

Christian economists must...understand competitive market processes... But they must never worship or idolize the free market.

Frank Hahn calls the "benchmark," the underlying theory or synthesis, as a general theory of human behavior nearly all of my adult life. Nonetheless, I fully agree with Smith that neoclassical economics is the main professional basis with which to do the work of Christ. Following Brock and the book of Daniel, if neoclassical theory does represent the powers that be (specifically, finance, in my experience and observation over the years), we must serve authority with that mainstream economics.

But where is the room for an "opposition economics," a balance of power in economic ideas and ideology that is the very lifeblood of political economy? Regardless of where you sit in the Richardson-Tiemstra debate within ACE, do you not feel, as I have felt most of my professional life, that reactions against mainstream economics seem to carry the spirit of Christ more than the mainstream does? As C. Everett Koop commented while surgeon general of the United States, a predominantly black, evangelical church in Philadelphia was more spirit filled in his early days as a doctor than the mainstream churches of his white brethren. There is a parallel message here for ACE.

For those on the Tiemstra side of that debate, the lessons from Keynes and Marx are clear. You must begin from complete knowledge of and competence in mainstream economics, as Marx did with Smith and Ricardo and as Keynes did as a Marshallian, if not Walrasian, neoclassical.

I do not believe that mainstream economics is evil. But I do believe that some mainstream practitioners are evil. So are some Keynesians, Ricardians, Marxists and institutionalists. Economics can be used for good purposes and for evil purposes. I am surprised this topic is not raised in any of the papers because I do not believe one can be a Christian economist and not confront more than the sin of our profession that Elzinga does confront. We must also identify and root out evil. Now, there is an interesting project for ACE to develop a consensus on.

With respect to Brock's comment on economists who reach high positions, I largely agree on what character traits got them there. But I might add, of those I have known, I cannot think of many that did not largely reject economic theory on their way up the ladder, often rejection with a vengeance and animosity toward most of what had been taught—and believed—at an early age. Evidently leaders, and especially those who have authority over the lives of others, are more than economic men, more than profit maximizers. They are also stewards, servants of God and other men, fathers of the next generation and so on.

Thus, Christian economists must walk two tightropes. They must understand competitive market processes, the good, the bad and the ugly. But they must never worship or idolize the free market. Second, they must respect neoclassical economics as any other authority, even if they do not embrace it or fully submit to its way of viewing life from the perspective of pure finance. They must respect mainstream wisdom even if their life's goal is to develop a contemporary opposition economics.

Being Busy Versus American "Busyness"

I think the "busy-ness" Elzinga speaks of in his own life is an American disease. It is a Washington disease, and takes the form of endless meetings, telephone conversations, and "doing" lunch. In academia it takes the form of publish or perish. Billy Graham has been a critic of American busyness because he knows that godly truths cannot be found under such intensely dynamic and competitive lives. But the same is true for Christian economists seeking economic truths that are worthy of our Lord and Savior, Jesus Christ, that will be durable in the age, and that will serve man because they are godly economic truths arrived at in godly ways.

It is humorous but also sad to read Elzinga's confession of rare nights spent dining with his wife, and there is no humor in his comment about the long

hours of academic life. "Husbands, love your wives," we are commanded in the Bible. We cannot lead the balanced life that our religion stresses if we are full of American busyness. I do not intend this as an exhortation of Elzinga and many others in this room, for we are all subject to a prisoner's dilemma here. The publish or perish market sets our degree of busyness, and we have no individual control over it, at least until tenure. By then we are addicted.

Imagine a world in which all those American universities and colleges founded under truly religious authority returned to the fold. Elzinga asks us to envision a world in which authors do not submit their articles with names attached. I ask you to imagine a godly academy in which only true advancements in knowledge are published. For some *years* (more than many would care to admit), even the AER would not publish a single article because economic knowledge in the eyes of God would be the criterion for publication.

Is the purpose of secular Western economic education to *predict* economic behavior in the positivist sense, or *conform* behavior to the theory so that it will predict well, or control perfectly, to put it in a less gentle way?

Communist man and Western economic man may be ideological polar opposites, but both are totalitarian images of man if the role of economic education is to make man over in the image not of Christ but of a utility-maximizing, opportunity cost calculating being. The economists who have made themselves over into economic man are some of the most efficient time managers I know, but are also the most miserable of men, likely targets for divorce or the nuthouse, but brother are they busy at the margin. They seldom rise to positions of high leadership or true authority over the lives of others.

Has the opportunity cost concept so pervaded our economic, business and popular culture as busy Americans that it is a fundamental cause of moral relativism:

"free to choose"? There is no opportunity cost calculation in believing and serving Jesus Christ. In a sense you can only serve Him by burning all other bridges, not evaluating your options as rational economic man. (Will it be Buddha, Mohammed, Confucius or Jesus? Elvis?) And if opportunity cost is causing the decline of the West, then it is an evil that must be rooted out at any personal cost to the believer in Christ.

Everything I have read about true leaders in business, politics and other of life's arenas (and it has been the focus of all my study in recent years) leads me to reject the notion of economic man as the path to wisdom and success, material and otherwise. Reagan was not a busy person, yet he was a great leader in many respects: he was organized to a definite purpose, an inch wide and a mile deep, as David Stockman used to say. Opportunity cost is one important principle that will help most leaders, but this or any other economic concept appears rather small in light of all the correct dictums Brock cites as the pathway to success: a natural (Christian) selection of the good, the competent, the tactful.

The Salutory Effects of Markets in the Discovery of One's Own Humanity and That of Others

John Stuart Mill reminds us that "if you are not selfish or hard-hearted already, Political Economy will not make you so" (1867 inaugural address as rector of St. Andrews University). But I am equally persuaded by Stigler's observation that the practice of economics makes you conservative. I have been a social conservative all my life, before it was fashionable, but I am not in general an economic conservative. Like Hillary, I was a Goldwater guy in 1964, but like Laffer and Wanniski I cried when JFK died.

Every economist should be required to serve two years in the free market after getting his Ph. D. He would learn that the invisible hand theorem was not about optimizing efficiency at the margin but

Every economist should be required to serve two years in the free market after getting his Ph. D.

...the role of Christianity in an economist's head, heart and soul is to build courage to do and say what is right...

about sustaining life. I was never taught and never believed that the quality of mercy could be felt so powerfully through the free market as it was for me when I was a starving consultant, fresh off Capitol Hill as Republican Staff Director of the House Budget Committee. I'd like to think that I earned some of those early assignments, but my friends in essence fed and clothed me through some tough times.

James Lake, a prominent GOP political operative in Washington, was shown mercy by the opposing political party after leaving the Nixon cabinet and receiving not a single consulting job through Republican circles for months after his departure. The Democrats hired him.

The quality of mercy is not strained through the free market, but is not only strained in economic textbooks—it isn't even mentioned! There can be, of course, unequal exchange in the market. I have never suffered the illusion of some consultants that you need not serve your client as you serve your boss. But, some of the most creative, productive, and character building human experiences I have had were spawned in a free market setting, not a bureaucracy or salaried position.

Christian economists can do a better job of integrating the old fashioned meaning of the invisible hand theorem in resource allocation with Christian faith and classroom economics. Has it ever occurred to you that Washington, DC is not so much the setting of macroeconomic policies anymore as a general equilibrium coordinator of markets, and that what are viewed as all the special interest deviations from a benchmark of perfectly competitive free markets are in the main efforts to set viable prices—prices that sustain life from period to period, Ramsey prices in the modern parlance, competitive prices that enable economic reproduction in the classical or physiocratic sense?

Conclusion

What is the role of Christianity in an economist's life if subject integration is not in the main possible, if there is a real danger of totalitarianism at present in the

use of and absolutist belief in economics? If American arrogance, self-importance and fear of falling from the top of the Western world is too often masquerading as American busyness?

I believe the role of Christianity in an economist's head, heart and soul is to build *courage* to do and say what is right, not just what is politically correct or comfortable. In 1977 I published an article that generated a lot of interest through the Cambridge School of Economics, but it left me in complete and abject depression. The fundamental truth I had discovered was an empty one without Christ in my heart. While I still maintain that capitalism has become more intensely competitive over the course of organizational and institutional development, I do so *now* knowing that only the Holy Bible is absolute truth. I do so now knowing that I can live with my imperfect nature and overcome my enemies in the pursuit of economic truths as a believer.

I have been unable to write economic theory again until I found Christ in my heart. And now, I shall begin writing as never before. The courage to do so comes from being a Christian, not an economist. I hope that on the day I die, my struggle to walk with Jesus may have produced more courageous thinking and writing in economics than I have found amongst my secular brethren.

For today, we can all applaud the courage in the Brock, Smith and Elzinga papers. Each in his own way has said things that are not easy to say as an economist, but there are some godly truths in each one.

Brian J. Hall *Comments on Smith*

Stephen Smith has produced a very interesting and meticulously researched paper on the key issues involved in teaching economics at Christian Colleges. After reading the paper, I felt that I had a pretty good understanding of what it is

like to teach economics at a Christian College. This was especially helpful to me since I have never attended or taught at a Christian College. This latter fact should be considered a caveat to all of my comments. Nevertheless, I am a Christian and an economist and perhaps my position as an "outsider" enables me to comment on the paper from a different vantage point.

To me, the most striking fact documented in this paper is how unpopular economics is at Christian Colleges. Among Christian Colleges that have economics as a major (only 35 percent), less than one percent of all students major in economics. It is admittedly hard to sort out supply and demand here—"the modal number of full-time economics faculty at [Christian Colleges] is zero." But if one believes that it is important for students, Christians and non-Christians, to have a good understanding of economics (and I do), the equilibrium is not a happy one.

Stephen Smith provides what I view is a fairly convincing list of explanations for why economics has such a low profile in Christian Colleges. Let me discuss a few of those reasons, with an eye toward how I believe these factors might be overcome.

First, the mathematical ability/background of the typical student at Christian Colleges is not very high, the average SAT score being just under 500. While it is true that a very strong mathematical background is necessary for students to become economists (i.e. to get through graduate school and earn a Ph.D. in economics), I do not believe that one needs to excel in math in order to understand economics (taught properly) at the undergraduate level. And a strong math background is certainly not necessary for one to take economics at the introductory level.

I have some experience to back up this claim. I help run the introductory economics course at Harvard, which is a two-semester course covering both micro and macro economics. It is perennially the most popular course in the college. (Truth in advertising: it was popular long before I became involved). This year, we have more than 950 students. Since there are

approximately 1,600 students that enter each year, this implies that, in steady state, more than half of all Harvard undergraduates take at least one full-year course in economics.

While the high academic ability of Harvard students makes our job easier, teachers of the economics principles course at Harvard face the same relative problem; some students have relatively much greater mathematical ability (and background) than others. This is one of the reasons that we stress intuition and real-world applicability in the principles course. It seems unnecessary to scare off the students who are not particularly good at math, and the mathematically gifted can always take more advanced courses. Our main goal is to enable students to understand and critically examine the economic issues they read about in the newspaper everyday, not, for example, to teach students the technicalities of economic theory (although we have to do some of the latter in order to achieve the former). For example, it is more important in the long run that students understand intuitively what deadweight loss is than to be able to show graphically the triangle that represents deadweight loss (although, again, a graphical presentation may help achieve this goal.)

A strong case can be made that undergraduate courses in economics should not stress abstract principles and mathematically difficult problem solving techniques. An even stronger case can be made in this regard for a college's economics principles course. The 490 average math SAT score at Christian Colleges implies (if the mean is close to the median) that almost half of the students have a math SAT score above 500. These students are capable of learning how to understand supply and demand, marginal analysis, comparative advantage, sunk costs, the connection between money growth and inflation, and the many other foundational issues in mainstream economics.

A second issue identified by Smith for the unpopularity of economics at Christian Colleges is the competition of business

...the most striking fact documented in [Smith's] paper is how unpopular economics is at Christian colleges.

If the study of business is like learning how to navigate a ship, the study of economics is learning what the ocean is like.

programs. Smith alludes to the fact that business and economics may be complements rather than substitutes. I agree and would like to expand on this point.

An analogy may be useful here. If the study of business is like learning how to navigate a ship, the study of economics is learning what the ocean is like. A prudent captain will certainly spend some time learning about the ocean. Likewise, a prudent businessman will spend (scarce) time and energy learning about the economy in which he must conduct business. Learning the way that economists critically reason and understanding the macroeconomic connections between interest rates, budget deficits, monetary policy etc. would certainly be helpful to anyone planning a career in business.

A third reason Smith offers for the lack of popularity of economics is the small enrollments of many of the Christian Colleges. Half of the schools in his sample have undergraduate enrollments of less than 1,000. The argument here is about fixed costs and economies of scale. On this issue, Smith argues that "Christian higher education, and economics, would be helped by a wave of mergers and acquisitions which aimed at providing a better education for more students by getting the scale of production right." This seems very sensible to me. It also underscores the need for economic literacy; it might be difficult for some to understand Smith's relatively simple point above without having taken a principles course.

In the end, Smith challenges Christian Colleges to "have the courage of [their]

stated convictions" to provide students with a "solid, Christian liberal arts education [by] top quality faculty members [who] teach students how to think, not what to think...." It seems to me that it will be very hard for Christian Colleges to meet this challenge without a much stronger commitment to teaching economics. If I were to admit how important I think it is for Christian students to improve their understanding of economics, I would almost certainly be accused of being an economics evangelist. So I will simply repeat what is the crux of Smith's argument:

If we do not articulate [the importance of understanding economics] widely within the Christian community, we ourselves share the blame if young people do not demand to study economics in college. Much if not all of the writing on economic issues that circulates among churches is written by social ethicists, theologians, relief and development workers, and missionaries—everyone, that is, except economists. Economists should be at the front of the line, advancing the notion in popular outlets that economics is important for Christians, and stirring up Christian young people's interest in serious study of economics.

I recommend Stephen Smith's paper to anyone interested in learning about the issues and challenges involved in teaching economics at Christian Colleges. I also think that the Deans of Christian Colleges would greatly benefit from reading this well-argued paper. ■