

Book Reviews

God & Money: The Moral Challenge of Capitalism

Charles McDaniel. 2007. Lanham, MD: Rowman & Littlefield Publishers, Inc. ISBN: 978-0-7425-5222-7, \$27.95.

Reviewed by John Lunn, Hope College.

Charles McDaniel writes that this book came out of his questioning how Christians can be attracted to the thought of Austrian economists Friedrich Hayek and Ludwig von Mises. In the book he explores the history of American Christian economic thinking to determine how different thinkers reconciled the teachings of their faith with these economists. He then examines the writings of Reinhold Niebuhr, G. K. Chesterton, and Pope John Paul II to find a preferred approach to economic issues for Christians. In sum, McDaniel argues that modern capitalism is a threat to Christian morality and that capitalism is not morally sustainable, so that another approach is needed. The Christian realism of Niebuhr, the distributism of Chesterton, and the economic personalism of Pope John Paul II share similar characteristics that can provide a frame of reference for Christians confronting modern economic life.

The first part of the book is entitled “The Economic Threat to Christian Morality.” In this part McDaniel documents that some American conservative Christians base their views on economics on the Austrian economics of Hayek and von Mises. He names several, including Catholics Michael Novak and Robert Sirico and Protestants Ronald Nash and Gary North, who have expressed admiration for Hayek in their writings. McDaniel describes how the Austrians brought about a “radical reformation” in economics by proclaiming “... the absolute sovereignty of the consumer and [in rejecting] a central premise of classical economics—that commodities of exchange have intrinsic or ‘objective’ value contained within” (p. 10). McDaniel argues that the attraction of libertarian or neo-conservative Christians, whom he labels economically conservative Christians, to Austrian economics is that Austrian economics is built upon naturalistic moral foundations. Morality is the result of an evolutionary process, according to Hayek.

Before going into Hayek in more detail, McDaniel traces out the American tradition of religious-economic synthesis. McDaniel argues that throughout American history, Christians have tied their economic ideas to some secular philosophy. He shows a vacillation over time between

a more communitarian approach and a more individualistic approach in the economic thinking of American Christians. McDaniel writes, “Disagreements over the ‘Christian way’ in economic life are healthy; too close alignments with secular theories that change with vicissitudes of history are not” (p. 61).

McDaniel then explores the affinity of some Christians for Austrian economics and Austrian social philosophy. Some Catholic conservatives see a historical connection between Catholic social thought and Austrian economics. For example, Sirico has written on the impact of the Scholastics of Salamanca on Austrian economics. Another connection between Christian thought and Austrian economics identified by conservative Christians is an emphasis on freedom. McDaniel also discusses the idea of creativity as part of the image of God in human beings and its contribution to the idea of spontaneous order. The latter, of course, is a key idea in Hayek as well as Adam Smith and others of the Scottish Enlightenment. McDaniel identifies another affinity that economically conservative Christians have for Austrian economics which is that the freedom of the market economy places a greater emphasis on religious traditions as a guide to behavior than would be the case with socialism.

McDaniel argues that there are contradictions between Hayek’s social philosophy and the Christian tradition. Hayek used the idea of spontaneous order to apply to institutions in general, which include religious institutions. Since there is no transcendent truth according to Hayek, Christian claims of truth will evolve over time and Christians will lose their moral stance. McDaniel writes, “Christians who accept Hayek’s view of the process by which values are transformed in human culture must engage the possibility that society will experience a profound moral alteration as stimulated by the rise of markets for new technologies, some of which will touch upon our very understanding of the human person” (p. 132).

McDaniel discusses some recent technological change to illustrate the dangers. He focuses on stem cell research, genetic engineering, and xenotransplantation (transplanting cells or tissues or organs between species). In a society where freedom trumps other values and where people quickly try to commercialize new technologies, Christians are liable to accept changes too easily rather than maintain a consistent moral stance regarding the new technologies. McDaniel cites polls showing that American Catholics support stem-cell research even though the Pope has made statements critical of stem-cell research.

Hayek’s value theory is a threat to Christian morality and tradition. McDaniel writes:

Evidence that the subjectivism of modern society increasingly impinges upon the moral voice of religious institutions offers considerable weight to Hayek's value theory. The evidence suggests that moral traditions are largely those distillations of individual decision making that have best contributed to group success, just as Hayek suggested. In his evolutionary moral system, such a conclusion is neither nihilistic nor tragic—it simply *is* (p. 125, emphasis in the original).

The second part of the book is devoted to exploring a better option than Hayek and capitalism. McDaniel looks to Reinhold Niebuhr, G.K. Chesterton, and Pope John Paul II as sources from which to draw inspiration for a better economic order—one that is more consistent with Christianity. While the emphases and approaches of the three men differ, McDaniel believes that there are shared principles that can guide us today in a search for a “third way.”

From Niebuhr, McDaniel draws on Niebuhr's insistence on the importance of a balance of power among the various interests of society as a regulator of social harmony, with his emphasis on the moral and social effects of technology, and with Niebuhr's assessment of the proper role of property and ownership in society. Chesterton also wanted to reconsider the role of property and to see property more widely distributed. Chesterton had a sense of proportion that modern capitalist society has lost.

The economically conservative Catholic writers want to claim Pope John Paul II as a supporter of capitalism, and perhaps even of Austrian economics. McDaniel argues that the late pope remained within traditional Catholic social thought and did not advocate capitalism, even though he strongly opposed the collectivism of Soviet-styled communism. McDaniel says that the pope consistently elevated labor above capital and focused on the dignity of the worker. Pope John Paul II said that when one talked about capitalism one had to say which capitalism was being discussed. One type of capitalism is an economic system that recognizes the importance of the firm and business, but also the responsibilities of business. Another type of capitalism provides freedom for the economic sector but is not circumscribed by a juridical framework that places it at the service of human freedom in all its dimensions. The latter is not desirable.

McDaniel concludes with a sketch of what a “redemptive economy” might look like. The market is not the only source of values in society. The fact that more of life is commoditized implies that the market has become too important as a measure of human values. The Christian churches need to articulate economic policies from the insights provided by the Christian

tradition. There needs to be greater accountability among the institutions of society. Neibuhr's Christian realism, Chesterton's distributism, and Pope John Paul II's Christian personalism can contribute to a redefinition of progress and social responsibility. McDaniel concludes "the redemptive economy insists that economic truth, as all other truths, can only be approximated by locating the intersection of seemingly contradictory human ideals, values, and beliefs, as best illuminated by the paradox of the Cross" (p. 310).

McDaniel offers some interesting challenges in his book. There is a problem if Christians alter the Christian tradition to align with a particular secular philosophy. I agree that some Christian writers try to align Pope John Paul II to Hayek and Mises, but it is not clear to me that they do so any more than Aquinas did when he used the Philosopher as a major authority in his *Summa*, or than Rudolf Bultmann and John Macquarie used Martin Heidegger in their theological systems.

Another question I have is whether the utilization of some of the writings of a philosopher implies that one must be affirming all the ideas of the philosopher. McDaniel's arguments certainly seem to suggest that he thinks this to be the case. As one who has used some of Hayek's arguments in my own writings, I certainly do not agree with all parts of his social theory.

I also question a central thesis of McDaniel—that the market economy is responsible for the willingness of Christians to favor things like stem-cell research even when religious leaders oppose them. In the case of Catholics, clearly the pope and Catholic teaching are opposed to many practices that American Catholics support. In the case of Protestants, there are theologians on both sides of the debate over issues such as abortion, birth control, and stem-cell research. I don't see these disagreements as arising from our economic system so much as differences in political thought and differences in theological foundations.

McDaniel follows the practice of other theologians who are critical of market systems in advocating a better or third way, but without providing many details about how the better economic order would actually function. At the end of the book I am left with no idea about how change could actually be implemented.

Finally, there is the tendency of some theologians writing about economic or political systems to make blanket statements that are excessive at best. For example, McDaniel writes "even at the dawn of industrial civilization, Chesterton recognized that the acceleration of commerce and the extension of the transaction into formerly sacred areas of life were

crowding out essential human activities. Modernity leaves us no time to hope or despair, laugh or cry, love or hate; we are left merely to transact” (p. 241). What does this mean? Yes, we live in a market economy. We also live in families, attend churches, volunteer in a variety of social and civic charities, and even spontaneously congregate in the face of a national tragedy, as Hope College students gathered in the Pine Grove on Hope’s campus the afternoon of September 11, 2001.

God & Money is meant to challenge economically conservative Christians. It is effective at presenting some of the inconsistencies between Austrian economics and Christian traditions. I do believe that McDaniel’s reading of Pope John Paul II is correct, although I hesitate to claim to understand Catholic social thought better than Catholic theologians. I also believe that McDaniel overstates the importance of market exchange relative to all of life, and understates the degree to which American Christians live and worship in community. ■