"A Critique of Capitalism" Grove Booklet on Ethics No. 5, and "A Christian Critique of Socialism" Grove Booklet on Ethics No. 5b

Reviewed by William P. Snavely (Liberty University)

These two short monographs, separated by some seven years in publication dates, are strikingly different in critical intensity. First published was "A Christian Critique of Capitalism," and it is this work which is by far the more probingly critical in its evaluation. Whether this difference reflects a critical mellowing on the part of the author during the long interval between the two works, or simply reflects the author's personal preference function, this reviewer is in no position to say. That such a marked contrast in critical intensity exists is unfortunate, however, for the misleading impressions that may be conveyed to uninformed readers. The two books will be considered in chronological order.

At an early point in his "A Christian Critique of Capitalism" Hay develops a brief philosophical discussion of three broad themes: 1) creation and man's dominion over nature; 2) man and his work; 3) the distribution of income. Under the first theme he contrasts the biblical concept of trusteeship in the holding of resources by individuals, with what he perceives to be the prevailing attitudes under capitalism concerning the institution of private property. Capitalism is identified as a system which falls far short of achieving biblical trusteeship in the use of property. The thought that this failure is more a reflection of man's imperfect nature than of capitalism as an economic system is not developed. Nor is reference made to the fact that contradictions between the biblical principle of trusteeship and the actual usage of property have been present throughout history.

Under the theme "man and his work" Hay reminds us that with man's fall work became toil. Recognizing this, he emphasizes that Christians still should not accept institutions which reduce man's dignity, which "... reduce him to a mere element in society," and which "... aggravate the conflicts between men." His implication that the system of capitalism, per se, must result in such negative circumstances is seriously misleading. The high degree of employee-employer harmony which has prevailed, at least until recently, in many Japanese industries clearly demonstrates that employment disharmony is not an inherent characteristic of capitalism.

The author's final philosophical theme is "the distribution of income." Here he develops the thoughts that everyone is entitled to share in God's provision for mankind; that there is a maximum standard to which an individual should attain; and that personal dominion over resources does not carry with it the right to consume the entire product of those resources. Christians can readily agree with one of his points here: namely that some minimum of food, clothing, and housing is needed for human existence, dignity, and the rearing of children. Where legitimate disagreement arises is with regard to the means by which society should seek the realization of this objective.

In the discussion of the maximum standard to which an individual should attain, it is unclear how Hay would apply this principle in practice. If he merely wishes to condemn an attitude of covetousness, he certainly is on solid biblical ground. If, as this reviewer concludes, he means to condemn the acquisition of wealth under capitalism through the Christian application of God-given talents coupled with a full measure of Christian tithing, there is certainly room for disagreement.

From his broad philosophical discussion Hay then turns to more specific and detailed criticisms of capitalism in practice (as contrasted with a more textbookish laisses-faire, competitive model). The problems mentioned are the familiar ones of oligopolistic competition, externalities, public goods, natural monopolies, the rate of investment, involuntary unemployment, the impersonal labor contract, dehumanizing methods of production, the distribution of income, consumer manipulation through corporate planning, and the institution of inheritance.

In condemning capitalism on the basis of such factors, no mention is made of capitalism's remarkable flexibility and adaptability. Over time, as new problems have arisen and been identified, techniques have been developed for dealing with them within the broad framework of the system. This process has been going on for over two cen-
turies, since the industrial revolution ushered in the period of modern capitalism.

In concluding chapter 3 Hay makes a strong, sweeping, indictment of capitalism in these words: "I conclude that capitalism, as a system, falls a long way short of satisfying God's creation plan. Surely that is no more than we should expect, given the sinfulness of man. But what is difficult to accept is that a Christian could espouse capitalism with any degree of enthusiasm, as many Christians certainly do." And in the next paragraph: "But the fact remains that at its root the philosophical bases of capitalism are opposed to Christian ethics. So we cannot expect a greater humanity to survive for long under capitalism, given the sinfulness of men."

Here, as throughout the pamphlet, Hay condemns the system of capitalism because, as operated by fallen man, it leads to imperfect results. This is very much like condemning Eden because sinful man brought forth blenished results. It is not so much the system as it is man's imperfect nature which must bear the brunt of responsibility for most of the shortcomings found in contemporary, mature, capitalistic systems. It must be emphasized once again that capitalism in its imperfect, real-world, state has a major redeeming feature--its inherent capacity for self-correction.

In the final chapter of this study Hay stresses several points: 1) "What we have, including our own talents and abilities, is entrusted to us by God." 2) "We are called to exercise restraint on our own consumption." 3) "We are also called to give and give generously." 4) "In all work situations, Christians must consider the full humanity of those with whom they work." These are principles on which there would be a large measure of agreement among Christians. They also are entirely consistent with capitalism as an economic system. Failure to abide by them in the fault of man, not of capitalism.

We turn, now, to consider "A Christian Critique of Socialism." Here Hay is concerned with three types of socialism, identified as communism, neo-Marxist socialism, and the social democratic tradition. He emphasizes that though the focus of all socialist programs is economics, ethical issues concerning such things as the state, property, planning, freedom, work, and equality must be considered.

In his discussion of socialist analysis and social ideals Hay begins with a brief summary of the Marxian critique of capitalism. This reviewer is always struck by Marx's insights with regard to the cyclical and monopolistic tendencies of capitalism. Given the keenness of his perceptions in these matters, one would have expected him to have written also of the dramatic improvement in the real income position of workers in England during the second half of the nineteenth century. That he only spoke of this in private and with close associates leads one to speculate that he knew in advance what he wanted to prove; namely that capitalism would inevitably be overthrown by an increasingly frustrated and dissatisfied working class, which would replace it with communism--and then tailored his analysis to support this conclusion.

The neo-Marxist critique of capitalism views the state of capitalist development as characterized by giant manufacturing firms, many with multi-national dimensions. These critics also point to the replacement of the bourgeois owner of capital by a more diffused ownership comprised by large numbers of shareholders, and to the rise of a new managerial class exercising control of the large firms. Though under modern capitalism the real income position of workers has greatly improved, and though they enjoy greater security as a result of expanded social welfare programs, neo-Marxists see the worker as still alienated from his work and trapped in dehumanizing jobs associated with mass production. Workers are pictured as being at the mercy of decisions made by professional managers and in which they have no voice.

It should be stressed, however, that these conditions of workers also are present in large-scale manufacturing firms in contemporary socialist countries. Workers in Yugoslav factories do have some voice in management through their workers councils and committees, but the other unfavorable circumstances referred to by neo-Marxists are fully present. The exceptional harmony between workers and management achieved in large Japanese firms suggests that worker alienation is not an inherent feature of any particular economic system. These matters are not considered by the author.

In concluding his discussion of socialist analysis and socialist ideals, Hay considers the third type of
socialism—the social democratic model. As he describes it social democratic thinking closely parallels neo-Marxist thought. In mature capitalism the conflict is no longer between the bourgeoisie and the proletariat, as pictured by Marx, but has become a conflict between workers and management, in which a considerable transfer of power to the workers has evolved. Social democratic objectives include the relief of poverty, reduction in income and wealth disparities, equality of opportunity, love, cooperation, competition, motivation for working for the common good, and a spirit of cooperation rather than antagonism among employees, managers, and owners. The social democratic ideal also stresses the dangers of an excessive concentration of power both in large companies in the private sector as well as within the structure of government.

The social democratic ideals appear above reproach. Their realization however, would seem to require more of man than he in his fallen state is willing to give for the common good.

From his discussion of the ideals of the three socialist approaches Hay turns to a consideration of the programs of each. In the case of communism he begins with a summary of Marx’s program as presented in The Communist Manifesto and the Critique of the Gotha Programme. When Marx’s analysis goes beyond the point of criticizing capitalism to the level of describing the future under communism, it quickly deteriorates into utopianism. His stage of full communism pictures a behavior pattern for individuals which assumes a perfected state of man. He is really assuming that man’s nature before the fall can be restored through man’s efforts and institutions alone. Hay makes no reference to this.

The discussion of the pamphlet then turns to a consideration of the characteristics of communism as it actually has developed in Russia and Eastern Europe. He identifies four basic elements: 1) "All power in economic matters is concentrated in the Communist party which seeks to promote the interests of the working class." 2) "The means of production are socially owned, especially natural resources and capital equipment." 3) "Market processes are replaced by, or are supplemented by, economic planning." 4) "The system seeks a socially equitable distribution of the real national income, where income is defined as the individual’s share in real goods and services."

One searches in vain for a critical evaluation of how the Russian and Eastern European economies have actually fared in seeking to follow the principles enumerated above. No critical review comparable to that developed in the "Capitalism" pamphlet is forthcoming however.

In commenting on the "neo-Marxist socialist programme" Hay points out that the power basis for implementing it in practice would be a democratically elected socialist party which had its origins in the trade union movement. Policies in this program would include nationalization of perhaps twenty or twenty-five of the largest manufacturing companies; one to five-year planning agreements between firms, trade unions, and the government; worker participation in the economic decision-making process at all levels through workers councils; more progressive income taxation; the taxation of wealth and inheritance; reduction in income possibilities from the ownership of properties and shares; and an expansion in the availability of social goods.

The neo-Marxist socialist program appears to be an amalgam incorporating elements from the British Labor Party’s economic program, from Yugoslavia’s system of market socialism, from Sweden’s system of welfare capitalism, and the French program of indicative planning. To the reviewer this program is naive and overly optimistic. The use of workers councils in the Yugoslav socialist system has not brought the operational efficiency in individual firms that had been anticipated. Worker pressures have prevented the closing of some firms which were not effectively competitive, and economically unjustifiable infusions of government financial support have been made to keep the firms operational. Finally, it must be noted that Yugoslavia’s socialist system has not been free of inflationary wage pressures.

The experience of Britain’s Labor Party, with its program of nationalization of a number of basic industries, has been less than encouraging. Bureaucratic and managerial inefficiencies proved to be serious stumbling blocks to the attainment of competitive economic positions, as did outdated plant and equipment in some cases. In Sweden, bringing "... trade unions into the process of government in a more formal and detailed way..." with regard to "... the formation of national economic policy..." has by no means solved the problems of inflationary wage increases and worker alienation.
Finally, it seems highly probable that measures called for in the neo-Marxist program to reduce inequality through more progressive taxation, the taxation of wealth and inheritance, and a reduction in income possibilities from properties and shares, would have a highly depressing effect on private savings and investment, as well as on work incentives. All things considered, the neo-Marxist program impresses this reviewer as a prescription for economic and social disaster rather than salvation.

The "democratic socialist programme" refers to a modified capitalistic system, the objective of which is to improve the "social performance" of the capitalistic system. Required here is a democratic socialist party which can receive support from a wide spectrum of voters, and not just from members of the working class. The middle classes "... are to be persuaded of the moral rightness of the programme, even if some aspects are not entirely in their class interests."

Other aspects of this program include: dealing with undesirable conditions of oligopoly normally through antitrust policy and the establishment of competitive public enterprises—and using nationalization only when absolutely necessary; the establishment of a state bank to compete with the private banking sector; the use of governmental economic planning only when absolutely necessary in promoting the public interest; and an "... extensive provision of public goods such as education, health, and other amenities."

The democratic socialist program also impresses this reviewer as being naive and unrealistic. The measures called for would seem destined to have a highly adverse impact on private savings and investment, as well as on work incentives. Though Hay includes this program as one of his three types of socialist programs one could question whether it deserves the designation of "socialism." "Welfare capitalism" would seem to be a more appropriate characterization of it.

The remainder of the "Socialism" pamphlet consists of six brief chapters on the state, property, planning and efficiency, freedom, work, and economic equality. Each of these important topics is considered with regard to its biblical implications for socialism. He draws the conclusion that socialism, as an economic system, is not inherently in conflict with biblical principles and teachings in any of these six areas.

This reviewer finds "A Christian Critique of Socialism" to be largely an extension, by implication, of the criticisms of capitalism noted in the earlier volume. Hay has not come to grips with the manifold real-world problems which have plagued contemporary socialist systems. One is left with the impression that, either by design or unwittingly, Hay in these two monographs has developed a highly critical review and condemnation of capitalism and merely an apologia for socialism.

*The Overseas List: Opportunities for Living and Working in Developing Countries*,
Reviewed by Roland Hoksbergen
(Director, Latin American Studies Program, Christian College Coalition)

*The Overseas List* is essentially a reference book "for Christians who are looking for opportunities for service among the many jobs and study programs" in the world's developing countries (7). Unlike other such reference books that just list opportunities, *The Overseas List* guides Christians in their search by focusing their attention on the proper goals, by orienting them in their pursuit of these goals, and by helping them to find the service opportunities best suited to their talents and interests. The book also encourages readers to become more informed by providing sound bibliographic references on many important issues in economic and social development.

One of the strengths of the book is its assumption that Christians are called to work internationally in more than Church missions or Church diaconal agencies. Christians also are expected and needed in private businesses, national governments, international organizations, educational institutions, secular development agencies, and even advocacy groups. Beckmann, et.al. hold the view that the Lord wants Christians to penetrate every sphere of society