Distant Markets, Distant Harms: Economic Complicity & Christian Ethics
Daniel K. Finn (Ed.). 2014. Oxford: Oxford University Press. ISBN 978-0199371006. $36.95 (paper).

Reviewed by Victor V. Claar, Henderson State University

What responsibility does each of us bear when—taken together—our corporate interactions in markets lead to deleterious outcomes for others far removed from us? For example, if each of us contributes to global climate change—though none of us intends to harm either the planet or future generations—then where does our responsibility begin and end, and what actions should we take? After all, if I reduce my own personal contribution to the greenhouse effect, my actions will not solve the problem. In fact, my actions—even if personally inconvenient—may not result in any measureable change in either the atmosphere or the global temperature.

Such problems and their consequent moral considerations are the subject of *Distant Markets, Distant Harms*, a volume of essays edited by Daniel K. Finn, Professor of Theology and William E. and Virginia Clemens Professor of Economics and the Liberal Arts at St. John's University (MN). The book consists of ten papers that were originally presented during a June 2012 conference organized by the True Wealth of Nations Project of the Institute of Advanced Catholic Studies. Hailing from disciplines such as sociology, economics, and theology, the conference contributors circulated their papers well in advance of the conference, affording contributors an opportunity to reflect upon and respond to the contributions of others. The published volume, then, incorporates references to its other chapters throughout.

The book is organized into four main parts. In Part One, "Sociological Resources," four sociologists weigh in. Part Two, "Historical Resources," considers the issue in the context of early Christian philosophy and thought. In the three chapters that constitute Part Three, the authors examine the problem through a variety of different methodological lenses, including feminist and African perspectives. To close the book, Professor Finn offers a chapter of summary and conclusion.

For professional economists like me, Part One will prove the toughest going. In Chapter One ("Who Is Responsible?") Douglas V. Porpora attempts to answer the titular question from his perspective as a sociologist. Porpora, a professor of sociology at Drexel University, outlines a latent property of social systems called "emergence." Emergence exists when a social system results in outcomes that were not necessarily the intention of the individuals responsible for both the formation of and their participation in that system. The global climate change example given above provides an example of emergence. Thomas Schelling's (1978) model of neighborhood segregation also exemplifies emergence: In Schelling's model it is possible for entire neighborhoods to exhibit extreme degrees of racial segregation even though no individual may desire to have most of his neighbors be from the same racial group (pp. 147–155). Even so, claims Porpora, we bear personal culpability for our unintentional contributions to emergent outcomes that harm others.

Margaret S. Archer, professor in social theory at l'Ecole Polytechnique Fédérale de Lausanne, Switzerland, is the author of Chapter Two, "Structural Conditioning and Personal Reflexivity," in which she articulates the four forms of reflexivity that will be driven by our personal reflection on such outcomes. Archer's four forms of reflexivity are communicative (communitarian), autonomous, meta, and fractured. For Archer the first two—communicative and autonomous—lie at odds with each other. She also identifies trends in each: communicative reflexivity is on the decline, autonomous reflexivity is more or less stable, and both meta (commitment to social change) are fractured (disoriented and paralyzed) are on the rise. Archer concludes that our moral obligation to the poor lies foremost with the most destitute and with those we encounter most immediately.

In Chapter Three, "The Morality of Action, Reflexivity, and the Relational Subject," Pierpaolo Donati argues that our moral responsibility requires a consideration of both the structures within which we interact and our own personal centrality within each structure. Donati, a professor of sociology at the University of Bologna, contrasts this view with the principle of "double effect." According to the double-effect principle, any ill effects of a given action may be viewed as tolerable under the following conditions: the action itself is either good or neutral, the ill effect is unintended, the ill effect must not be necessary for the good to happen, and the path must be the only viable option.

John A. Coleman, S.J.—a sociologist and ethicist—uses Chapter Four, "Global Warming," to close Part One. After outlining six avenues of climate change denial, Coleman insists that we all have an obligation to push for structural changes that will result in better outcomes for the planet and our progeny. Doing so is simply good stewardship.

Brian J. Matz, assistant professor of the History of Christianity at Carroll College, kicks off Part Two with his chapter, "Early Christian Philanthropy as a 'Marketplace' and the Moral Responsibility of Market Participants." Matz observes that church philanthropy was encouraged by the tax-exempt status of both the church and clergy. Though this tax-exempt status had the tendency to attract some disreputable characters into the ranks of the clergy, Constantine attempted to discourage such opportunism by requiring that the clergy come from the ranks of the poor, and also that the church care directly for the poor. Priests were known to use their rhetorical gifts to generate empathy for the poor as well as action to help them. In this period, of course, many viewed the economy as a zero-sum game since we did not yet understand well the phenomenon of long-term growth and development.

Mary Hirschfield concludes Part Two with her chapter, "How a Thomistic Moral Framework Can Take Social Causality Seriously." Hirschfield, an assistant professor of theology and economics in the department of humanities at Villanova University, uses Aquinas' *Secunda Secundae* (1892) as her primary source, given its emphasis upon the role of the individual within a given institutional context. Hirschfield notes that we may bring our personal agency to bear upon the direction of social structures. Given that we are simultaneously both private individuals and citizens, we have obligations in both spheres. While property ownership channels human action in useful directions, we are also obliged to renew the culture itself, encouraging others to choose wisely in the stewardship of their possessions.

Chapters Seven through Nine comprise Part Three: "Analytical Resources." In Chapter Seven, "Facing Forward," Cristina L. H. Traina examines our distant harms through the lens of feminist philosophers outside the Christian tradition. Traina, a professor of religious studies at Northwestern University, identifies five methodological contributions of feminist philosophy: standpoint theory (a willingness to consider one's actions from his or her particular perspective), future orientation, the victim's perspective, the ascription of moral agency, and an appreciation that the marginalized find themselves to be so due to others' occupation of the center. To this Traina adds the "ethics of care," which emphasizes relationships rather than any neutral standards of justice. In this view, care is a virtue, and we might evaluate our actions as they relate to distant neighbors in light of their impact upon our neighbors' abilities to give or receive care.

Paul Appiah Himin Asante, the personal secretary of Cardinal Peter Turkson—the president of the Pontifical Council for Justice and Peace—uses Chapter Eight to trace out "The African Concept of *Community* and *Individual* in the Context of the Market." Noting that communities may be formed from a variety of bases—including faith communities and even virtual communities—the author stresses that, within the context of Africa, it is community that affords meaning to the life of the individual.

Albino Barrera, O.P., uses Chapter Nine to articulate a call to "Individuating Collective Responsibility." Barrera, a professor of economics and theology at Providence College, begins by observing that the social structures that govern our actions are also the product of our past individual actions. Given that observation, Barrera believes that we must individuate our collective responsibility. If social systems are the product of our past choices, we are obligated to take the steps needed to mitigate the harms wrought by our actions in the marketplace. While often we tend to focus upon whether or not our actions are legal, we must also consider whether our actions—both individual and social—are moral. Such work will require increased knowledge and sensibility regarding the consequences of our actions for others—whether close or distant.

Dan Finn authors the volume's final chapter, "Social Causality and Market Complicity." Finn uses the chapter—the only entry in Part Four—to summarize the preceding contributions and provide a few concluding reflections.

For economists like me, one of the most frustrating features of the book will be the outright economic falsehoods pitched as facts. For example, in the opening chapter Porpora claims that there are no reliable economic laws (p. 11). I contend that there are at least three thoroughly reliable economic laws: the law of demand, the law of supply, and the law of diminishing marginal returns. For example, economists have, for centuries, searched in vain for the Holy Grail of economics: the elusive Giffen good, a good that violates the law of demand and exhibits a positive relationship between the price of a good and the quantity demanded, *ceteris paribus*. To date researchers have yet to identify a good that is unquestionably of the Giffen variety. On the rare occasion that someone believes they have identified an instance of a Giffen good, it is nearly always in an experimental setting; see, for example, Jansen and Miller (2008). Adding insult to injury, Porpora later refers to the "law of supply and demand" (p. 15).

In the same chapter Porpora contends that one cannot glean reliable information regarding cause and effect in real-world situations because too many possible explanatory factors are changing simultaneously (p. 11). Clearly Porpora is unaware of multiple-regression techniques.

In the chapter that follows, Archer refers to the market as a zero-sum game (p. 35), with the gains of producers coming at the expense of consumers. Apparently Professor Archer is unaware of the astonishing gains in poverty reduction over the last quarter century, reported by economists such as Pinkovskiy and Sala-i-Martin (2009).

Finally, throughout the book there is a prevailing fuzziness regarding what exactly is meant by "distant harms." In some cases the examples given are instances of negative externalities such as global climate change. But in other instances the authors point to low wages or a factory collapse as "distant harms" in which consumers are complicit. Had the book more clearly identified what is meant by "distant harms" at the outset, the ensuing analysis would have benefitted immensely.

It is also worth noting that we may inflict harms upon distant others not only through our self-interested behavior in the market. Ironically, we may also harm the very people we are attempting to help when we think we are acting charitably. Consider the phenomenon of fair trade coffee: Beuchelt and Zeller (2011) find that after ten years of participation in fair trade networks, Nicaraguan fair-trade coffee growers grew poorer relative to conventional coffee growers. Further discussion of the unintended consequences of fair trade products is found in Claar and Haight (2015).

Buying fair-trade goods is not the only avenue by which we may inflict distant harms via our charitable efforts. Nobel laureate Angus Deaton (2015) notes that foreign direct aid enables bad autocrats to be less responsive to the demands of their subjects than those autocrats would otherwise need to be to remain in power. In fact, such dictators have an incentive to keep their subjects poor: foreign aid flows only to poor nations, so keeping people poor ensures the ongoing flow of foreign aid.

Despite its flaws, *Distant Markets, Distant Harms* may be useful to Christian economists who wish to better understand the concerns of caring Christians from other disciplines regarding the possible ripple effects—whether real or imagined—of an increasingly global economy. Especially for those among us who are inclined to see globalization as something that is not necessarily new, nor necessarily harmful on balance, understanding the perspectives of others is immensely useful in developing an engaging dialogue with them that bears fruit over time. In this regard the book warrants a patient, careful reading.

References

Aquinas, T. (1892 [1274]). *Aquinas ethicus: Or, the moral teaching of St. Thomas. A translation of the principal portions of the second part of the Summa Theologica*, with notes by J. Rickaby, S.J., 2 vols. London: Burns and Oates. Retrieved November 15, 2015, from http://oll.libertyfund.org/titles/1966

Beuchelt, T. D., & Zeller, M. (2011). Profits and poverty: Certification's troubled link for Nicaragua's organic and fair trade coffee producers. *Ecological Economics, 70*, 1316–1324.

Claar, V. V., & Haight, C. E. (2015). Is fair trade worth its cost? *Faith & Economics, 65*, 25–34.

Deaton, A. (2015). On tyrannical experts and expert tyrants. *Review of Austrian Economics, 28*, 407–412.

Jansen, R. T., & Miller, N. H. (2008). Giffen behavior and subsistence consumption. *American Economic Review, 98*, 1553–1577.

Pinkovskiy, M., & Sala-i-Martin, X. (2009). *Parametric estimations of the world distribution of income* (NBER Working Paper No. 15433). Retrieved November 15, 2015, from http://www.nber.org/papers/w15433

Schelling, T. C. (1978). *Micromotives and macrobehavior*. New York: W. W. Norton. ■