John Gray's emphasis on the autonomy offered by the market order: "More than any other system, a market system enhances the individual's scope for and frequency of acts of choice" (p. 62). Morse also recognizes the modern American "need for autonomy" while affirming that "we can incorporate the needy into a vision of free and responsible individuals" (p. 179). Yet Schindler's group claims that the free market is not neutral towards the objective good; consequently it finds problematic the notion of the freedom of individuals in the market setting to choose wisely or poorly. Applying Augustine's understanding of freedom and desire, Cavanaugh contends participants in the market are not truly free but rather "subject to the arbitrary competition of wills" (p. 114). The practices of contemporary marketing exemplify for Cavanaugh "the unfreedom of the free market." Consumers may think themselves immune from advertising's "emotional bonds" and consequently free to choose among products. Yet in reality oligopolistic transnational corporations through marketing methods leverage "an imbalance of power" to shape

consumption patterns (pp. 116–118).

Here is a significant issue that needs to be given fuller treatment than what is afforded in *WPHD*. In a very brief response to Cavanaugh’s critique of advertising, Bandow highlights examples of failed “multi-billion-dollar marketing campaigns” to counter the claim that transnational firms shape demand among consumers (p. 332). Yet one wishes for a further nuanced discussion of the meaning of economic freedom in light of the informational function provided by advertising. For example, would the freedom of parents be enhanced by a governmental ban on advertising of products aimed at children? Moreover, neither of the two main groups of authors considers the limited case for government regulation of advertising for particular categories of products. Such regulation is unnecessary for a hardback book, a ballpoint pen or a can of peas, which as search or experience goods have qualities that are easily determined before the consumer purchases these items. Advertising of these goods in fact would enhance consumer freedom in one sense. Yet a different evaluation could be offered in regards to advertising of credence goods, in which consumers aren’t necessarily sure of the product’s characteristics before or after consumption. Convincing arguments can be made that greater economic freedom in a certain sense would be fostered by prudent regulation of the provision and marketing of auto repairs, examinations by physicians, pharmaceuticals and other similar products.

The issue of economic justice in connection to the spread of market relations is another instance in which the discussion found in *WPHD* leaves one desiring to see an extended conversation. Certainly there is some consideration of different forms of economic justice. Griswold raises the connection between free trade and justice in the sense of the justness of trade “giving to each person sovereign control over that which is his own” (p. 215); Lewis briefly discusses Aristotle’s concept of corrective justice (p. 249); Hill finds that efforts to accomplish distributive justice through governmental attempts to redistribute income “foster far greater injustices” (p. 1); and Bandow (pp. 318–319) asserts there is no biblical support for efforts to pursue equality of income (as an end presumably consistent with distributive justice). None of Bandow’s group identifies with an extreme Christian libertarianism that only recognizes the need to satisfy commutative justice. Indeed, Gregg declares that “No seriously orthodox Christian is likely to claim that people have no responsibilities to others beyond contractual obligations” (p. 133).

A further consideration is needed of how Christians historically have wrestled with evaluating the nature and extent of these responsibilities

in connection to economic justice. For example, Gregg affirms that the spread of market activity throughout western Europe by the thirteenth century “was not problematic” for “the great majority of Christians” (p. 130). In fact it raised complex questions regarding how commerce could be conducted without sin which generated a dispute that even moved some to violence, as briefly noted by Gregg (p. 131). More importantly, scholastics such as Thomas Aquinas, Peter Olivi, Gerald Odonis and others thoughtfully examined the economic justice of particular kinds of transactions, developing parameters for establishing a just price and just wage. While there was increasing recognition of the benefits of trade, in that few cities or regions could be autarchies, warnings still remained regarding avarice and the activities of the merchant. Langholm (1992) notes the dilemma observed by the Schoolmen: “In order to make a profit, the merchant is tempted to cheat on weights and measures, to hide defects in his wares, to swear falsely about their qualities...” (pp. 573–574). Careful deliberation over the elements of justice in exchange was a practical necessity for the clerics of the Church. Consider the discussion in the penitential handbooks of economic justice in pricing as applied to merchants and consumers, in which the concept of injustice involving fraud was elaborated. Langholm (2003) provides some specific instances:

From the thirteenth century, few handbooks that dealt at any length with economic subjects, would fail to mention weights and measures. Elaborations appeared, and many other fraudulent tricks were added: using different scales for buying and for selling, making one arm of the scales longer than the other, counting falsely, selling bad for good, a worthless substance for a precious one, a sick horse for a healthy one, rotten meat for fresh, soaking wool and certain spices to make them heavier, diluting wine or otherwise adulterating and mixing liquid goods, counterfeiting, clipping or otherwise mutilating coins, etc. These are all examples of deliberate, intentional fraud (p. 238).

Further matters of fair bargaining and consent were taken up in Scholastic sermons and theological treatises; by recognizing the ways in which costs, location, risk and economic incentive allowed for variations in the just price as a “common estimate,” the Scholastics framed their discussion of economic justice in terms sympathetic to market outcomes that were achieved in the absence of fraud and coercion. At the same time, in applying their formulation of a just wage doctrine, they exhorted employers to pay their workers promptly and in line with the Golden Rule expressed in Matthew 7:12. The purpose of *WPHD* to evaluate markets would be more

fully served by further reflection on these facets of Christian thought on economic justice.

Much of *WPHD* may leave a Christian economist desiring a more extended conversation with the authors about whether and how markets serve the biblical ends of love and justice. In addition, as other participants in the symposium note, it will likely leave the reader wishing for a direct dialogue on these matters between the authors representing the Bandow and Schindler groups. Yet it represents a significant contribution to the ongoing scholarly evaluation of the ends served by markets. It serves a noteworthy purpose in adding to a discussion in which Christian economists must continue to be engaged.

References

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The Market Economy and Human Community

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W*ealth, Poverty and Human Destiny* presents a dialogue, of sorts, between Christian representatives of, first, a market-affirming “liberalism” and, second, a form of conservatism that is quite skeptical toward markets as the basis for economic interaction. This line-up of opposing arguments is likely to strike many readers as rather unusual in our day and age, when strong support for markets is often considered part of the right wing of the ideological landscape, while opposition to market mechanisms is viewed as a defining feature of the left. Those with some historical awareness will recall, however, that the political species we Americans are now apt to call libertarians were once called liberals and even radicals. Indeed, here in Europe they are often still known as liberals, although certainly not as leftists.

The root meaning of “liberal” is, of course, free or freedom, and economic liberals have been those who advocate and promote the economic freedom of the individual against the restrictions imposed by both state