

Panel Discussion: “What Should ACE Do?”

Judith Dean

“**W**ould anyone know you were a Christian by taking your classes in economics?” This was the question posed to me by a recent graduate of Gordon College. I wondered, in response, whether anyone would know a surgeon was a Christian by watching her do heart surgery? Certainly our Christian faith has bearing on all areas of study, including economics. But how are they related? How should this relationship manifest itself in our teaching, our research, and our other work as economists? The relationship between Christianity and economics may not be as self-evident as that between Christianity and philosophy, for example.

The ACE should provide a forum where we explore the interface between Christian faith and economics. This will involve first defining the issues—finding out what the questions are. Second, it will involve exploring the answers to these questions. We know that economics is about the allocation of scarce resources. God, the creator of all resources, cares about all aspects of this allocation: what we produce (our purpose); how we produce (our stewardship in use); and for whom we produce (the welfare of individuals). Therefore, we should expect to see interface at all levels of analysis. There will be questions of interest in the evaluation of overall economic systems. But issues will also arise related to economic methodologies of research, to particular policies, and to trade-offs between particular goals.

Broadly speaking, there are two types of issues we are likely to encounter. We may be evaluating economic issues of concern to economists, from the standpoint of the principles of the Christian faith. This is the kind of work done by John Mason, for example, in his recent study examining the US welfare system in the light of Biblical principles. Let me call these “type 1” issues. Alternatively, we may address economic issues of concern to Christians, using our expertise as economists. Many Christians care about reducing poverty in developing countries, for example. But few are knowl-

DISCUSSANTS

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edgeable about the lessons we have learned after 40 years of development economics. We can provide that link. These I will call "type 2" issues.

Right now the ACE does primarily two things. It holds sessions at the national convention and it produces an excellent *Bulletin* publishing articles and book reviews. Both are invaluable in promoting discussion among Christian economists. But in evaluating where to go from here, we need to think about the broader audience—other economists (non-believers) and the Christian community at large. I want to recommend two changes: one regarding our sessions; the other regarding the *Bulletin*.

The sessions we have held at our national convention are an important witness to our profession. In them we have had much discussion of type 1 issues. This is critical to a profession which has neglected its own history and history of thought. It challenges our colleagues to think about the philosophical underpinnings of our field, and their implications—to consider reshaping our field as a result. However, we do very little with type 2 issues. These are also critical to our profession. This is where we employ directly our economic expertise. Imbalance like this can produce a stereotype of Christian economists as those who don't practice economics, but instead practice history and philosophy. More balance between sessions on both type 1 and type 2 issues would be helpful to us, and to the rest of our profession.

We should consider disseminating the *Bulletin* to clergy and lay people. It could be effective as an educational tool for the broader Christian community interested in economic issues. To this end we may even want to consider periodic sponsorship of topical conferences of interest to this community, such as the one held in the fall of 1992 on Market Reform in E. Europe, the Soviet Union, and the Developing Countries (as part of the Oxford Conference's ongoing work on Christianity and economic development). This could be

followed by publication of some of the proceedings.

I have not recommended many new activities. We should focus on doing a few things, but doing them well. Adopting these two recommendations would not only enrich the members of the ACE, but would make it more effective as a witness to the economics profession as a whole, and to the broader Christian community.

Earl Grinols

Members of the Association of Christian Economists (ACE) find themselves in the position that we are not sure what Christian economists—as distinct from other economists—should do, though we strongly agree that the Association of Christian Economists should help them do it.

A Guiding Principle

In response to this state of affairs, I would like to suggest the following principle: The difference that makes no difference is no difference.

Most of us would agree with the majority of Americans that holds that the United States is currently engaged in a downhill slide, falling away from morals that we once held as a nation and abandoning positions that we once agreed were right. In the midst of this slide, is there any discernible distinction between the "righteous" and the "wicked" citizen, or between the Christian and the non-Christian? That is, do one's beliefs matter in a practical or economic sense?

The Bible supports the view that there should be a distinction based on one's beliefs. Malachi 3: 16, 18 says, "The Lord took note and listened, and a book of remembrance was written before him of those who revered the Lord and thought on his name.... Then once more you shall see the difference between the righteous and the wicked, between one who serves God and one who does not serve him."

Applying the Principle

What might God's message be to this generation concerning economics? We know that God is no respecter of persons. In fact, the Bible says that the rain falls on the just and the unjust alike. Yet shouldn't those who receive God's favor be distinguishable from those who do not? That Biblical principles should apply to our world and to economics is clearly a part of the Biblical record. Deuteronomy 28: 8-12 says, "The Lord will command the blessing...in all that you undertake.... All the peoples of the earth shall see that you are called by the name of the Lord. The Lord will make you abound in prosperity." In my own field of international trade, I note that the Bible promises a positive trade balance on current account, "You will lend to many nations, but you will not borrow." These passages imply that behavior matters to material prosperity and to God's blessings. Although we recognize the excesses in recent years of the prosperity theology that says the reward of being righteous is financial prosperity, and must be careful to avoid distortions in our use of scripture, the Bible enunciates principles of righteous behavior that lead to economic benefit.

Do Biblical principles have specific things to say about how we should conduct our commercial dealings? Does it provide principles that make a clear difference? We are all familiar with the revelations in late 1993 that government-sponsored research was conducted from 1946 to 1956 during which radioactive material was fed to Americans without their permission and unknown to the subjects of the research, in order to learn what levels of radiation lead to long term damage. Some of these Americans had unrelated and apparently terminal health problems, but I cannot have much respect for the ethical understanding of those who conducted such studies. The Golden Rule, a principle found both in the Old Testament and in the New Testament, would easily have prevented such behavior, had it been applied.

As part of Richard Chewning's Chavanne Scholar's Program, I was asked to apply biblical principles to foreign trade policy. At that time, I was not sure that the Bible had anything to say about trade policy, but I was intrigued enough by the question to accept the task. To my surprise, as I got further into the investigation, I did find specific policy recommendations resulting from biblical principles. I do not mean that specific instructions were available in the pages of the Bible, but that sufficient principles were present that a reasonable person could find them and agree on what they implied. For example, the already-mentioned Golden Rule has trade implications that are reflected in the General Agreement on Tariffs and Trade's article dealing with national treatment (the principle that goods of foreign countries once they have crossed the national border, should be treated no differently than the country's own goods.) In the Bible, the confirmatory principle that there should be one law for the foreigner as for the citizen is clearly stated in Leviticus.

Role of the ACE Economist

If you agree with David Richardson that Christian economists should do economics well, or with Paul Heyne that our witness should be the witness of Christian communities, and with the Bible that we are to be "a peculiar people" set apart (as in Peter's letter) so that "all the peoples of the earth shall see" (Deuteronomy), then a reasonable objective of the ACE should be to facilitate its members making that distinction clear in the economic realm. A research agenda or hypothesis in this direction would be to prove a statement of the following type: "A society of guileless individuals will outperform a society of dishonest individuals." Variation hypotheses would apply to firms, to households, and to the actions of government. Naturally, such a broad agenda requires refinement and elaboration.

Of one thing we can be sure, however, and that is that demonstrations of the

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hypotheses would need to be made in economic terms rather than in terms of deductions from Biblical principles. In one area where I have worked recently, the economic impact of the national spread of gambling, I have found that arguments based on moral grounds carry zero or even negative weight with modern American listeners. I understand the moral arguments—essentially that we should teach that the way to get ahead is by hard work and producing something of value rather than by getting lucky and acquiring someone else's money or property—but I have far better results elaborating only the social costs and economic ramifications of regional net export multipliers. As Christians, we can know that morals have an economic side, even as early scientists knew that there were God given laws of physics upon which the universe operated, but our work must operate within the rigors of our discipline. Science knows today, for example, that the laws of clean and unclean foods can be explained in terms of the germ theory of disease, though a scientist could have documented the benefits to following these laws long before the world of germs was fully understood.

Finally, Christian economists should be the ones to set this kind of agenda. We should not leave the interpretation of important social consequences to others. Too often we have been followers; it is non-Christian economists who have made the points that we were too slow to enunciate. If our discipline were psychology, I would be urging Christian psychologists to show that the mental health of Christians benefitted from their Christianity. As economists, we can ascertain whether applying Christian principles leads to better economic health. One role for the ACE in this agenda is as a clearing house for like-minded economists to interact with one another. For example, in the future perhaps the ACE could sponsor a group grant proposal. We have already set up the ACE-net internet network. We now simply need to begin the process of interacting with one another and applying

Christian questions to the economic realm. As I have urged above, showing the distinction between the Christian and the non-Christian in economic terms seems to me to be a good starting place for Christian economics to have an impact.

Conclusion

A principle of management is that it is a good policy to learn what finished work looks like and then to do it. Finished work for the ACE, I think, would look like academic studies, respected by the profession at large, produced by our members, and describing the difference that Christianity makes to people's economic lives. It would also look like more vital interaction and more collaboration among ACE members who are engaged in that work. We have made a good start as an organization. It is my hope that ACE can increasingly show that there is a difference to being a Christian economist by making a difference.

John Mason

As one of the organizers of this Workshop I have been anxious that there be an applied bent to our time together: that as part of our gathering and talking we ask whether there are things we could be doing that we are not which would make us better stewards of the gifts we possess. I suspect the Association of Christian Economists has knowledge of, whether in its membership or names of other economists in our files, a majority of all of those around the world who (a) profess the Christian faith, (b) are professional economists, and (c) are actively concerned to see these two professions joined. Moreover, our Associations contains by far the largest membership of any such association around the world. Once again, does this knowledge and our unique position place before us a special responsibility, and if so are we meeting this at present? Are we, in other words, being sufficiently faithful in our obligation to God?

In this regard I want to raise several possible extensions of our present involvement, and ask whether the small portion of the larger community of Christian economists who are gathered here affirm the need for a broader agenda. I will do so by using the well-worn categories of 'natural' revelation and 'special' revelation: a framework that remains useful, I submit, even in the face of the epistemological gauntlet opened by Bruce Webb.

I appreciate Dave Richardson's struggle to keep Christian economists at the cutting edge of research, exploring the contours and occasionally even the fine details of natural revelation. At the same time I share Ken Elzinga's lament with Dave's earlier paper: Is that all there is? Neither emphasis, whether the rigorous pursuit of natural revelation nor an equally rigorous pursuit of special revelation, is sufficient alone. We need laborers in both vineyards, and I worry that we may not be doing sufficient or appropriate work in either.

There certainly is a great amount of work, by Christian and non-Christian economists, in the vineyard of natural revelation. Moreover there are a number of outlets for this research—perhaps too many (at least for most library budgets). My concern here is that the thrust of most research is not as sensitive to social outcomes that otherwise may be feasible. That is, economists posit theories and gather data seeking to discern structured regularities and sin-influenced behavior patterns. At least in the latter case, can we be confident that the patterns of behavior we discern offer sufficient insight into what are otherwise feasible alternatives? If religiously-committed behavior, and behavior generally that is leavened by individuals and institutions which manifest religious commitment, allow outcomes that work better than what current reality may cough up, can we know these only on the basis of the past empirical record? An observation of Friedrich Hayek is pertinent here.

Utopia, like ideology, is a bad word today; and it is true that most utopias

aim at radically redesigning society and suffer from internal contradictions which make their realization impossible. But an ideal picture of a society which may not be wholly achievable, or a guiding conception of the over-all order to be aimed at, is nevertheless, not only the indispensable precondition of any rational policy, but also the chief contribution that science can make to the solution of the problems of practical policy.¹

We need work, therefore, that lifts us beyond what we have experienced while at the same time being sensitive to what is feasible. This possibility is not enough to make me embrace the post-Keynesian/institutionalist approach advanced by John Tiemstra—at least not yet; but it is enough to cause me to question the sufficiency of the rigorous model of rational behavior and existing applications that dominate mainstream analysis. This possibility also points out the need, as part of the normal work of the economist, to interact carefully with special revelation (study of the Bible along with commentary thereon from various traditions) in the quest to discover patterns of behavior and institutional structures that could allow a smoother resolution to the problems we face. Indeed the Bible promises just this: a condition of *shalom* in all of our earthly dealings if we, as the Deuteronomist puts it, 'walk in all his ways' (Dt. 10:12)².

Given that I spend so much of my professional career in the arena of Biblical studies, even as I seek to stay current with the latest research in domestic poverty policy, I have felt very much on the defensive in reading over these papers. Have I been wasting my time, if not (listening to Paul Heyne) generating more mischief than enlightenment? I don't think so. The frank reality is that most of those who work carefully in the area of special revelation, whether scholars or other faithful Christians and Jews, have very little training in economics. The ideal bridge between discerning the rigorous complexities of natural revelation and a careful grasp of special revelation then is

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no more than a narrow footpath. This is unfortunate. We need more levites and scholastics of old, who trafficked in both these areas for their day.

Practically, however, how likely is it that those who labor in settings where the cutting-edge research occurs will experience the professional freedom to openly and aggressively interact with special revelation? Similarly how likely is it that those who labor in settings which strongly affirm the importance of discerning special revelation, find the professional freedom to also stay current with cutting edge research and provide the synthetic task of bringing these two arenas together?

Ken Elzinga reports on examples of collegial displeasure, if not contempt, at open expression of his Christian faith. Christian historian George Marsden recounted before the American Academy of Religion recently how pervasively religiously-motivated work is discouraged in the secular academy. On the other hand, Stephen Smith reports an unfortunately low level of good synthetic work being done at institutions similar to the one that both he and I represent. That there are so few outlets for such work only compounds the problem. The established journals in Christian social ethics have very few if any economists reading them. And can you conceive of any recognized journal in economics welcoming articles which appeal openly to Biblical teaching and tradition not couched in otherwise safe categories of established social science or moral philosophy?

Given this unfortunate state of reality, are there steps which we can take that will help us be more faithful stewards? I turn now to three possibilities. First, heeding Dave Richardson's call, we want more Christians to prepare themselves as economists and then to do the work that both he and I desire. Let us start with those who are in graduate school. How do we get them to: (a) stay the course, (b) desire to become 'signs' and be trained to do their economics with winsome 'styles,' and (c) develop skills in bringing natural revelation and special revelation together?

Kurt Schaefer tells me of a reader he either is developing or would like to develop designed for Christian graduate students, which would provide to them articles which address each of these areas. Is this an area where a small committee of ACE members could work together under Schaefer's oversight to bring this to fruition? I have a hunch that such a reader would be of considerable value to established economists as well.

John Dodge and Dave Richardson have spoken to me in the past about creating a week-long summer workshop for graduate students, where they would interact with seasoned economists and receive the contents of the reader in personalized fashion, with the opportunity for healthy dialogue. Such an undertaking obviously is far more involved than preparing a reader. Should a committee of ACE explore the feasibility of this undertaking? This initiative, like the reader, would no doubt be of interest to a number of established economists.

Second, could we be doing a better job of providing learned insight to fellow Christians in areas where they face personal and political decisions of an economic nature? As noted, too much of this insight comes from those who lack training in economics. John Tiemstra, Ken Elzinga, and Dave Richardson each emphasize how we should devote our attention to specific issues or problems, whereas official church statements typically speak broadly to economic issues in general. In an ACE *Bulletin* "Viewpoint" four years ago I proposed an approach which continues to make good sense to me. An oversight body would be established to choose one specific issue each year (for example, the question and nature of compensation schemes for those hurt by free trade regimes), and then select a small team of economists and other experts to address this issue. The team would meet for a week in late spring to interact with the issue in whatever way seems prudent (probably presenting papers on the issue for team reaction), and to commission one or several members to prepare a brief

pamphlet speaking to the issue. Consensus would not be forced; similar to CED statements, dissenting footnotes and appendices would be allowed. The accumulation of such pamphlets over the years would provide very helpful teaching to the Christian public. Could ACE become the catalyst for such an effort?

Third, if economists in secular settings face frustration in bringing their faith to their professional work, let us consider creating a new type of "working papers" which would allow them to dialogue frequently with fellow Christian economists. Dave Richardson calls us to be less secretive and less jealous about proper credit in our research. The advent of E-mail networks allows ideas to be distributed quickly for collegial reaction. Could ACE help engineer a body of concerned Christian economists who covenant together to both share their work and comment on the work of others?

Paul Heyne calls us to be more concerned with manifesting our faith in very practical ways in our churches and local communities, than with preparing state-

ments specifying the appropriate role for the state in economic matters. His advice is sound. At the least we should all become more active in this regard. I disagree with him, however, that such efforts, along with our efforts (informed by our Christian values) to be good economists, exhausts the needed work. Our Christian sisters and brothers quite properly look to us to offer them learned teaching, in the same way that we look to other specialists within the Body of Christ to offer us instruction in their areas of learning.

ENDNOTES

- 1 F. Hayek *Law, Legislation, & Liberty: Vol. 1, Rules & Order* (Chicago: University of Chicago Press, 1973), p. 65.
- 2 Perhaps this is no more than Dave Richardson is proposing, albeit I find his call too guarded and am confused when he so aggressively discourages work in the area of special revelation. ■

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