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### **Wealth, Poverty, and Human Destiny: A Selective Review**

J. David Richardson, Professor of Economics and International Relations, Gerald B. and Daphna Cramer Professor of Global Affairs, The Maxwell School, Syracuse University (NY)

**M**y aim in this essay is to review those parts of this theologically-rooted collection that consider "whether and to what extent the global [my specific charge in what follows] market economy helps the poor" (vii).

Two things attracted me to this task. One was the emphasis on globalization, income distribution, and poverty, which has been an area of special attention for me for a quarter-century. The other was the hope

that theology (in which I am not well-schooled) would be woven into the discourse.

I come away only modestly fulfilled.

I will explain why, and organize my essay, by answering four questions.

- What will typical economists learn from this collection?
- What might thoughtful Christians and other readers learn from it?
- What do I wish I might have read, but didn't find?
- What would I myself have written if asked to write by the editors?

Long sets as his task in Chapter 4 to assess two specific corporations theologically. He is careful to define the nature and boundaries of a “theological assessment,” and he very succinctly synthesizes the theological assessments of corporate institutions developed by Gustavo Gutierrez, John Milbank, Alisdair MacIntyre, Stackhouse (with Dennis McCann), and Novak. This synthesis is a great service; it is an authoritative and eclectic group.

But Long's essay is mis-titled. “Catholic Social Teaching and the Global Market” is a far less accurate title than “Catholic Social Teaching and Two Companies.” Though both companies engage in global transactions, this fact is completely incidental.

So my first lamentation is that Long didn't really write about how globalization changes the discourse. But my deeper disappointment was that so thoughtful a scholar would choose so modest a mandate for himself. Two firms only? One from the 1980s? With no claims to representativeness—Long calls one a “difficult case” and the other “so unjust that it is a rather easy case”(p. 80)? With explicit abjuring of any “neutral social analysis of ‘reality’” (p. 82) as a prelude to theological assessment?<sup>1</sup> What does an assessment of these two corporations teach us about anything? Long never tells us. What a shame.

What might typical economists learn from Long's essay? The same thing as other reflective readers. Here is a thoughtfully contentious discussion of economics and millennial theology (Roman Catholic Social Teaching ) that goes far beyond mere musing on usury and just wages. This is worth absorbing deeply. And, here, incidentally, is a provocative argument that Adam Smith's underlying theology was basically Stoic (so “Christians beware” of Smith)!

Griswold is a coherent compiler and clear writer, as befits those who find their scholarly home in North American think tanks. His Chapter 9 brief in favor of globalization<sup>2</sup> is as good as it gets. It confronts directly

the most prominent arguments advanced by globalization's critics, that it impoverishes, enslaves, and marginalizes large numbers of the world's people, and allows corporations to sink toward the lowest global level of regulation (the "race to the bottom").

Yet the closest Griswold comes to theology is the pragmatic instrumentalism of good consequences. And he disregards both the central (though not global) questions in Long's essay—the comparative economic justice of alternative forms of corporate structure (family-owned firms vs. publically-owned vs. many variations that Long does not mention)—and the concomitant issue of social regulation of action, responsibility, and ownership. Griswold is quite capable of tackling this Long-inspired agenda. But he did not.

What a shame that the editors made no effort at (or had no success) inducing their authors to scholarly reflection *with each other*, on *common issues*.

More serious and surprising, even granted Griswold's ethics of consequence, is his neglect of the "bads" (as well as the goods) that globalization facilitates: human trafficking, corruption (selling social trust and public goods for private gain), and trade in weaponry, terrorist techniques, and addictive substances and practices (gambling, pornography, tax evasion).

Griswold mentions, but does not adequately emphasize two typical "fellow travelers" of increased globalization. One is internal institutional reform, the other is internal diffusion of globalization's gains. Reform means creating social institutions that are widely accepted as effective and legitimate. Diffusion means spreading material gains reasonably widely across a large majority of a society's population. Griswold's reading of history is that these two concomitants naturally follow a society's commitment to global openness—just as symbiotic organisms follow their hosts. Other scholars, not represented well in Griswold's references, see openness, equity, and legitimate institutions as three equal marriage partners, and read history to say that any one of the three can "lead" development, but that all three are equally necessary and all three must be consciously cultivated by collective action.<sup>3</sup>

I think theologians are far more attracted to the latter view, and to working with economists and other social scientists when issues are approached organically, and with less of the *primus-inter-pares* position that Griswold and most economists give to economic openness.

So what can economists learn from Griswold's chapter? Certainly how to present a cogent case. But I don't think reflective readers will learn

much that they haven't heard before or elsewhere, despite Griswold's commendable intelligibility.<sup>4</sup> Such readers will likely, once again, sadly reflect that economists simply do not "scratch where the world itches," to say nothing of ministering where the world hurts.

My respectful dissatisfaction with Long's and Griswold's chapters might have been allayed by the editors' own contributions to the collection. But it wasn't.

I regret to observe that Bandow's 38-page, un-annotated review essay provides little intellectual *engagement* with Schindler's 65-page counterpart, nor Schindler's with Bandow's. Each reviews the essays of selected contributors, favoring some and opposing others—predictably. Neither devotes more than a page to the special challenges that *global* markets, media, and mobility pose to traditional Christian social ethics. Taken together, the editors' review essays (especially Bandow's) focus nearly exclusively on the familiar, stale, markets-vs.-morality and capitalism-vs.-socialism contentions.

Schindler is, however, commendably comprehensive in addressing the deep differences between the two groups of chapter authors in their background "anthropology"—by which he means how they understand the nature and destiny of man. What he writes stimulated me, especially his concerns about the mixed blessings and perversions of philosophical liberalism and "liberal anthropology," especially when compared to Roman Catholic thought about civilized societies of love and "relational-personal" anthropological identity. But I will suggest below that Schindler might have fruitfully added even more about their implied *political sociology*.

What might I have preferred to what I got? And am I really so hard to please? I don't think so.

I longed for more intellectual engagement...between social scientists and theologians...between scholars and practitioners...the kind of intellectual engagement often embedded in summaries of discussant comments and floor discussions (assuming there was a conference at which authors presented) after each chapter...the kind that comes when editors work hard to distill consensus as well as dissensus.

I longed for more theological engagement...between serious Catholics and serious Protestants...between "Bandow's contributors" and "Schindler's essayists"—what good can it possibly do to divide them this way on pp. viii and 347, except as truth in advertising? They are divided all the way through the volume, even in the peculiar appendices by Berry and Stackhouse/Stratton, allegedly included for additional background,

but coming across to me as disjointed afterthoughts.

Ultimately, I longed for more than “two views.” Where were the irenic centrists, scholars like Rebecca Blank or Donald Hay? Where were the activist/public intellectuals like Peter Berger and Ron Sider? Where were Orthodox perspectives, Jewish, Islamic? Where were humanist perspectives—how can the authors of a book like this pay no attention at all to the deep and provocative thinking on the ethics of market institutions by scholars such as Amartya Sen and Anthony Giddens and David Held?<sup>5</sup> Theological reflection should not take place in a theological cocoon.

And what would I have written if I had been asked to contribute? Only social science (I know little else), though I would surely have grown intellectually from engaging a theological co-author as judicious as Long.

I would have begun with what I have called elsewhere<sup>6</sup> the “market system,” and inferred what my characterization might imply for a “*global market system*.”

I would have said that the modern market system is generically a complex, vertical, and social network of purchases and sales, contracts and conventions among firms—each of which is internally itself a social unit. The market system is in turn a mix of competition and cooperation among the social units; it is a social organism. The pragmatic quality of the organism’s competition and cooperation determines how effectively it combines fundamental inputs such as worker services to produce final goods for those very workers (that is the measure of their standard of living). The ethical legitimacy of the organism’s competition and cooperation determines how justly and sustainably it aids material standards of living and whether people are subjectively satisfied with their material outcomes.<sup>7</sup>

Government economic regulations condition this competitive-cooperative market system, internally within a firm and externally across them.<sup>8</sup> Among other goals, such regulations aim to make the market system work pragmatically better and more justly for a broader constituency. Designed properly, they are market-supportive and simultaneously part of the legitimizing social infrastructure.<sup>9</sup> They regulate the intensity of competition, the scope of cooperation, and define the due processes and legal boundaries for both, including the ethically vital boundary between coercive and voluntary transactions.<sup>10</sup>

In sum, the market system is socially populated, socially rooted, socially conditioned, and socially constructed. It is far, far away from the chaotically competitive “law of the jungle” with which it is sometimes

rhetorically confused.

I maintain that, correspondingly, an economically and politically sustainable *global market system* will be socially constructed and conditioned, too, by policy design, and will be legitimized only by serious, deep, constructive engagement among social-science scholars, ethicists and theologians, and practitioners of the majority of the world's religions and ideologies, including critics of the current system.

Now *that* enterprise *would* warrant the ennobling words "Human Destiny" that appear in the title to this incomplete collection.

### Endnotes

- 1 He means by this what he says later in more detail: "...no definitive account of the 'real' exists apart from a particular historical language ...No 'social fact' exists without its narratability via language" (p. 98). True enough, but Long skates too close for my taste to sacrificing detailed description-qua-deliberation (since it is so fraught) on the altar of theological assessment.
- 2 He defines it helpfully at the beginning of his essay: liberalization of [cross-border barriers to] international trade, investment, and migration. The emphasis on freer migration as part of globalization is not shared by all globalization enthusiasts, and Griswold provides no detail for his defense.
- 3 Any recent writings by Dani Rodrik might suffice. An up-to-date summary exists in a symposium on the roles of geography, globalization, and institutions at <http://www.imf.org/external/pubs/ft/fandd/2003/06/index.htm>.
- 4 For example, three recent book-length treatments of globalization in Griswold's *apologia* mold are Bhagwati (2004), Lindsey (2002), and Wolf (2004).
- 5 Sen (1999) most carefully develops his conception of development and its norms. Giddens (1999) offers his most cogent and provocative treatment of globalization as a shaper and re-shaper of norms toward tradition, family, polity, and risk-avoidance, revised and re-issued in 2002. Held's multidisciplinary and normative contributions are best seen at [www.polity.co.uk/global](http://www.polity.co.uk/global), where many recent variations are displayed of Held *et al.* (1999).
- 6 See Richardson (2000, 2001).
- 7 The social-science literature that links subjective perceptions of well-being to objective measures of material prosperity has recently mushroomed. See Graham and Pettinato (2002) for an accessible introduction and implementation. Unless I missed it, none of the

contributors to this collection seem aware of this literature, and how it might be construed to reflect altruism, ambition, envy, greed, and revenge.

- 8 Firms include corporations, partnerships, “not-for-profits,” labor unions, and others. Many of the market’s social groups have legal status that grants them the right to collectively own and exchange property, including intangible property (e.g., intellectual property) and licenses (e.g., to represent a set of workers), and to differentiate and isolate their legal liability as group members from their liability as individuals.
- 9 This “progressive” view of the way government regulation can support markets (or “augment” them, to use Mancur Olson’s term) has deep roots in economic history and philosophy, in the institutional school, and in the social gospel. It is unfortunate that the progressive view is often submerged by both shallow, breathless defenses of “free” markets and alarmist, populist accounts of the war between greed and governance. Not all economic regulations are market-supportive. Some are market-prohibiting, others market-inhibiting—though often “for a good cause” (e.g., prohibitions on slavery or on markets in socially dangerous goods and services, or limitations on current markets to avoid extinction of future markets, as in fisheries regulation). Still other regulations are distant from markets, such as so-called social regulation.
- 10 Specific examples help to clarify: (1) Company law enhances the market for corporate control; it establishes categories of voting rights and procedures for shareholders, and determines when and how a rival firm’s managers can compete for the shareholders’ allegiance (cooperation). (2) Labor-relations law enhances the market for cooperative representation—agency; it establishes workplace voting procedures for workers to be represented collectively by a union, and when and how another union could compete for certification to organize the workers cooperatively.

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### Two Different Worlds, We Live in Two Different Worlds

William F. Campbell, Professor Emeritus of Economics, Louisiana State University, and Andrew W. Foshee, Professor of Economics, McNeese State University (LA)

The essays in this volume were all written by Christians but they reflect two different worlds. One world is the world of free market capitalism and democratic political institutions. This is the world in which one of the editors, Doug Bandow, lives. He is associated with the Cato Institute and the classical liberal wing of Christian economists and chooses the pro-market writers. The other world (perhaps in more than one sense of that phrase) is that of the editor, David L. Schindler, editor of *Communio*, who chooses the essayists who write largely in opposition to the market. Since we suspect that the pro-market group is more familiar to most of our readers, we will spend more time on the Schindler writers.

This book is very important for the members of the Association of Christian Economists since it reflects disagreements that perennially occur at our meetings and sessions. Although the spectrum of positions is not really quite as wide as the ACE sessions—there are not really any leftists in the bunch—this does not matter. There is a type of Tory socialism which outdoes the Marxists in their hatred of free markets and capitalism. To a certain extent this view characterizes the work of a number of contributors to this volume. But these critics do not share the Marxists' tolerance of capitalism as a necessary stage in the movement to complete modernity by which the Marxists mean the eclipse of God.