

## Less than Two Dollars a Day: A Christian View of World Poverty and the Free Market

Kent A. Van Til. 2007. Grand Rapids, MI: Eerdmans. ISBN: 978-0-8028-1767-9, \$16.00.

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**T**he free-market has become the predominant form of economy in the world today. But can it meet the basic material needs of all human beings? *Less than Two Dollars a Day* draws on ethics and economics to address this question.

Following an introductory chapter in which he defines terms, Van Til provides an overview of Adam Smith’s intellectual legacy in contemporary market economics, or “mainstream economics.” He then devotes a chapter to explaining that this form of economics is unable to accommodate the needs of the absolute poor because they lack the spending power to convert their needs into economic demands.

The chapters that follow survey the teachings of Scripture and the Church, from which Van Til concludes that meeting these needs is a requirement of justice. Because all humans share God’s image and God’s world, they merit access to the basic sustenance that allows them to take part in human society. Before suggesting practical ways to achieve this in his final chapter, he expounds three schools of thought that uphold the notion that economic justice depends on basic sustenance for all within a market framework that respects property rights, human rights, and commutative rights:

- the capability approach led by the development economist Amartya Sen;
- the neo-Calvinist school emanating from the Dutch theologian and statesman Abraham Kuyper (1837–1920);
- the school of “social economics” associated with the *International Journal of Social Economics*.

The discussion of the second of these three schools, which pays particular attention to the work of economists Bob Goudzwaard and John Tiemstra, contributes most to the originality of this book. Complementing Kuyper’s ideas with those of the American Jewish political theorist Michael Walzer, Van Til propounds a system of justice, based on the notion of social “spheres,” that recognizes human diversity and understands justice to mean not only that all human beings receive their basic needs but that

citizens receive equal treatment and producers receive reward proportional to their contribution.

Van Til is adamant that his scheme incorporates and complements, rather than opposes, the system of distributive justice provided by the free market. Indeed, he insists that it does not entail any judgement of capitalism, any implication that all persons are due a handout, any requirement that the world's goods are distributed equally, or any condemnation of business or trade. He writes:

I believe that most goods should be exchanged via the free market, because it is an extraordinarily effective means of distribution, and it promotes commutative justice within the economic sphere. It rewards those who contribute economically, and sometimes it punishes those who will not contribute. It provides tremendous freedoms within which individuals can choose how they use their resources. It does not compel anyone to make evil purchases; it permits everyone to make good purchases. What's more there is simply no better system for distributing goods available. Peoples and societies have tried various forms of socialism, communism, and egalitarianism, and they have failed. Replacing an effective market with an ineffective command system has been historically shown to cause greater harm than good. Therefore, I acknowledge—and even celebrate—the good and the justice that the market provides at this point (pp. 145–146).

Van Til also concedes that the way the market rewards economic contribution is appropriate in the “instrumental” sphere of business. Clearly for him, the justice of the marketplace is necessary, though not sufficient, in addressing absolute poverty.

It is refreshing to read a Christian approach to poverty and wealth that affirms what is good about the market economy. The rarity of such treatments is one of the reasons the church finds it hard to minister effectively to those of its members who spend their working lives in the commercial sphere. It is also, more importantly, why the church generally lacks the vision and courage to put business at the heart of its concern for and involvement in poverty alleviation.

Van Til's adoption of the notion of spheres helps ensure he avoids these pitfalls. It allows him to see the economy as a sphere of human life that is fundamental to human flourishing. This sphere is largely constituted, at least in the current era, by market-oriented institutions and practices—in a similar way to which, in the political sphere, democratically oriented institutions and practices are becoming predominant in most countries

with growing economies. And just as democracy has proven, in theory and practice, to offer the best prospects for human flourishing over other systems of government, the same is true of the market economy. Both systems should, therefore, be accorded the kind of qualified ethical affirmation that characterizes Pope John Paul II's encyclical *Centesimus Annus* (John Paul II, 1991).

This is not to suggest that the market principle, any more than the democratic principle, should be read back into the pages of Scripture in an effort to gain blanket biblical endorsement, and Van Til is wise to avoid this. But it is to suggest that, in developing a Christian view of the free market, the positive as well as the normative is important (the way things are, not just the way things should be). If, in other words, democratic and economic freedom can be shown to contribute to human well being, this is of moral significance: the empirical is not necessarily antithetical to the ethical.

But with freedom comes responsibility, and this is where Van Til's analysis reveals some weaknesses. His scheme could have allowed a discussion of business as a moral agent that focused on the exercise of virtue within the economic sphere. Because the free market can be used to dominate, exploit, and demean, intellectuals in rich countries tend to dismiss it. But the experience of many ordinary people in low-income countries is that business can be a school of morality and a means to social justice, dignity, the strengthening of institutions, and freedom from tyranny and oppression.

It is probably due to Van Til's failure to appreciate fully the moral potential of the commercial sphere that he ends up commending the old solutions of increased taxation and charitable donations as the solution to absolute poverty. He almost entirely overlooks ways in which, in cases of market failure, business models can be used to achieve social ends. Examples include the rapidly growing fields of social enterprise, micro enterprise, and "bottom of the pyramid" enterprise. In such cases, the enlightened self-interest of business leaders is generally all it takes to ensure that the needs of the absolute poor operate as demands. Market failures do not necessarily challenge the free market model; they often reflect a failure of moral imagination.

A second weakness that stems from Van Til's reluctance to address the moral challenge of freedom is the lack of attention he gives to the development of institutions in the fight against poverty. This is ironic, as the Kuypertian tradition emphasises the importance of institutions, based on the notion of "sphere-sovereignty." No amount of aid can make up for the need for low-income countries to develop their own indigenous

institutional infrastructures, including property rights, the rule of law, an independent judiciary, and a free press. A recent survey conducted on behalf of the Commission for Africa (2005, p. 41) found that most Africans lay the primary responsibility for the problems in their countries at the door not of global business, nor of the former colonial powers, but of their own national governments.

By underestimating the importance of institutions, Van Til overlooks the key role the free market can play in stimulating their development. The corporate culture of multinationals can, for instance, significantly impact the way business is done more broadly in host countries because of their capacity to act as a catalyst for the emergence and growth of indigenous businesses. Voluntary codes and standards of practice such as transparency and the rejection of bribery can act as standard-bearers for host-country companies, especially when business associations such as chambers of commerce encourage member companies to adopt them. Some such members are seeking to enhance the governance capacities of local enterprises through mentoring indigenous entrepreneurs, organizing enterprise incubators, carrying out relevant research, and offering policy advice.

Despite such weaknesses, Van Til has done a great service in outlining the advantages of the market economy while highlighting the injustice of those excluded from it. All Christian economists should be concerned about poverty and this book is a good place to start engaging with the issues.

### **References**

- John Paul II** (1991). Encyclical letter *Centesimus Annus* (May 1).  
**Commission for Africa** (2005). *Our common interest: Report of the commission for Africa*. London: Commission for Africa. ■