

Biblical Principles and Economics: The Foundations

This is an interesting book, apparently aimed at an audience of Christian laypersons with some background in economics (principles level), and a keen interest in the relationship of Biblical teaching to economic life. It is the second in a series, entitled, "Christians in The Marketplace: Biblical Principles and Economics: The Foundations."

The book is presented in six sections, composed of two chapters each. In all but one case the two chapters are the work of two authors. Between sections, the editor comments upon the main themes addressed. In this review, I would like to deal sequentially with each section of the book, highlighting the types of ideas presented and evaluating their presentation. At the end, I will direct my comments to the value of the book as a whole—its strengths and weaknesses.

In an introductory chapter, Chewning writes that a good economic system—one compatible with Scripture—should accomplish two goals: give opportunity for full human development to its people; and provide controls to handle the negative realities of human behavior. Work is integral to the first goal. Thus, artificial barriers to work are bad. Chewning does a good job of explaining how the economic pie is determined by a veritable "reservoir" of productive assets, whose size depends crucially on human ingenuity. Thus, underdeveloped human potential, in any system, is a moral tragedy.

Section A deals directly with the prospects for compatibility between an economic system and Scripture. In his chapter, Wayne A. Grudem presents Scriptural standards under the familiar economic categories of: what, how, and for whom production should take place. He, and other authors of this volume, look to Scripture for guidelines about the economy because they argue that Scripture itself says that moral standards are known by believers and non-believers alike. For an economist—Christian or otherwise—Grudem's list is a mixed bag. Under "What?" he argues that government should limit the production of immoral goods, without any contemplation of evils which might be compounded by any particular intervention in the market. On the other hand, he reasons that the Scriptures point to a very circumscribed role for government. Why? Because they treat "giving" to assist the needy, for instance, as a personal duty, not a societal responsibility. Alternative views are presented by other contributors to the book.

In the treatment of "How?" Grudem refers to the need for government restric-

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tions to preserve the environment. However, his notion of human stewardship of the environment is very human-centered (in contrast to a view expressed in this same section by Richard Pierard). Furthermore, Grudem is never explicit about what type of government restrictions would be acceptable to protect the environment, protect worker and consumer safety, and prevent monopoly. This absence of specificity is characteristic of the book, since the series will close with a volume addressing policy issues. Unfortunately, this division leaves many questions in the reader's mind about whether movement from these general principles to acceptable policy is possible. Grudem's ambiguity about policy is particularly evident when he says the Scriptures may even suggest that a day of rest should be required by law, so that all persons would be obliged to trust in God. And on the same grounds of encouraging trust in God, he thinks extensive public welfare should be avoided. I find the reasoning here inadequate, and the conclusions disturbing.

Richard V. Pierard wrote the second chapter in this section. He is very critical of knee-jerk conservative Christian proclamations that appear to baptize market capitalism as Christian. Actually, most of the writers represented in this volume do not make such claims. They do, however, find market capitalism more consistent than controlled economies with Scriptural teaching. So does Pierard. He points to the inadequacies of market capitalism, especially in terms of outcomes where people are denied the exercise of their productive potential due to "poverty, ignorance, and involuntary unemployment." He finds in Scripture plenty of warrant for proclaiming God's special concern for the poor. God does not have an overarching preference for the poor (a heresy which some other authors in this volume believe is rampant), but rather a concern for the poor which is meant to counter the common human preference for

the rich and lack of concern for the poor.

Pierard, and some other contributors to this work, critique the apparent neglect of the social nature of human beings in capitalism and among free-marketeers. Michael Novak has done a better job than most market enthusiasts of calling attention to the extensive reliance of markets on healthy communities and a sense of communal responsibilities. Thus, Austrian-inspired emphasis on individuals may have given a bad name to market capitalism in the eyes of those who notice Scripture's calls to communal duties.

In Section B economic values are discussed in relationship to Biblical teaching. Ronald H. Nash does a good job of presenting standard economic views on the subjective nature of value, the measurement of cost in terms of lost opportunities, and the key role of uncertainty in the economy. He also emphasizes the impact of entrepreneurship on total production. At various points he notes why Christians have been unnecessarily suspicious of these economic perspectives. Nash seems to believe—in contrast to Grudem—that the only way Christians should influence the free choices of persons in the market is by working to change the values people espouse, not via government controls.

Chewing seems uncomfortable with the strict hands-off model presented by Nash. In his commentary on this chapter, he says that a large number of regenerate Christian believers must be present in any economy if the amount of "common grace" is to be sufficient, thereby permitting total reliance on freedom of choice in markets. This is a curious idea which reappears throughout the editor's comments and elsewhere in this book. His homilies in certain places about the high calling of Christians and their dependence on Christ's Spirit in the economic and other realms are at times moving. However, his conviction of Christ's preeminence in the Christian's life seems to blind

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Chewing to the realization that Christ's reign is extended in amazing ways through the action of "common grace." In this case, for instance, Chewning seems to ignore that non-Christian societies, like Japan, have had great success with market capitalism.

Though the Japanese economy has included a significant role for government, it has not generally been the role suggested by Grudem—ensuring that answers to "what?" and "how?" be moral in a Christian sense. Witness the widespread availability of pornography in Japan. Nonetheless, the Japanese society and economy provide very interesting examples of mutual responsibility within groups (not based on a sense of divinely determined morals), from which "Christian" societies can learn. As Richard Mouw notes in a later chapter, "Abraham Kuyper was fond of observing that the unbelieving community regularly performs in a better way than our theology leads us to predict, and the Church regularly performs more poorly than it should."

David C. Jones writes the companion chapter in this section. He emphasizes that the "self interest" of economic fame is not to be confused with selfishness. The definition he picks for political economy, formulated by Thomas Chalmers, reveals much of his approach in this chapter: "Political economy aims at the diffusion of sufficiency and comfort throughout the mass of the population, by a multiplication or enlargement of the outward means and materials of human enjoyment." Scripture, Jones writes, upholds the goodness of temporal self-interest, work, profitable business, and material wealth. These same themes are presented and developed throughout the book. Jones ends his chapter pointing to the importance of human community. Unfortunately, this theme is not well articulated by most of the writers of this volume whether they favor unrestricted freedom of markets or a

significant role for government.

Section C deals with economic justice in relationship to property and wealth. Harold O. J. Brown begins with a declaration that in our day capitalism has been widely considered evil. Of course, he can be forgiven for not foreseeing the impending demise of eastern European communism and the ascendancy of capitalism. However, most of the last decade is marked by a gradual retrieval of support for market capitalism among Christian and other intellectuals. Brown does present the claim that property—or the prospect of obtaining property—is an important check against monopoly of power by the state. According to a specific definition of property, he further asserts that property is a necessary component of individuality. Thus, freedom is not increased by abolishing property but by extending it widely among the population. How this is accomplished—whether naturally or by government intervention—he does not specify. I hope this will be one subject dealt with in the fourth volume of the series.

Brown says that governments are a real danger, in that even when they publicly proclaim their duty to protect the interest of the poor, they more often hurt them, especially through taxation and inflation. Although Brown argues that there is no Scriptural warrant for an absolute right to property (to be used and disposed of at the will of the individual), he says nothing about what are proper legal limits on property. Morally, the limitation on Christians is that they be good stewards of property. This duty Brown takes to include voluntary (i.e. private) charity.

In the companion article by Richard J. Mouw, much more attention is given to stewardly use of property which also includes communal responsibility—indicating a role for government at various levels. Mouw argues that the economic realm has an integrity which involves its

own systemic laws, but that it is not strictly autonomous. This is a view he finds articulated under the concepts of "subsidiarity" or "sphere sovereignty" (the latter a Kuyperian term). The evils referred to in Scripture regarding inadequate provision for widows, orphans, sojourners, the poor, and workers are still with us in every economic system. Mouw argues that there is therefore room for improvement. While market capitalism does better than other systems, it needs to do an even better job of ensuring fair wages, freedom from barriers to work, and the meeting of basic needs for those unable to work. This is in keeping with the original meaning of economics as the management of the household. Mouw avoids a simplistic use of the "household" analogy; but at least in this book Mouw doesn't work out whose responsibility it might be to see that the household functions for the good of all, or what means are legitimate and likely to be effective.

Mouw presents an interesting argument that Christians have valuable "resources" to bring to any analysis and reform of economic life. For instance, Christians will not make the mistake of thinking that economics is all of life. (He expressly denies that Christians will likely offer better leadership in the making of economic decisions. This serves as a counter to the editor's inclination to weight heavily the role of special grace in permitting free markets to effectively serve the common good.) However, in the chapter that follows the writer comes close to endorsing economic imperialism.

Section D deals with Biblical incentives in relation to economic activity. Both chapters are written by E. Calvin Beisner. In the first he deals with external incentives of two basic types—rewards and punishment. In a lovely passage, he reminds Christians that their greatest "reward" is God's own self. Both rewards and punishment show up abundantly in Scripture, but Beisner asserts that rewards

are the better motivator and that they elicit performance above minimum standards.

Beisner rescues Adam Smith from the all-too-easy write-off as a deist and finds in his work a perspective that is very Christian. Specifically, Beisner applauds Smith's contention that beneficence is socially valuable but should not be compelled; while injustice deserves punishment and is essential to preserve society from chaos. Competition is related to rewards, and compulsion to punishment. Societies are unlikely to have enough altruists (able to do good acts without reference to any reward). Therefore, economies must rely primarily on competition or on compulsion. Because markets rely on competition, they are superior to any system which severely restricts human freedom. Thus argues Beisner, quite convincingly. However, he makes a big leap—not at all persuasively—when he says that the only Biblical warrant for government involvement in the economy is to uphold the sixth through the ninth commandments. These he takes to be the essence of "minimal justice" which can properly be enforced via sanctions (punishment). What about the other Scriptural requirements which imply that minimal justice also includes communal and private provision for the poor?

What follows in the editor's comment, and in Beisner's second chapter, feels like an extended sermon about internal incentives which should operate in the lives of Christians. Gratitude and seeking God's kingdom first show up here, as do the right attitude toward wealth, and a sense of work as service. This brings the topic of the book down to the level of personal choices in the economic realm.

Section E treats the question of "Who is responsible for the poor?" In his chapter, T. M. Moore addresses the clear and repeated Scriptural call for the faithful to concern themselves with the plight of the poor. The Bible, he shows, calls for personal charity in ways that assist the

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poor without making them overly dependent. Here he cites gleanings as an example, since the landowners were required by Mosaic law to leave the edges of the field unharvested, so that any poor person willing to pitch in and harvest it would be able to find food. Convinced by studies that purport to show the failure of government welfare to reduce poverty, Moore spends the balance of his chapter making a number of helpful suggestions about how Christians in their churches can be called upon and mobilized in effective efforts to relieve poverty and to address its multiple causes.

Joseph A. McKinney, the only professional economist among the writers of this volume, devotes his chapter to a discussion of the public sector's role in addressing the needs of the poor. In his treatment of the Scripture, McKinney indicates that both private charity and communal measures to relieve and prevent recurrent poverty are commanded. McKinney describes the case that is often made for private charity alone—due to concerns for freedom and predictions of perverse outcomes from well-intended intervention by governments. Countering this, he argues that Scripture records several events (like Joseph's forced collection of grain to prevent starvation during a later period of drought), and commands certain practices (like the third year tithe, gathered for support of the poor) which point to a legitimate and necessary role for government in the economy. He goes on to present a public good argument for social insurance, adding also that public order itself depends on widespread belief in at least a minimal safety net.

McKinney also presents data from several sources that counter the contention that public welfare has been a total failure. He goes on to argue that Christian principles are very suggestive of avenues to improve public assistance—such as measures that insure greater family responsibility, work requirements for

assistance (where possible), and wage subsidies.

The editor's comments indicate sympathy for McKinney's outline of government's role in addressing poverty. He also reemphasizes Moore's call for the Christian community to become directly involved in meeting the true needs of poor people. Chewing reveals his reservations about fully endorsing the market system, given vast inequalities of "starting points." Unfortunately, he fails to draw out of his reflections on Jubilee land restitutions some endorsement for modern parallel institutions, such as subsidized education and training for the poor.

The last section of the book deals with the question: "Can a 'love ethic' be applied in the marketplace?" Chapters by Richard N. Longnecker and Richard D. Land answer affirmatively but point out how challenging the task is, given abundant temptations to do otherwise.

Overall, this book is a valuable attempt to explore and present Biblical principles that should find expression in an economy—strongly favoring a free market model. In addition to concerns already mentioned, I would offer several other criticisms. There are too many lists (the several preachers among the authors should know better!). Gender-inclusive language is woefully ignored by all but a couple of authors. (Do evangelicals want to be heard by modern audiences, who are increasingly tuned in to inclusive language use?) At times the categories superimposed on Scripture are foreign to its own setting and language, for instance in much of the treatment on individual freedom. Why are no Catholics (or women) found among the authors? There are many who faithfully reflect on Scripture's teaching in relationship to economic life. And their perspective would have provided more balance on several fronts.

On the one hand, I admire the editor's attempt to present a volume with balance in its treatment of various issues. How-

ever, it costs something, because the core reasons for disagreements on some issues remain fuzzy. The editor seems at times too eager to find harmony, where the differences might have been clarified instead. I do recommend this book to

readers as thought-provoking. It prompts discovery of one's own viewpoint, while promoting better understanding and respect for alternative views. I look forward to the next volumes in this series. ■

Reformed Faith and Economics

This well-edited selection of papers from seminars during 1985-87 held at Ghost Ranch, a national adult study center of the Presbyterian Church (USA), provides an opportunity for reflection on previous Presbyterian documents, notably *The Church and Transnational Corporations*, 1984 and *Toward a Just Caring and Dynamic Political Economy*, 1985. The volume contains a summary introduction by the editor and Dean Lewis of the former Advisory Council on Church and Society of the UPCUSA as well as a comprehensive conclusion by Christian Iosso, former Associate for Mission Responsibility Through Investment. The other articles are written by academics outside the church bureaucracy.

The first papers discuss Old Testament prophets' visions of economic justice and experiences of the New Testament church in Jerusalem.

Three articles follow on John Calvin's theology. Ronald Stone of Pittsburgh Theological Seminary stresses that though Calvin had post-feudal ideas about Christian vocation, the role of money, and capital accumulation, he never advocated the economic individualism attributed to Calvinists by Max Weber. To Calvin, "humanity was formed to be a social animal" (*Commenting on Genesis*, p. 128). The individualism imbedded in our economics texts today came later.

Preston Williams of Harvard Divinity School shows that Calvinists in North America believed so strongly in property rights that they had difficulty in combating slavery and racism. Furthermore, the Puritan covenant did not extend easily to African-Americans or to European ethnic minorities. Only the affirmation of God's sovereignty over all of society leads Calvinists to favor inclusiveness.

David Little of the University of Virginia finds that Calvin believes the rich must share:

There is no doubt that in Calvin's mind the "fair survival shares"—enough to eat, sufficient shelter, affordable medical care, access to education, employment opportunity, protection against arbitrary injury—

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