

Book Review

Faithful Economics. The Moral Worlds of a Neutral Science

J.W. Henderson and J.L. Pisciotta, editors, Baylor University Press 2005, 155 pages
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The publication of *Faithful Economics*, a very readable small booklet, provides a timely opportunity to help Christian intellectuals familiarize themselves with this crucial social science. The booklet presents papers delivered at the plenary sessions of the Conference on Christianity and Economics held at Baylor University in 2002. More theoretical papers presented at the seminars of the Conference were published in the Fall 2003 issues of *Faith and Economics* and of *Markets and Morality*. Members of the Association of Social Economics, (who generally challenge mainstream neo-classical economics) were also present. The Baylor meeting thus assembled a large number of Christian economists from the US and abroad. That it took decades to get so many Christian economists together to discuss the centre of their thinking underlines how much their faith has become estranged from their professional world and its paradigm.

Excellent introductory and concluding chapters summarize the plenary presentations, which dealt with two topics: What should economists do, in their academic environment and in the process of shaping public policies? What are the philosophical and theological foundations of economics?

1. What should economists do?

The central concern of the Conference was the position and function of the Christian scholar in a hostile or indifferent environment. The keynote address was given by George M. Marsden, whose “outrageous idea of Christian Scholarship” can be summarized as: SPEAK UP!²

Christian economists face more difficult surroundings than other Christian scholars, as they must make their minority voice heard in a totally non-Christian environment, controlled by the dominant ideology that economics (contrary to other social sciences) is a neutral science, no different from dentistry, as Keynes once quipped. Interestingly, the organizers of the conference openly distanced themselves from any

¹ Retired Advisor in the Monetary Directorate of the Commission of the European Community, Brussels. Francis participated in the Baylor Conference and the paper he delivered there, *Towards a Theology of Economics*, was published in the Fall 2003 Issue of *Markets and Morality*.

² Marsden, G. M. (1997) *The Outrageous Idea of Christian Scholarship*, New York, Oxford University Press.

discussion of the scientific value of mainstream economics, (a *neutral science*, at best open to *moral worlds*, as the subtitle of the book has it).

This message was brilliantly underlined by Judith Dean (The Mainstream Scholar) and Rebecca Blank (The Policy Advocate) who emphasized that Christian economists must be deeply involved in economics and contribute to it, as brilliantly as possible, if they want to be actually heard by their peers. Dean used the example of the research physician: the economist needs to know his science in order to cure the diseases that his Christian background pushes him to select. Christians as economists must thus develop this neutral science, but, as Christians, they will select their areas of research and action as well as their interpretation of the results of their scientific research. Christian scholars must not only speak up; they must also make themselves heard by speaking the language of their colleagues.

2. What are the philosophical and theological foundations of economics?

Up to this point, the outsider may well agree that these are bitterly needed points but nevertheless wonder why intellectuals should get involved in professional arguments about improving the techniques and ethics of “dental surgeons”, to use Keynes’ quip. Is economics really a neutral science? Michael Novak, the famous conservative-classical-liberal from the American Enterprise Institute, was asked to discuss the philosophy of economics, but as Henderson recognized in the introduction, he did not delve into the basic economic paradigm, but primarily discussed its socio-political dimensions, emphasizing the usefulness of classical liberalism (individualism and innovativeness) as the foundation of truly efficient and progressive societies and economies. He did not, however, discuss the limitations of the market system, – its excessive individualism, which the social policies of the Christian churches have sought to correct, and its tendency to concentrate economic power, which requires vigorous anti-trust policies - because this would have weakened his lifetime defence of capitalism against authoritarian regimes and against religious people berating economic endeavours. Here we touch on one nettle of the problem: how can Christians advocate both a dynamic market system (the core innovation of modernity and of the ensuing human progress) and delve into its very fundamental deficiencies?

It was thus rather Rebecca Blank, speaking as a policy oriented economist, who (in *Market Behavior and Christian Behavior*) pointed out the links between the Christian view of man (or anthropology) and the true efficiency of economic agents. She noted that the basic assumption of mainstream economics was that humans are pursuers of narrowly defined “happiness” and that the diffusion of this view transforms mainstream economics into an instrument of the continuous degeneration of the market system, which in turn is continuously in need of more inputs of Christian behaviour to develop further.

Unfortunately David Gushee, a theologian writing on the economic ethics of Jesus, neglects this issue. While emphasizing that Christ came to free us from a sick attachment to possession: selfishness, greed, hoarding and lack of generosity, which all

lead to injustice, he fails to emphasize that rejecting all this also leads to greater economic efficiency by inducing humans to invest themselves in needed production and to improve exchanges amongst humans. Emphasizing the need to “reject possessions beyond the basic sufficiency provided by God” and to “wait for abundance and justice in a ‘coming great reversal’” he amply justifies Novak’s fear that religious people still oppose economics and preach quasi-ascetic happiness in stagnant societies, presently confused with ecological balance.

The booklet thus fails to address squarely the Christian foundations – philosophy and theology—of economics. This is so, first, because most Christian economists (subject to the dominant ideology of a neutral science) fail to realize, as Pisciotta notes in the concluding chapter, that *homo sapiens* provides ultimately a more scientific basis to economics than the technical fiction of *homo economicus*, and second, because others (Novak) feel the need to defend the entrepreneurial market system against the sit and wait “religious” ideal of submission to “divine” destiny. Most tellingly, however, there is no awareness of the fact that ‘neutral’ historians increasingly see the origin of the market system in Christianity’s break with the pagan antiquity system of sufficiency and stagnation, a break based on the fundamental Christian belief that the sons and the daughters of the Father are entrusted with maximally developing creation through loving exchanges, which is the ultimate basis of economics and of the market system.

This brings us to Robert Nelson’s very exciting chapter, ambiguously entitled “The Theology of Economics”. Nelson suggests that once Economics had become the dominant ideology of our times, the “theology of economics” is the academic brain of this dominant “religion”, its core belief, magnificently summarized by Henderson in the introductory chapter: “Economics implies that society can expect sin to diminish with rising living standards”. (A point naively extolled by Harvard Professor Benjamin Friedman’s recent 600 page book.³) Nelson’s chapter alone would make it worthwhile reading the booklet. His work is indeed a useful addition to the vast field of “ideology critique”, which usually limits itself to the analysis of political and cultural philosophies but rarely ventures into the core of the underlying dominant thinking of the West: economics⁴.

As the reader of this review will have noticed, I fully agree with the title, Faithful Economics, but not with the subtitle “moral worlds in a neutral science”. It was, and still is Christian faith that develops the means to achieve the objective of creation in replacing the sinful and mediocre rationalism (which rules the world) by the dynamism of Christian entrepreneurship, thus achieving the objective of economic science: to minimize the effects of human condition (scarcity) by exchanging our contributions with each other. That this cannot be done without Christian love is the ultimate message Christian

³ Friedman, B. (2005) *The Moral consequences of Economic Growth*, Knopf. Friedman is totally unaware of Nelson’s work and more generally of the discussion by historians of the deep Christian origins of modernity.

⁴ Nelson, R. H. (2001) *Economics as Religion, from Samuelson to Chicago and Beyond*, Pennsylvania State University Press.

economists have to bring to “mainstream” economics – a message that ill fits the concentration on modeling technical behaviour, which is the key to a successful academic career. This explains the rise of the ideology, which has limited economics to its techniques by preventing research into its foundations, the “nature of the economic agent”, that all agree is the motor of economics.

I hope very much that Christian scholars, economists, and intellectuals will again congregate to discuss the foundations of economics. Now that they know they must speak up, and how they can make themselves be heard by their peers, they must investigate more precisely what it is they have to say as Christians.