CONTENTS

ANNOUNCEMENTS
2

ARTICLES

John P. Tiemstra
3

“Passing Judgments”
Paul Heyne
9

“What Should Christian Economists Do? ...Economics!”
J. David Richardson
16

Comments on Tiemstra, Heyne and Richardson
John Anderson
Robin Klay
Kurt C. Schaefer
37

“What’s Theology? Which Economics?”
Bruce G. Webb
45

Comments on Webb
Kim Hawthrey
63
ANNOUNCEMENTS

Special Issue
This issue of the ACE Bulletin is given over to papers and comments delivered at the workshop sponsored by Gordon College’s Department of Economics, January 1-2, 1994, on the theme “What Should (Christian) Economists Do?” Close to 70 economists gathered for that workshop, and the editors are pleased now to share the proceedings with the entire ACE membership. In this issue we present the material from the first two sessions (“What Should (Christian) Economists Do?” and “Does Theology Matter?”); the next issue of the Bulletin will include papers and comments from the remaining sessions. J. David Richardson’s article grows out of and refers to his earlier work, “Frontiers in Economics and Christian Scholarship” which appeared initially in the Christian Scholar’s Review (Vol. XVII, No. 4, 1988), and which we reprint immediately following his workshop article. The editors would like gratefully to acknowledge the generous financial support of Robert and Ceece Gough to cover the extra costs associated with publishing these expanded issues of the ACE Bulletin.

ACE-net Cometh
Earl Grinols (University of Illinois-Urbana) has established ACE-net, an e-mail reflector network for the Association. Any messages sent to the reflector will be sent out automatically to everyone on the network. This should be helpful, among other things, in asking questions of fellow-ACE members and circulating announcements.

To subscribe: To put one’s own e-mail address on the network, send the following message to majordomo@ux1.cso.uiuc.edu: subscribe ace-net. To subscribe to a different address than the one from which one is sending (say grinols@aslan.econ.uiuc.edu) one sends the message: subscribe ace-net grinols@aslan.econ.uiuc.edu.

To use Ace-net: send an e-mail message to ace-net@ux1.cso.uiuc.edu. The message will be transmitted automatically to all other names on ACE-net.

Other commands that can be sent to majordomo@ux1.cso.uiuc.edu—who ace-net (to list who is on the network); info ace-net (to retrieve introductory information about the network); unsubscribe (to take your name off the network).

ACE Working Papers
The ACE Working Papers Series has the following additions:

- Stephen T. Worland, “The Right and the Good: the Retrieval of Welfare Economics.” Addresses the debate about the moral legitimacy of liberal institutions, and welfare economics’ place in this debate, through careful consideration of the relationship between “the good” and “the right.”
- Jim Halteman, “The Role of Values in Post-Modern Economics.” Introduces the changes in worldview that have come to be called “post-modern,” discusses their relationship to previous dominant worldviews, and considers the effect of post-modernism on economics and the potential contributions of economics to our post-modern situation.

Working Papers may be ordered from Kurt C. Schaefer at Calvin College.

Update on UK ACE
A study group meeting of the UK Association of Christian Economists will be held at Jesus College, Oxford, July 4-5, 1994. The following papers will be given: Vivien Foster, “Green Christianity: An Economic Appraisal;” Donald Hay, “Ethics, Economics, and Technical Change;” and Jonathan Thomas, “Christian Critiques of Economic Theory.” For information contact Donald Hay, Jesus College, Oxford OX1 3DW, UK.

I think that Christian economists should do economics. That may seem too simple or obvious, but I think it is neither. Many Christian economists feel obliged to do things that are not economics. Others think that doing economics means conforming to the mainstream research paradigm. I don’t think either of these approaches is adequate.

I don’t think it is adequate to say that Christian economists as Christians should only address Christians. We may get a receptive hearing within the community of believers, but the temptation will be for us to preach, and most of us are better economists than preachers. It is certainly true that the secular world does not think that Christianity (or any other religion) has anything to say about the ordinary business of life, and would prefer to keep it that way. This makes it difficult for anyone bringing a religious perspective to economics to get a hearing in secular circles. Nevertheless we must persist, because the secular world is wrong. Christ is Lord over all of life, not because the secular world elected him, but because he conquered death on the cross. The demands of God that we conform to God’s will for our economic life come to all people. Nobody is exempted from God’s call simply because they don’t believe. As members of God’s kingdom, it is our duty to get God’s message out to the world in whatever way we can. And it is possible. There is enough of a residuum of Christianity in our culture and enough disenchantment with cynical secularism that some people are still interested in Christian perspectives on economic life.

I also don’t think it is adequate for Christian economists to practice economics as usual within the mainstream neoclassical paradigm, tacking on some Christian values at the stage of policy prescriptions, after all the damage has already been done. I subscribe to what I have elsewhere called the dual critique of neoclassical economics (Tiemstra 1993). The ethical critique suggests that the neoclassical conception of what is normal and what is good in an economy is not consistent with Christian social ethics, and that the behavior assumed of economic actors is not the sort of life that Christians are called to live. Christians, it is claimed, are not utilitarians in social ethics, and their behavior should not be governed by self-interested...
...the neoclassical conception of what is normal and what is good in an economy is not consistent with Christian social ethics...

Gain-seeking. The methodological critique claims that neoclassical theory falls into ethical, conceptual, and empirical problems because the criteria used to validate it are inadequate. The positivist foundations of neoclassical theory cause economists to oversimplify human decision-making processes and to miss their meaning. (See Tiemstra et al. 1990 or Hay 1989.) The neoclassical framework thus excludes many questions that are of great importance to Christians, questions about how people's values and religious commitments influence their economic behavior, and how in turn that affects the institutional structure and performance of the economy. If it is true (as Catholic commentator Michael Novak 1982 claims) that market economies only work properly when embedded in a democratic political system and a Christian culture, we need to have theories to explore how those connections work. If we Christian college faculty members are trying to teach our students that their Christianity should make a difference to their behavior in the business world, we need theories to tell us how and why. If God says that following God's commands will cause us to prosper, we need theories that give us ways of exploring that relationship. Neoclassical economics doesn't do it, so we need different approaches.

When you leave the neoclassical mainstream it is likely to be said by some of the more narrow-minded members of the profession that you are not doing economics. To illustrate, let me relate an anecdote from my long-departed youth. During my undergraduate days some of my friends thought they could end the Vietnam War by persuading everyone who was against the War to not buy Coca-Cola or Wonder Bread anymore. I had a hunch that this would not work, but I thought it was worth exploring why someone might think it would. I proposed this as a dissertation topic at MIT. I had a lot of trouble finding faculty who were willing to serve on my committee. Even some people I considered comparatively broad-minded told me they would not help because this topic was not economics. Why was it not economics? Because it was not a question that could be comfortably addressed within the neoclassical framework. I am forever grateful to Charles Kindleberger, who understood that this was indeed an economic question, and who drove me to think the problem through thoroughly and explain it clearly (Tiemstra 1975). To all of you I say: Do economics, but do not let your idea of what is economics be defined by conventional theories.

If one accepts the dual critique and rejects mainstream economics, there are then a couple of options. One is to start from first principles and build a brand-new, specifically Christian economics from the ground up. (This is the approach advocated by my colleague Roland Hoksbergen, 1994.) Post-modernist methodological theory almost suggests that this is the proper course. If any and every scientific theory or interpretive effort reflects the historical and social circumstances and the religious presuppositions of its author, then the only way to make sure that your own commitments are the ones reflected in the theory is to concoct the theory yourself. And why not? There are an infinity of possible theories that are at least broadly consistent with the data, and no foundational criteria for choosing among them. Economists are a very conservative bunch, and won't give up neoclassicism easily, but there is really no reason for us to continue to cling to a theory we are uncomfortable with.

I don't think this is good strategy, not because I disagree with post-modernist methodology (I don't), but because it gets economists away from doing economics, and for that reason it doesn't work. (In the late 1970's and early 1980's at Calvin we did a lot of sitting around, figuratively looking out the windows, trying to think up a whole new Christian economics. Maybe if we had had real windows then it might have worked better.) When economists sit around trying to think up a Christian economic paradigm, they start doing philosophy and theology instead of economics. While I admire versatility in
scholars, most of us went into economics because that is where our comparative advantage lay. Besides, science almost never progresses this way. Because we are so caught up in the axiomatic method and in the history of our own discipline, we forget that science almost always progresses when somebody comes up with a novel solution to a difficult question. This suggests that we should be looking at difficult questions.

The problem with the axiomatic method is that it teaches us to focus on dreaming up lists of axioms and proving theorems. The object of the game (and for many people it is just a game) is to see how many theorems you can prove from a short list of assumptions. This may be a good way to get published, but it is a bad way to make progress in economics, especially if you are trying to be self-consciously Christian in your approach. It is much more important to be able to tell a good story about what is going on. And by a "good story" I do not mean one that is simply entertaining and has lots of funny made-up words to stand for abstractions that only an economist would find useful. By a "good story" I mean a plausible account of the causes and effects of certain economic actions, an account that would have meaning to an educated layperson because it would connect to everyday experience. (I count watching CNBC as an everyday experience.) This is not only a good way to invent new theories, but it is also a good way to teach the old ones and to test their truth.

As I said, we should be taking on difficult questions because that is the way we make progress. It is important to take these questions in manageable pieces. Reading somebody like Novak may give us a taste for grand theories and big questions, but we are much more likely to be successful if we take on a narrow part or a particular instance of a problem or question rather than a great abstraction. Some particular feature of the narrower problem may suggest an approach that turns out to have much wider application than first appears. For example, I think the reason we have made so little progress toward a convincing account of the proper economic role of government is that we insist on thinking of the problem in exactly those grand abstract terms. I think we do better when we start by thinking about particular instances of government intervention in the economy, like welfare programs, or health care, or environmental regulation. When we have analyzed enough of those particular cases we may have a basis for a general theory.

But even when setting out with the task of developing a plausible story about a relatively narrow or particular problem, we still have to have some broader theoretical framework which can connect the problem to an overall vision of the economy and suggest the outlines that a solution may take. If we reject the neoclassical framework because of the dual critique, what alternative is there for us? Different Christian economists make different choices. Some Third-World Christians have chosen Marxism, but to most of us that seems like a poor choice. Some have chosen Austrianism, but those of us who accept the dual critique believe that most of it applies to Austrianism just as well as it does to neoclassicism. The best choice for many of us seems to be post-Keynesian/institutionalist economics, which I will call PKI for short. (Here I am following the practice of Wilber and Jameson 1990.)

PKI economics is appealing to many Christian economists because it does not suffer from the problems pointed to in the dual critique. Let me put that in a more positive way. PKI approaches allow us to introduce Christian values into our concept of what is normal and right about an economy without always tripping over the Pareto-optimality concept. It does not insist that the most important value an economy could serve is to respect people's preferences, or maximize liberty in making economic choices. It allows us instead to focus on full employment, the condition of the poor, the decentralization of economic power, the care that is taken with the natural environment, and the quality of
the relationships between buyer and seller. PKI economics also permits us to ask all of those especially important questions about how people’s values and religious commitments affect their economic behavior, and the influence that has on the structure and performance of the economy. As a Christian I believe that these things are vital tasks for my professional life. Neoclassical economics does not allow me to do them, and PKI economics does. In the wonderful appendix to *Habits of the Heart*, Bellah and colleagues express it this way:

Social science as public philosophy, by breaking through the iron curtain between the social sciences and the humanities, becomes a form of social self-understanding or self-interpretation. It brings the traditions, ideals, and aspirations of society into juxtaposition with its present reality. It holds up a mirror to society. By probing the past as well as the present, by looking at “values” as well as “facts,” such a social science is able to make connections that are not obvious and to ask difficult questions. In this book, for example, we have tried to disclose the nature of American individualism, its historical and philosophical roots as well as its present reality, and we have asked whether individualism, as the dominant ideology of American life, is not undermining the conditions of its existence. That question is simultaneously philosophical and sociological, and an answer to it requires not just an evaluation of arguments and evidence but ethical reflection (1985, pp. 301-2).

There are some problems with PKI economics. The main trouble is that it is not just one thing. Unlike other schools of economic thought, PKI theory can be very different depending on who is doing it and what problem they are addressing. This can be frustrating if you are looking for a starting point in approaching some new problem. It also means that not all institutionalist thought turns out to be equally useful for the purposes of making a Christian economics. Many institutionalists are so preoccupied with the role of social conventions and the role of power in their analysis that they maintain the neoclassical assumption of self-interested, gain-seeking economic actors. (Dugger 1984. See my comments in Tiemstra 1992.) Some are just as preoccupied with the goal of economic growth as the neoclassicals are. Some don’t think that full employment is very important. (Galbraith 1973, pp. 250-3. See my comments in Tiemstra 1979.) Therefore Christians must be careful in deciding which among all the PKI theories that are available are useful for our purposes. It also must be said that some areas of PKI economics are simply underdeveloped, but that can probably be said about any school of economics.

Is there any use at all for all that neoclassical stuff we all took such time and trouble to learn? Any use, that is, besides teaching it to our students and developing the dual critique? Yes, I think so. Neoclassical economics is a very powerful tool for examining the pecuniary incentives that people face, and the fact is that pecuniary considerations matter to people, some more than others. The problem is the assumption that pecuniary considerations are all that ever matter, an assumption that the late Donald MacKay would have called “nothing-buttery” (1974). The problem with MacKay’s approach is that he would continue to do his research as if the mind were nothing but a biochemical organ, even as he acknowledged that it was not so. He depended on his idea that brain science and other accounts of mind were complementary theories to enable him to pursue these as separate agendas. I don’t think that will work for us as economists because I see PKI and neoclassical theories as competing and mutually inconsistent rather than complementary. While appropriating some neoclassical tools for particular purposes, we must continue to reject the neoclassical story. Even in analyzing financial markets, where it would seem that pecuniary motives are dominant, the neoclassical story has trouble accounting for expectations formation, waves of euphoria and pessimism, changing attitudes towards
risk, the effect of financial innovation on corporate governance, and motivations behind individual saving and investment behavior.

In what sense is what I have described a distinctively Christian economics? PKI economics as done by Christians does not take sentences from the Bible and try to incorporate them whole into an economic theory. In that way it is unlike what "creation science" tries to do in natural science, or even what "Christian reconstructionist" economics has tried to do in our field. The economics I have described would not be rejected out of hand by secular economists because of overtly theological content. Which is to say it is economics, not theology or philosophy or ideology. But neither does it proceed on the basis that theological presuppositions are entirely irrelevant to the enterprise of economic analysis. It is economics that is informed by Christian theology and ethics. The questions are formulated with their importance for Christian social ethics in mind. The view of human beings as moral agents and essentially religious beings at its foundation is based on a Christian philosophical anthropology. The evidence considered includes not only overt behavior, but also the reasons people give for behaving as they do. The theoretical framework is chosen because of its openness to these considerations.

It should be clear by now that I am not trying to "baptize," a particular school of economic thought, claiming that it is the only option for Christians. I have chosen it for reasons that I take to be related to my faith, and I will try to persuade you to do the same. But I recognize that Christians have and will continue to hold a number of different positions on this issue. I agree with my colleague Kurt Schaefer (1992, p. 134) and I have said before in print (1989), nothing that depends on some particular economic theory should ever be given confessional status. Though I sometimes wish that the church paid as much attention to us as it does to the geologists and astronomers, I devoutly hope that nothing ever happens in our field to resemble the war waged on some of our Christian colleagues in the natural sciences by the advocates of "creation science."

Neither will I be accused of "immanentizing the eschaton" (Gay 1991, pp. 207-14; 1992, pp. 358-61). It is always tempting to claim that your intellectual opponents have become secularized while only you maintain the true faith. It is a temptation that we have to resist. The irony of the situation is that those who are the targets of these accusations are usually those scholars who are most concerned about the integration of faith and learning and most active in pushing forward a Christian intellectual agenda. In other words, they are the ones least likely to be secularized. To spell out the obvious, most of us hold many beliefs at the same time, but not all of those beliefs have the same status. The beliefs that I express on Sunday when we all say the Nicene Creed I hold at an entirely different level than the beliefs I have published on the reasons for economic regulation or the non-existence of an equality/efficiency tradeoff. The beliefs expressed in the Creed I hold with a much higher degree of conviction, and they are not the sort of beliefs one would abandon in the face of contrary evidence. They are also more basic beliefs, in that they have implications that reach to all areas of life, which is not the case with beliefs about economic propositions. It is simply a matter of good intellectual hygiene to try to achieve some consistency in one's beliefs at these different levels. I respect all those who make that effort, even if they disagree with me on issues like the validity of the dual critique.

The alternative is to compartmentalize our lives so that Christianity is our faith in church on Sunday but irrelevant to the lives we lead the rest of the week. That is a half-hearted Christianity that is not fully responsive to the claims of Jesus Christ on our lives, and it does not save us from secularization. It also makes the enterprise of Christian higher education pointless. In his excellent new book, Stephen Carter (1993) recognizes the danger that Christians will try to enlist their faith in support...
of some predetermined ideological or political position, and in the process cheapen or secularize that faith (Chapter 4). But there is another danger that he fears far more—the danger that religion and religious rhetoric will be banished from all discussion of public affairs because of some mistaken epistemology or some misguided definition of the separation of church and state. A fear of immanentization that would cause us to bracket off our Christianity from our public life would just as surely lead to the secularization of the public square. As Carter says, we must not be afraid to confront differences in policy views among Christians, but we must not let our views be dismissed from the discussion just because they come justified with religious rhetoric. Carter puts it much better: “Because of this ability of the religions to fire the human imagination, and often the conscience, even of nonbelievers—as, for instance, the civil rights movement did—the religions should not be forced to disguise or remake themselves before they can legitimately be involved in secular political argument” (p. 232).

Christian economists should do economics, and what’s more, they will do economics. Should they do distinctively Christian economics? As Alvin Plantinga says, the case that they should is simplicity itself:

As Christians we need and want answers to the sorts of questions that arise in the theoretical and interpretative disciplines; in an enormous number of such cases, what we know as Christians is crucially relevant to coming to a proper understanding; therefore we Christians should pursue these disciplines from a specifically Christian perspective (1990, p. 40).

Plantinga, Alvin C. (1990), The Two Pillars of Christian Scholarship, The Stob Lectures, Grand Rapids: Calvin College.
Passing Judgments

I don’t believe that there is a distinctively Christian way of doing economics. That’s a view widely, though not universally, shared among Christian economists. But neither do I believe that there is a distinctive set of Christian ethical insights or principles that can effectively guide Christian economists in putting their discipline to work. Because the latter belief is not widely held, that is where I’ll focus these comments.

My reasons for denying the existence of a Christian ethics that can be useful in economic policy making can be summarized in three statements: (1) No one has yet described such an ethics. (2) The attempt to derive and apply such an ethics pollutes the democratic discussion of public policy. (3) The persisting determination to find and apply such an ethics obscures the force of the Gospel.

(1) I have been impressed by the inability of anyone thus far to state such an ethics. The most careful and painstaking efforts to derive from Christian sources principles that might guide our society in the formulation or reformulation of public policies have failed, in my judgment, to come up with principles that are both useful and Christian. No one can have tried more earnestly or marshaled the resources more competently than John Mason in his article in the last issue of the Association’s Bulletin, in which he sought to gather from Biblical teaching suggestions for the reform of welfare policy in the United States. He says many wise things in the course of that article; but I do not believe that he has found any distinctively Biblical principles that can be effectively used in public discussion of welfare reform in the United States. I agree that the Torah emphasized the family and the local community and wanted these to be society’s welfare-providing institutions. And I agree too that the welfare system that has evolved in the United States not only fails to enlist the strength of these institutions but actively undermines them. My contention is simply that the truth and relevance of the latter claim are not in any important way dependent on what is found in the Pentateuch. I would claim that the author selected these particular aspects of the Biblical record (and ignored many other aspects of that record) because he approached his task already convinced that an effective system of social welfare must employ and not subvert families and local communities; that this conviction could have been derived from secular sources; and that it would not have been so central to his study had secular sources not suggested it so strongly at this time.

Author
Paul Heyne is Professor of Economics at the University of Washington, Seattle.

Author’s Note
I have benefited from dialogue on these matters with P. J. Hill and Bruce G. Webb, neither of whom should be assumed to agree with what is said here.
My contention is only that the Bible and other Christian sources provide no clear guidance for the formulation of economic policy in our society.

Of course, I'm not really telling you where John Mason gets his ideas. I'm telling you how I work and suggesting—which is all I can do—that everyone else works in a similar manner. Christian sources are vast and varied, which is why the presuppositions with which I approach them play such a large role in determining what I will extract from them in any particular situation. The knowledge and other prejudices that I have acquired by practicing economics for so many years will shape any effort I make to find Christian insights that might be applied to public policy issues. It is also true that when I do economics I am shaped by many years of practicing Christianity. Since my position is so easily misunderstood, I want to make it clear that I completely repudiate the claim that values do not or should not influence social inquiry. Because my faith shapes who I am and who I want to be, it affects the way I do economics: the issues in which I am interested, the methodological conceptions with which I approach them, and even the theories and evidence I find persuasive. My contention is only that the Bible and other Christian sources provide no clear guidance for the formulation of economic policy in our society.

(2) Someone might agree at this point that the guidance is not clear, or at least not completely clear, but object that this is no reason for not trying to get it clearer. My response would be the second of my three initial claims: that the attempt to employ explicitly Biblical principles in the construction of government policies of any sort pollutes the process of public discussion. And government by discussion is in my judgment the only definition of democracy that makes democracy a value worth defending at great cost.

The United States is not a Christian society. The fact that the Bible affirms this or calls for that is not a proper argument for any government policy in our pluralist society. If our system of old age insurance weakens family ties, or our welfare system discourages the formation of families, or the nationalization and consequent centralization of social policies renders local communities increasingly impotent and irrelevant, the facts of these matter and their implications must be established through inquiry and discourse that does not depend in any explicit way upon religious judgments. Let me emphasize that word "explicit." Implicit dependence is unavoidable. Religion inevitably influences public policy by influencing the values and the perceptions of those whose ideas and activities finally determine any policy. It is religious arguments that I want to exclude from the discussion of public policy.

Why? Because they generate so much more heat than light. There are people who will reject a sound argument because it has been supported with religious arguments. There are far more who reach public policy conclusions on the basis of entirely secular arguments and then use religious arguments to give their conclusions an authority they don't deserve. There are too many who use religious arguments in an attempt to seize the moral high ground and thus to choke off disagreement by pretending that dissent indicates immorality. And in almost all cases where religious arguments are used, attention is diverted from the difficult questions whose answers really ought to determine policy outcomes to general principles that are actually not at issue. All this pollutes the democratic discussion of public policy.

(3) But the abuse of religious arguments, someone replies, does not preclude their use. I turn in reply to my third statement: I believe that the efforts of Christians to find an ethics that can be used to construe government policies obscures the Gospel and diverts Christians from their proper task. Here we come up against the difficult hurdle of theological differences. In the time available I cannot do more than state my theological reasons for not wanting to see Christians introduce religious arguments into public policy discourse.

It seems to me that while Christians have been called to be "the new Israel,"
this does not imply that the laws of the Pentateuch are binding upon Christians. They could not be, because those laws presuppose a unity of society and religious faith that does not even begin to exist among us. The reigning (and evolving) ethics of the American public square do descend in part from Biblical sources, but in ways that no one can adequately trace. They also descend in complex ways from the Greeks and Romans, from Locke and Rousseau and Adam Smith, from the Founding Fathers, from the speeches of Abraham Lincoln, and from many additional sources that we are inclined to forget when we try to forge specific links between Christian principles and public policy. Moreover, the “new covenant”—so I believe—radically suspended the “old covenant,” not by abolishing it but by fulfilling it. That fulfillment entails a new command in which all the old commandments are summarized: Love your neighbor as yourself. And our neighbors, I am persuaded, are not “everyone” or “everyone in need of our assistance,” but fellow members of the household of faith. “Honor all men,” the first letter of Peter exhorts, but “love the brotherhood.”

While I cannot hope to persuade many of you to accept this unconventional view, I would like you to give it a few moments of attentive consideration, especially in light of all the harm that religious people, including Christians, have done in their efforts to impose on a recalcitrant world what they took to be God’s will. Moreover, I believe that we Christians have found the ethical teachings of Jesus “impossible” largely because we have tried to apply them where they were never meant to apply: to the secular society in which we live. We were not called to legislate for that world. I would like to quote at the end the lines which I concluded my “Viewpoint” essay on this topic in the Spring 1990 issue of our Association’s Bulletin:

[The only effective witness to the secular society is the witness provided by Christian communities: the witness of those who live together as if they were justified by nothing but the grace of God, and who by that witness invite others to join their community. The world ought to see how we love one another, not how cleverly or forcefully we argue.

ENDNOTE

What Should (Christian) Economists Do? ...Economics!

I aim in this paper once again to persuade my audience that professional economics is worth doing as a disciple of Jesus, and worth doing well. Lest readers misinterpret that aim as a limp endorsement, let me clarify. I mean that mere professional economics is worth doing well for Christ’s sake.

When I was asked to contribute to this session, I remarked that I had already written the paper that was requested—in 1987. Though that paper has not been ignored, I don’t feel that it has been really carefully considered, except by my discussant at that time, Ken Elzinga. That paper still represents my “best shot” at the opening sentence above. So I asked the organizers of this conference if it would be all right to repeat some of that material here, and they approved. I will summarize the relevant arguments, update some, and reflect on what was omitted and needs re-emphasis or reconsideration. The earlier paper is attached as an appendix, along with Ken’s comments.

What is Professional Economics?

In my earlier paper I tried to draw a personality profile of professional economics. I emphasized its scientific/mathematical rigor and pretensions—it’s mechanical description of social encounter, and its arrogant combativeness, yet at the same time its warm and wide relevance to important topics of great interest to most believers. Some of these are referenced in the next section. I would change little in that profile now.

I took issue as a believer with a decline in the profession’s intellectual integrity, a trivialization of its intellectual roots and historical agenda, and a reductionist emasculation of its methods. Having recently read more than 100 recruitment files, and having the chance over the past few years to watch economics debated in Washington, my differences with the profession are even sharper now.

But I also took issue with those critics of the profession who think it rests unduly on materialism, logical positivism, modernism, determinism, and individualism. Having taught for a year recently at Wheaton College—
mindful of these criticisms—my differences with the critics are even sharper now.

Why Do It as a Christian?

The easy answer is that efficiency and rationality are stewardship principles. But I think that there are at least three deeper reasons to do professional economics as a believer: sign, substance, and style. By “sign” I mean that economics is a wonderful discipline within which to display the gospel. Its stereotype and practitioners are so arid, so covetous, so competitive, so merciless, so restless, that our good news always surprises, and when accepted, always delights and deeply satisfies. By contrast, philosophy, theology, history, literature, and the helping professions are much more natural disciplines in which to expect to find Christians showing (signing) the gospel—hence more like Jerusalem and Samaria than the uttermost ends of the disciplinary earth.2

I believe that the substance of many branches of economics ought to both appeal strongly to believers and provide areas where we (unlike secularists) can make unique contributions.3 This appealing substance includes studies of efficiency and equity in:4 law and economics, including self-enforcing contracts and the revelation principle5; the performance of all sorts of markets when information is asymmetric; ideal social/corporate structures and communal vesting of property rights, including shareholder/stakeholder issues, and even familial questions concerning bequests and joint property; institutional solutions to important market failures that concern the environment (creation) or health provision (life); inter-generational exchange, for example, sustainable development6; incentives and principal-agent relationships; alternative social structures for relocating dislocated workers (or entrepreneurs) or for meeting basic human needs when the market fails to do so. This appealing substance includes the economics of altruism, insurance, bankruptcy arrangements, crime and recidivism, workplace alienation7 and redemptive restart, public choice, conflict resolution, discrimination, gambling and lotteries, “social dumping,” poverty and welfare, and church governance. This appealing substance includes comparative studies of Marxist, Islamic, Confucian, and tribal economic systems8—in many, many dimensions, but for just one apt example, in their systemic differences in tolerating or encouraging sin or virtue.9

Finally Christians have a wonderful opportunity to do economics “stylishly”—with winsome style (p. 395). We of all economists ought to be doing: economics with a heart, because our Lord has written a new covenant in blood on ours; economics as if people mattered, because he so loved the world of peoples; collaborative economics, because we compete with each other to honor each other (Rom. 12:10); social and institutional experimentation, and other experimental economics, by hope and faith; economics of rich nuance, texture, and documentation to reassure our colleagues that we love the Lord with our scholarly minds (as commanded) and not just with our emotions.

Why Do It Well as a Christian?

An easy answer is that we are told to serve our earthly masters “with all your heart, as working for the Lord, not for men” (Col. 3:23).

An answer that provokes my spirit even more is that pursuing excellence in our career is intimately related to worship, in the same fashion that the Lord gave instruction for skilled craftsmen, embroi- derers, perfumers, and weavers to be commissioned to build and furnish the tabernacle.9 An answer that appeals to my evangelical pragmatism is that as a rule, I will have no opportunity at all to present the grounds for my hope to professional neighbors who encounter me every weekday unless I have their respect as a professional colleague. I cringe at the fear that our presentation of the real truth is mocked and dismissed by our incapacity to present any earthly professional truths in a persuasive, reputable way, and by our cavalier disdain for rendering proper tribute to our professional Caesar.
Whether We Can Do It “Differently” as a Christian?

The easy answer is “of course.” The differences I emphasize are those above: sign, substance, style. But I suspect that John Tiemstra, my colleague and brother, has a more radical “differentiating” in mind in his paper for this session. And in a reflective moment, I wondered in a note to John whether I am in any sense wrong to “do” mainstream economics “unreflectively” as long as I keep track of the values (hidden and explicit) that do underlie my choices and those of my readers.

My problem is discriminating discernment. I sense that for me to become maximally reflective, I must acquire professional skills that are completely different than those of the economist, skills from philosophy, theology, Biblical studies, and the history and philosophy of science. As an economist, I see no way of doing that well without sacrificing either the quantity or quality of my skills as a professional economist. And I worry that too many of us in the Association of Christian Economists have essentially made that sacrifice, shifting our attention from our professional calling to unskilled and unschooled introspection about our methods, our ethics, our controversies, and our intellectual history.

Not that some of us shouldn’t try to be professional synthesizers. Indeed some of us should! It is a high and exhausting calling because of the need to do two or more disciplines—and everything in between—well. But my question is about us together, not about the some of us called to synthesis.

Haven’t we collectively sold our professional birthright for a mess of amateur pottage?

We are told that Paul quoted Greek poets, that Solomon was an expert in botany and zoology (1 Kings 4:33), that Daniel was taught “the language and literature of the Babylonians” (Dan 1:4), and that Moses “was educated in all the wisdom of the Egyptians” (Acts 7:22). I like to think that I have tried to master professional economics in the same way, and I hope that I will be judged as faithful as they were.

But it won’t be my judgment to make...

And a Final Note

In the 1987 paper there was a sub-text of criticism of the way Christian economists have traditionally answered the question of what they should do. I have not emphasized that criticism here (apart from the last few paragraphs above), and I suspect Paul Heyne may tell me in his paper that it’s a good thing I didn’t! If so, then all I can reply is that I brought you, as Caleb did, “a report according to my convictions” (Josh. 14:8).

To be honest, though, I’d like a little more support than Caleb had! I still feel, 24 years after my final degree, that I’ve been privileged to enter a promised land, full of milk and honey, that I think you could enjoy as much as I have!

Will you consider joining me? Or if your opportunity has passed, will you consider encouraging your students to do so? ...in good conscience, with faith, and without reservation?

ENDNOTES

1 This is what I had in mind in the 1987 paper, though I didn’t use this particular language there.

2 I am aware that one could defend “doing it” as a drug dealer on these grounds alone, and that there is an argument to the effect that the substance of economics is likewise inherently evil, and therefore to be avoided without rationalization. Of course, I disagree.

3 Several commentators on my 1987 paper have viewed this as its main point, including Ken Elzinga. I, by contrast, viewed the main point as the first sentence of the present paper. It is
encouraging to me that almost no one who has read the earlier paper accuses me of idolatry (professionalism) or double-mindedness (dualism). I attribute that to my effort to show how the substance of economics is of intrinsic appeal to believers. It has been discouraging to me that several have said, in Ken's transposition of Peggy Lee, "Is that all there is to Christian economics?" My reaction is incredulity that they find my agenda so narrow (Ken calls it myopic)! If the next two generations of Christian economists made one or two influential contributions to each of the broad topics that I have listed, I assure you that there would develop widespread acknowledgment of a "school" of thought called "Christian economics." (By school I mean to imply the same thing as in "Chicago school...".) My conviction is that if the next two generations of Christian economists continue instead "to interact more aggressively with the fields of Biblical studies and ethics," Ken's alternative agenda, then the following will be the result. Christian economists will make significant contributions to the fields of Biblical studies and ethics. They will make none to economics. Is that all there is? God save us!...from "the periphery of responsible intellectual existence"...and worse (Matt. 25: 25, 29-30).

4 What follows is an updated summary of substance scattered all through the 1987 paper.

5 Asterisks indicate examples not mentioned in the 1987 paper.

6 Proper inter-generational or environmental accounting is an important sub-topic.

7 I was amused to find the following description of sin as a "wedge"—like a tax!!—between supply and demand in the apocryphal book known as Sirach or Ecclesiasticus:

A merchant can hardly keep from wrongdoing, nor is a tradesman innocent of sin. Many have committed sin for gain, and those who seek to get rich will avert their eyes. As a stake is driven firmly into a fissure between stones, so sin is wedged in between selling and buying.


8 For example, Christian missions have pioneered micro-enterprise lending with accountability groups in developing countries, though the Grameen Bank has gotten far more publicity. But Christian economists seem rarely to think of the attractive research opportunities that such experience might present.

9 The references are scattered throughout Exodus 26-30 and 36-39.

10 John might think it a rare reflective moment.

11 And I should have added "act accordingly," in order to "build up the household of faith" and to avoid "causing one of these little ones to sin."

12 In my opinion this would mean extra graduate training and certification, for example. No do-it-yourselfism, no casual learning across the lunch table from colleagues in other disciplines.

13 Daniel apparently also learned it and used it. He had "knowledge and understanding of all kinds of literature and learning" (Dan. 1:17).

14 ...though admittedly also full of idols and temptations and unregenerate Canaanites!
Frontiers in Economics and Christian Scholarship

I. Introduction
The purpose of this paper is to assess economics and evangelical Christian contributions to it, outlining an agenda for future scholarship. Economics is a professional discipline and I have endeavored to write about its scholarly core, with less attention to its popularity as a commercial science or as a social prism. I will argue that its core, though distinctive, rests importantly on philosophy, law, history, and other social sciences. Evangelicals are well represented among professional economists, but I have tried to be mindful also of other extensive Christian (and Jewish) scholarship that I find relevant to evangelical endeavors, for example, Tamari (1987) and extensive references in the recent “Bishops’ Letter.”

I write as a trained economist and a simple believer in Jesus as Savior and Lord. I have never had the privilege of studying theology, nor other scholarly disciplines, nor even economics very deeply outside my own specialization (international trade). I invite my readers to correct any misunderstandings so that I can learn further, and look forward to our interchange.

Section II discusses the character and pre-suppositions of economic analysis, and how they have changed over the recent life of the discipline. In crafting my character study, I hope to persuade the reader that unlike a familiar stereotype of economics, its modern morphology is multi-faceted and multi-hued, reflecting and refracting many concerns of serious believers. Section III describes terrain that Christian scholars have inhabited in economics, easily tilled and fruitful fields. It argues that those lands need some Sabbath rest, and that there are marvelous frontiers yet to explore, and highways, and places of springs. The remainder of Section III outlines my recommendations for where to journey, with travel tips scattered through Section II as well.

II. Economics, Traditional, and Modern: Character and Presuppositions

A. Natal Parables: Economics in the Beginning Economics was born at the Fall. Not only did the resources necessary to meet human needs become scarce and grudgingly available, but humankind succumbed to the competitive desire to be like God, unlimited in attainment, achievement, and power.

The confrontation of unlimited desires with scarce resources forced men and women into regretful choices called (after many millennia) trade-offs. More of one thing can usually be enjoyed only by giving up something else that uses the same limited resources. Yes, resources could grow and be replenished, yet that generally required time and some current sacrifice. Time itself became a scarce resource, as life on this earth was punctuated with death, and troublesome trade-offs were forced among the seventy- or eighty-year “length of our days.”

Economics is the science of decision-making under scarcity. Given human desires, some decision-making rules make sense by “economizing” on scarce resources, and others do not make sense because they “waste” scarce resources. The first are called efficient rules, and decision-making by their light is called rational; the second are called inefficient, and lead to irrational decision-making.
Efficiency and rationality are stewardship principles aimed at the conservation of scarce resources.

Economics is traditionally agnostic, despite its genesis. Economists are willing to consider that among other human desires, pleasing God is important, even dominant. It may perhaps be that with God all resources are possible, and that he can, if he chooses, throw open the floodgates of heaven and pour resources down. It may even be that a much more satisfying, more enduring treasure can be built up in heaven than on earth. But if none of these things were true, there would still be enough good works for economists to do by sight, faith notwithstanding. The discipline has been content to focus on those good works.3

B. Economics as a Social Science
Economics stands out among the social sciences for a number of reasons. It is the least intrinsically social of them: if Adam alone had been banished from the garden, he would still have had to satisfy desires by allocating scarce time and resources among fishing, farming, resting, exercising. Economics is also the most “scientific” of the social sciences, if by that is meant reliance on axiomatic reasoning, deduction, prediction, measurement, and hypothesis testing. This has not always been so. The earliest “economists” were philosophers. Economists a century ago occupied themselves diligently with what would today be called sociology or political science. History was the earliest crucible in which economists refined their theories. Only in the past 50 years or so have narrowly economic data and experimentation relegated historical investigation to a sub-field of economics, and a fading one at present.

Economics is also, among social sciences, arguably the most arrogant, combative, and imperialistic. This is due in part to commendable scientific ambition (and dubious scientific pretension), and in part perhaps to the important role that economic analysis assigns to market competition or functional class conflict. Marxian economics emphasizes class conflict, “neo-classical” economics emphasizes market competition.

These are, further, the two dominant schools of economic thought with rigorous scholarly traditions. Marxian economics shares many of the concerns addressed above. It diverges, however, with respect to both the substance of economic goals and institutional means of meeting them. I am not professionally qualified to comment on its disciplinary perspectives, and will therefore say nothing about them below. However, in light of the worldwide importance of Marxian categories in shaping economic perspectives and institutions, and even some commentary within the Christian church, one item for Christian economists’ agenda is to master rigorous Marxian economics thoroughly, then to speak credibly to its professors and disciples on their own terms.5

Economics is also the most mathematical of the social sciences. Utilitarian calculus describes its maximization operations, linear algebra and topology describe its interdependent equilibria among markets, differential equations and probability theory describes its inter-related equilibria over time and across contingencies. Mathematics, maximization, equilibria—the mechanistic concepts assault a visitor familiar only with economic journalism. They also assault first year graduate students seduced by undergraduate stress on the relevance of economics to the exclusion of its rigor. The assault seems to me most sadly vicious on those students imbued with missionary zeal to use economics to minister to peoples and nations. Christian graduate students seem often unwilling or unable to continue serving such a cruel, seemingly heartless disciplinary master.6

C. Rigor and Relevance The cold, mechanistic reputation of economics is quite unfortunate in my opinion. It is more warmly human than it seems. For all its rigor, the core of the discipline remains “relevant.” Let me try to illustrate. One of the most rigorous yet important theorems in mathematical neo-classical economics is that ubiquitous perfectly competitive
Modern economics is inspecting its ethical, legal, and institutional foundations much more attentively today than just a few years ago.

Markets can satisfy economic desires efficiently and "Pareto optimally." The theorem is arresting because it is not at all obvious. It is important because it lies at the heart of neoclassical confidence that markets are generally a desirable means of organizing economic activity. It is even robust: variations and corollaries have been documented in many, if not all, circumstances. No reputable economist claims that markets work well in all instances, but most believe that the burden of proof to the contrary should be on those who articulate alternative means. Markets are meetings of sellers and buyers wishing voluntarily to exchange property rights to goods (products or services). "Perfectly competitive" denotes that each seller or buyer takes as given the rate (price) at which two goods can be exchanged. Ubiquity implies that transactions of all kinds can be made—even across time or contingent events (such as my purchase of an insurance policy to pay me in case my business fails).

I want to try using the "weaknesses" of this theorem to persuade the reader of the warmth and relevance of modern economics. The theorem contains the seeds of its own undoing, reasons to doubt its conclusions. It is interesting to investigate what might reject or restore it. These activities have occupied considerable professional attention over the past ten to twenty years.

For example, the theorem "suggests" that markets may not be so desirable if sellers and buyers enjoy concentrated market power, with opportunities to influence price or to coerce rivals or customers. Recent developments in game theory and bargaining analysis have allowed economists to examine whether or not countervailing market power could maintain market benefits as well as the perfectly competitive absence of market power.

The theorem also "suggests" that an incomplete system, missing some crucial market (e.g., for insurance), may not function as well as predicted. This has led modern economists to consider other social arrangements to substitute for missing markets (e.g., unemployment insurance). It has also led them to consider that markets may be "missing" because property rights have not or cannot be defined (e.g., to clean air).

Property rights, though, may be hard to define if a product or service is hard to measure, of if sellers, buyers, and a government are not equally well informed about its exact character. Information about goods is itself a good, after all, requiring scarce resources to produce. But information is an unusual good because your possessing it does not leave less of it for me to possess. Furthermore, if you can't exclude me from sharing the information nor coerce me to contribute toward its resource cost, then insufficient information may be produced. If you can exclude me from sharing the information, then it is not clear whose information or what information is conveyed by the price at which you and I agree to transact. There may even be opportunity for you to deceive and exploit me, stealing from me by lying about the benefits of a voluntary purchase or sale—I think I'm buying prime Florida farmland; so do my neighbors who hear about my "deal;" you know I'm buying a swamp; but you want them to believe the (mis-)information in the alluring price that you offer to me. Asymmetric information, though, may not be due to deception, but to unavoidable resource costs of transferring the information. The economics of "signalling" and "reputation" analyzes how workers or firms convey indicators of honesty or quality that are too costly to measure directly. The economics of "efficiency wages" shows how the concept of efficiency must be modified to include incentives for "good" yet unmeasurable behavior (e.g., loyalty) and dis-incentives for "bad" (e.g., laziness that cannot cheaply be detected).

Implicit in this stream-of-consciousness introduction to the modern discipline is an important pre-supposition that economists themselves sometimes forget. Markets require ethical, legal, and institutional foundations to work. They are more aptly social creations than natural ones, characteristic of an advanced society, not
the jungle, desert island, or prison camp in which several simple economic parables are set. Markets don’t spring up haphazardly like mutant wildflowers. They are cultivated plants. Wild and woolly frontiers are known for their self-sufficiency. Civilization is known for its markets.

Modern economics consequently builds on ethics, law, political science, and sociology. Ethics and law argue that deceit is wrong and make fraud a criminal offense, allowing markets to work better. Law and enforcement institutions define property rights, defend the sanctity of contracts, and regulate concentrations of market power, allowing markets to work better (more “voluntarily”). Social contracting binds together consumers or workers into institutions (unions) that may counteract other concentrations of market power, allowing markets to work better (again, more “voluntarily”). Social contracting creates still other institutions such as limited-liability corporations or unemployment insurance or bankruptcy arrangements—all of which may alleviate problems of missing insurance markets, allowing other markets to work better. One of government’s most widely accepted economic functions is to provide publically for public goods, allowing markets to work better.

Modern economics is inspecting its ethical, legal, and institutional foundations much more attentively today than just a few years ago. The economics of illegal activity and the “law and economics” movement describe both symbiosis and conflict between ethical/legal norms and economic incentives. There has developed an economics of self-enforcing contracts to describe situations where promises are unbelievable and rules or law are impossible, for example, in relationships between sovereign debtor governments and their commercial bank creditors. Managerial/organizational economics and the economics of “clubs” study social mechanisms other than markets for trading goods within a firm or social institution. The economics of fiduciary or principal-agent relationship explores the incentives necessary to make institutional representatives (such as managers) responsible and accountable to constituents (such as shareholders).

The economics of marriage, divorce, and the family describes mechanisms and incentives for implicit trade in services among family members—obviously hard to measure and only implicitly priced, but nonetheless real exchange. The economics of patents, appropriability, and innovation tries to resolve the tradeoff between progress and public diffusion—the need for temporarily exclusive property rights to induce innovators to bear the resource cost of their activity and the immediate public-good gains to the whole economy of immediate access to new technological information. The economics of asymmetric information reveals the advantage of an intermediate, independent, non-market institution serving variously as monitor, honest broker, scapegoat, frontier marshall, shepherd, auctioneer, mediator. The economics of public choice has delineated the incentives facing public servants (politicians, bureaucrats), assessed the effectiveness with which public authorities deliver public goods, and evaluated structural changes that would enhance this effectiveness (for example, constitutional amendments to balance the government’s budget, or voucher systems instead of public schools to provide needful education to a society).

In sum, I believe that modern economics is more relevant and more winsome than its caricature, without being any less rigorous.

D. Economics Distilled In my opinion, economics today is in a state of healthful ferment. Most of the new wines are excellent quality, and ought to be especially appealing to the palates of Christian scholars. There are still large stock of choice vintages in case the new turn unexpectedly to vinegar. And some of the least palatable wines of the past are being properly consigned to the deepest cellars. The new wines of economics include “bounded rationality” and “rolling (temporary, sequential, evolutionary,
dynamic) equilibria,” much fuller-bodied than the old full-information rationality and indefinite (static) equilibria. The ingredients that distinguish these new from old are admissions that current information may be only partial and that learning takes place over time. Thus economic decisions are being analyzed today as if they were made by (partially informed) “faith” and “rules” (of thumb), all being continually updated with experience and new “revelation.” Some rational dynamic equilibria turn out, furthermore, to be just “bubbles”—catastrophes (judgments?), such as stockmarket crashes or the collapse of pegged exchange-rate systems. Other new wines to gladden a believing economist’s heart have been sipped above: economics with a bouquet of trust, deceit, reputation, integrity, shirking, conflict resolution, and changing preferences. Much of this economics is concerned with exchange within institutions rather than in traditional markets: exchange within families, firms, communities, politics, joint ventures. Much of this economics depends on virtue, vice, character, and relationship. I think Christians should enjoy this kind of social drinking, and that it marks a return of economics toward genuinely social science.

Wines of waning popularity in economics seem to me to include materialism, measurability, individualistic self interest, and strict positive-normative distinctions. In my experience these have been some of the fruits of economic vines that were least palatable to informed believers. Economists are learning better how to analyze non-material, non-measurable goods—the value of an option, for example, or of insurance and other services (in contrast to tangible products), or of loyalty, quality, and risk. Economists have made some progress analyzing altruism, usually using the simple device of making my attainment of desires one of your desires, too. And economists have become more cautious in claiming that they practice a value-free science.

There remain some traditional favorites at the tables of economists. Scarcity and choice; the need to “economize,” trade-offs, and opportunity costs; incentives to save, acquire, and avoid waste—these wines are so robust as to be the meat and potatoes of economics new and old. Another hearty favorite is the idea that men and women rationally optimize to meet their goals. This sometimes is too bitter for Christians to swallow, seeming too cruel and cool for what we know about passionate human (and spiritual) nature. But it is sweetened palpably by the new willingness to include non-material, non-measurable, and interpersonal well-being among economic goals. And if still not diluted adequately, reservations to rational optimization become innocuous as long as one more venerable vintage remains: the existence of a “margin” of men and women who are rational optimizers is for most purposes quite adequate to make economic analysis arguably accurate. Individual men and women can be quite unpredictable satisfiers, even the majority can be so; economic analysis will nevertheless be accurate as long as an adequate minority respond to economic incentives as predicted. A little margin leaves the whole loaf.

E. Personal Concerns All this said, however, I am concerned that the technical skills necessary to vint the new wines, and to preserve the best of the old, are intimidating. There is no wide gate and easy path by which we progress comfortably toward becoming wine-makers in modern economics. It is more like four (or more) years in the austere wilderness of secular graduate school, to say nothing of pretenure probation, without many Mosaic mentors on our faculties to strike the rocks from time to time and bring forth water, to say nothing of the fine wine. It’s no wonder that Christian graduate students in economics grumble with thirst and look longingly back toward various Egypt from which they have come.

Nor is all their grumbling groundless; there are some streams in modern economics for which I am no apologist. I will mention three only. I worry about a decline in integrity, a narrowing of priorities, and an
emasculating element. I am concerned that genuine, objective intellectual curiosity and scholarly discipline in economics are being supplanted by personal gamesmanship and ambition for the "stardom that this stuff can bring me. " I am concerned that we have become preoccupied with "progress in the profession," so that even our most brilliant scholars spend their (scarce!) time doing nothing but talking about and listening to the latest ideas, ignoring the accumulated wisdom and example of our (professional) ancestors. I am concerned that axiomatic reasoning and deductive logic are overrunning observational reasoning and inductive logic; I am concerned that economists are abandoning not only the historian's daunting arsenal of experience and insights, but also the laboratory scientist's dogged determination to measure accurately, to design experiments that control properly and truly inform, and to match the data at hand to the very best empirical methods available; I am sick of waging war against glib "documentation" by "stylized fact" and anecdotal appeal.29

Perhaps these are worries that colleagues in other disciplines share as well. Perhaps they are shaped as much by my own professional mid-life as by passionate observation. I will look forward to the reactions of my readers.

We turn in the next section to an agenda for persons who by grace are both serious Christians and economists (grace indeed!).

III. Christian Scholarship in Economics: Concerns and an Agenda

A. Its Present Status There is a Christian scholarly tradition in economics going back, by some lights, to before St. Thomas Aquinas. It proceeds into the twentieth century in the work of Catherwood (1980), Munby (1956), and possibly Boulding (1981), among others. For the more recent period, Anderson (1986) is an excellent survey, and Mason and Webb provide excerpts from the most important contributors. Countryman (1980) summarizes economic thought and practice in the church of the first three centuries. (See also Hengel 1974.)


I am not eager or prepared to make detailed evaluations of the ratio of scholarship to commentary in each of these references.30 I admit to concern, however, that recent work by Christian economists has been on average too rich in commentary and too lean in scholarship,31 too preoccupied with methodology and with extremes of comparative economic systems—"pure market capitalism" vs. "pure cooperative socialism" (and only a slippery slope between)—too shallow, too rhetorical, too taxonomic, too dusty, musty, and dusty by comparison to what modern economists were really doing. May I be forgiven for any unwarranted wound that this sharpness provokes? There are praiseworthy exceptions to my general discontent. Yet on average, I do not think that Christian economists have rendered to our professional Caesar what is rightfully his. I side with Malik (1980, p. 34) in what I hope to be a pregnant exhortation: "Evangelicals cannot continue...
ates in economics, Kenneth J. Arrow and Gerard Debreu.

8 Articulation of alternatives is essential. Economists have little patience with criticism made up of mere litanies of market shortcomings. We are ourselves accomplished composers of such litanies, as I will reveal. Composing alternative social structures that somehow work better than admittedly imperfect markets, or that moderate market imperfections, is the challenge. For several starts, from a Christian perspective, see Cramp (1983), Graham et al. (1986), Hamrin (1986), or Halteeman (1988).

9 This word is more subtle than it appears, and is usually taken to rule out not only coercion, but also the kind of voluntarism induced by threats of injury.

10 This might occur, for example, because each has transactions that are so insignificant compared to those of a very large number of similar transactors that no single one can influence the prevailing price.

11 Boulding (1985, p. 264), who is no strict neo-classical economist, nevertheless observes, “There is a magic in property. There really is. We can see this in the socialist countries, where if it wasn’t for the private plots of land the whole thing would fall apart.”

“Private” property rights are often made synonymous with “individual” property rights in economic analysis, and antonymous to centralized communal property rights such as are prominent in communist social systems. The tendency to analyze and compare only these two most extreme types of property rights is especially pronounced in Christian writings. That is unfortunate because the most important real issues and the most interesting analytical questions lie between these extremes. Which property rights could/should be vested in families (economists call them households) as opposed to individuals? Which property rights could/should be vested in a community of shareholders called a limited-liability corporation (economists call them firms)? Which could/should be vested in institutions such as labor unions, churches, local communities, national governments, international bodies...? Much of modern economics is about non-market transactions within and among such institutional repositories of property rights, as described below. Much modern economics aims to describe the outcomes of some given institutional array of property rights, and to assess whether a different array would conserve scarce resources or meet economic goals better.

It is not clear to me why Christian economists have seemed slow to warm to these richer and more realistic perspectives on property rights. Nor do I think it acceptable scholarship that Christian apologia for status-quo social institutions (e.g., corporations) in developed economies rest almost always on initial property rights. Their arguments are not congruent to the reality they are defending unless, as economists often do, they assume that every institution is made up of identical homogeneous agents and can be analyzed as if “it” “were” any single one of those agents. Christians aware of the diversity of the body and all humankind ought to know better than this. Sociologists do; see Coleman (1984) for a discussion of the uneasy economic implications of “representative agent aggregation.”

12 Economists describe goods with these characteristics as public goods and the problem as the “free rider” problem.

13 The most important function of market prices in traditional economic analysis is that they convey information to sellers and buyers that helps them to meet goals and conserve scarce resources in an effective manner. Akerlof (1984a) is an excellent introduction to modern perspectives where because of informational asymmetries,
prices cannot play this role clearly. Stiglitz (1987) covers similar issues where agents enjoy market power. Katz (1986) surveys research applying these perspectives to wages and labor markets. Christian economists seem to be unaware of these modern perspectives, or to emphasize the traditional perspective anyway, perhaps because they suspect that the traditional provides the rule and the modern only the exception; Hill (1987) is a recent illustration.

14 See Hirsch (1976) for a discussion of how markets depend on trust, or else failing that, on elaborate and (resource) costly contracts that must replace trust as market economies grow.

15 Public goods include more than just information. National defense, minimal standards and certification, and laws and institutions insuring the kinds of economic justice described above are other important examples. Commons (1924) is a classic that illustrates many of the points in this paragraph.


17 The economics of illegal activity encompasses economic incentives for individual criminal behavior, black markets, the underground economy, smuggling, illegal immigration and tax avoidance. Most economics principles books cover these topics in a simple way. The “law and economics” movement includes analyses of how to make laws more consistent with economic incentives, how to use economic incentives to increase adherence to law, and related topics. The Journal of Law and Economics is the preeminent vehicle for this brand of modern economics. See Posner (1987) for a survey.

18 Sandler and Tschirhart (1980) survey the literature on “clubs.”

19 Work by Gary S. Becker (1976, 1981) is the foundation of this field. Willis (1987) is a recent survey.

20 I think the images ought to awaken the senses of any Christian. Private, governmental and intergovernmental examples are, respectively, the Financial and Accounting Standards Board, the Federal Reserve System, and the International Monetary Fund.

21 A recent Nobel prize in economics was awarded for this kind of work to James M. Buchanan.

22 I ask forgiveness of readers who are offended by this metaphor. It seemed to me sufficiently suitable to incur the risk.

23 Economic decisionmakers might be said to see “now only in a mirror darkly, but then face to face.”

24 See Akerlof (1984b) and Katz (1986) for discussion and references.

25 See Hirschleifer (1985) for a survey and references.

26 See Becker and Stigler (1977), Sen (1977), and Hirschman (1981, pp. 89-90, 95) for discussion and references. Since Christians are respectful of life-changing experiences, models of learning and changing preferences may have natural appeal.

27 See, for example, Collard (1978), Sugden (1982), Cox and DeFina (1986), or Cox (1987).


29 Arthur F. Holmes and Mark Noll have pointed out that many of these concerns reflect my uneasiness over the particular paradigm of “science” to which neoclassical economists cling. There are certainly alternative paradigms, and their exploration would
seem a quite suitable endeavor for economists and philosophers of science working together. 


31 Also noteworthy are pro-market commentaries by Gilder (1981), Lindsell (1982), Nash (1986), and Novak (1982), Boersema (1983, 1986, 1987) illustrates a thoughtful economist reacting to those outside the professional fold but inside the household of faith.

32 Lind (1986) surveys the contributions of ethicists, which also include more recent work by Mott (1987a,b), Wogaman (1977, 1986), and the mixed marriage of Pemberton (ethicist) and Finn (economist) (1985).

33 Neither am I eager or prepared to meet a challenge to define scholarship more precisely in distinction from commentary. My concern will be clear enough, I believe, even if my definitions are not.

34 I wonder tongue-in-cheek if this explains part of the encroachment on economic turf by non-economists. If economists abandon their comparative advantage in economic scholarship for the alluring vestments of economic commentators, it is no wonder that others sense exposure and competitive weakness—commentary is where their comparative advantage lies! I similarly wonder if the wages of disciplinary imperialism by economists isn’t encroaching counter-strike by others!

35 I don’t think I am naive about the struggle it is to train up an economist in the way he or she should go. I have parented many professional children, some quite painfully. But I am also the thankful beneficiary of mentors and colleagues who cared about me (although not from belief) while also appearing often to rough me up.

I think in making this the first entry on my agenda for Christian scholarship in economics that I am more sanguine about its results than one of my discussants and my greatly admired colleague Ken Elzinga. Elzinga (1980) writes with quizzical and wry parabolic grace about the doubtful prospects for Christian topology and its “Fellowship of Christian Topologists.” He would/will note the absence of any paper on Mathematics at this very conference, to say nothing of Topology! I wonder though if he gives enough weight to human relationship in the development and diffusion of scholarship, and to the potential for scholarly blessings as spillovers from relational blessings when Christians achieve great professional stature. I don’t think it was any coincidence that the dedicated scholar Daniel was surrounded by the dedicated scholars Hananiah, Mishael, and Azariah.

36 Boulding (1985, p. 265) comments: “I do find the whole symposium very deficient in one important regard. None of the papers really discusses the potential pathologies of systems of different kinds, yet this seems to me the fundamental problem at the heart of ethics and ideology.”

37 For example, many countries have legislation that allows firms and workers who are seriously injured by foreign competition to enjoy temporary protection, avoiding injury by taxes levied on others. But are there better solutions on either economic or scriptural grounds? Or, for example, what might Christian economists say about injury in the form of declining property values when “markets” integrate a neighborhood in the face of prejudice? Are there really externalities present or not? And if so, what then?

38 Daly (1980, 1987) and Hay (1987) tie some of these themes to stewardship and “steady-state” economics.

39 Management of the firm taken over may be accused of failing to serve its
shareholders adequately. That is in fact an inexorable market consequence of serving one’s employees or one’s community better than managers of other firms do! See Hay (1989, Ch. 3) on these problems. In this light, one can understand why many “Christian” businesses are closely held, so that managers and owners are similar or identical. This illustrates the principal-agent problem described in Section II, and shows again the importance of institutions and relationship in economics.

Social concern is, after all, almost necessarily “bureaucratic regulatory interference.”

See Hawtree and Nevile (1986) for an illustration of work along these lines. I find it professionally irresponsible for any Christian economist to respond from ideological fervor. “None! Let a thousand markets bloom (anyway).”

One idea from the field of environmental studies is an extended summer institute for undergraduates with instructional credit granted by the student’s home institution, yet supervised by visiting professional faculty. I am indebted to my Wisconsin colleague Cal DeWitt, who directs the AuSable Institute for Environmental Studies, for the idea and example.

BIBLIOGRAPHY


_______ (1973), The Economy of Love and Fear, Belmont, California: Wadsworth.


Lay Commission on Catholic Social Teaching and the U.S. Economy (1986), "Liberty and Justice for All," *Crisis*, December, pp. 4-16.


Radnitzky, Gerard and Peter Bernholz, eds. (1985), *Economic Imperialism: the Economic Approach Applied Outside the Traditional Areas of Econom-
ics, New York: Paragon House.
______ (1939), Christianity and Economics, New York: Macmillan.
Tamari, Meir (1987), With All Your Posses-

Comments

There is a strong tradition in the world of books and ideas that a discussant should have grave reservations about a paper. If a discussant actually likes a paper, this means the conference organizers failed in making the session lively and the discussant simply was not clever enough to dismantle the paper. Whether the blame lies more with our hosts, or with me, is for you to judge. But I like Professor...
Richardson's paper and learned from it. Indeed I must confess a second shortcoming of mine as a discussant. In rereading the paper, I violated one of the most venerable principles of economic theory: namely, the law of diminishing marginal utility. Incremental readings added to my appreciation of Richardson's work.

To achieve some credibility as a discussant, let me go through the motion of correcting one error in the paper. I shall select the first one I encountered. Richardson begins by claiming that "Economics was born at the Fall." Economics actually is older. The wise husbanding of resources is what economics is all about and this begins not with the fall but with creation. Now to be sure, the demand for the services of economists is increased as a result of the fall, because the fall changed the economic problem profoundly. But economics was born at the time of creation.

For both the insider and the outsider, Richardson's paper contains a concise and informative summary of what economics is today and where it is going. Make no mistake about it: for better or for worse, economics is the imperialistic science. The study of law for example has been altered profoundly by economics. For several years, I have taught federal judges the third in a series of courses they are taking in economic analysis. One might contend that the fact that the courses are taught on the island of Captiva is what explains the interest of judges in economic theory. But the classes are too long and the assigned reading too difficult to be offset by the congenial Gulf Coast location. The main reason for subjecting themselves to this course of study is that the judges recognize that it is more and more difficult to do law without an understanding of economic analysis.

Historians and political scientists, many of whom can restrain their enthusiasm for its inroads, find economic theory invading their journals and classrooms. I suspect sociology and religious studies are next to be invaded. The Richardson paper, if anything, underplays the aggressive character of economics as it pries into every nook and cranny of life.

After telling us what secular economics today is all about, the Richardson paper contends that Christian scholarship in economics is or should be different from merely Christian economists doing what non-Christian economists do. How does it differ? As I understand him, it is doing economics like orthodox economists, but with a twist of Orthodoxy. Richardson suggests topics in economics that, because of their biblical themes, should appeal to Christian scholars. This is new stuff, not commonly found in the literature on Christianity and economics. Richardson's impressive familiarity with mainstream economics and its tributaries enables him to suggest a range of topics that lend themselves to exploration by Christian economists. I was taken by Richardson's suggestions that believing economists should be drawn to the study of the debt crisis, the economic consequences of inheritances and bequests, and the influence of takeovers on a firm's non-pecuniary goals.

Let me underscore here the direction Professor Richardson is recommending. It entails a rerouting of much of the work done in Christianity and economics. Most secular economic research is problem-specific. Example: some economic goods are sold door to door, like encyclopedias and vacuum cleaners, and often are purchased by one spouse in the household without an evaluation by the other whose welfare is affected by the purchase. The suggestion is made that if the economic welfare of the household is to be maximized, then designing and mandating a finite waiting period into the transaction before it is legally consummated would improve the economic allocation of such consumer durables. Query: after assessing the economic costs and benefits, what would be the optimal waiting period before such market transactions became, in business school parlance, "done deals"?

This is problem-specific economic research. It is a meat and potatoes kind of
problem—focussed, narrow, tightly drawn—that many economists select, or have dished out to them. Most economists will study a problem like this with the mindset of modernity: methodological individualism, philosophic naturalism, and the goal of quantification of results. Perhaps a Christian could study a problem like this with a special twist; I am not certain. But my example is not the kind of topic normally addressed in the literature of Christianity and economics.

Instead this literature typically addresses big themes: the market versus central planning; government as instrument of justice versus the state as economic bungler; enlightenment versus Christian views of economic man; voluntary versus forced income redistribution; lending with interest: OK or not OK; fiat currency versus a gold standard; international trade by multinational corporations; engine of economic development or institutions of exploitation; laissez faire versus reconstructionism. What does the Bible and what does economic analysis say about these?

Richardson wants to divert the discussion from such themes. This is not because he is unread in the literature. It may be because he is read. Anyone who cites Harold Lindsell and Phil Wogaman, Bob Goudzwaard and Ronald Nash, and who is acquainted with the writing of Gary North and Douglas Vickers, to select only six names from his reference list, bears watching for signs of schizophrenia.

Richardson is to be commended for daring us to think beyond conferences on Christianity and economics in which evangelicals who are liberal on economic policy (usually social ethicists) mix with evangelicals who are market-oriented (usually microeconomists), where the former conclude the latter are captive to the enlightenment and the latter conclude that the former don’t know any economics. He challenges us to think about different kinds of collective efforts and conference agendas than right wing-left wing dialogue mixed with devotions. Richardson even challenges us to think about retooling economists at Christian colleges to be at the frontiers of the discipline.

But let’s face it: most people who write on Christianity and economics want to tackle the big themes and they eschew empirical investigations of oil field unitization or the consequences upon family stability of tariff reduction in the textile industry. As a professional economist, I am reluctant to see economists abandon the debate of market versus plan and individual choice versus collective calculus. I would be more enthusiastic about supporting Richardson’s recommendation to economists to get on with a less expansive and politically charged research agenda if I could be assured that others would too. But there is a problem about doing economics. Here’s what it is. No one except a quack or a fool attempts to do brain surgery without long and careful study. But there is an abundant supply of people eager to write about economic policy who have never had the discipline to work through an intermediate economics text. And these writers have an observed tendency to be poorly informed about how markets, firms, consumers, and bureaucracies function.

If economists who are Christians are to be set apart, a peculiar people so to speak, because they are winsome and loving in their dealings with others, more sensitive in the topics they choose to address in their research, more open than pagans to rethinking how their view of man affects their epistemology, and generally mindful that they are to see the world as having windows beyond time and space, then Richardson and some others before him have covered the agenda of Christianity and economics well. And it is an important agenda because stewardship of scarce resources is important. But this agenda will seem myopic to many, I am sure.

I may be the only person who believes that the music of Peggy Lee is more of a threat to the propagation of the gospel than Bertrand Russell’s writings. One of the most haunting of Peggy Lee’s torch
Most attempts to integrate Christianity and economics have not been in the mainstream of the subject. In candor, backwater is the better term.

songs is entitled “Is That All There Is?” To paraphrase the title of that song, Professor Richardson’s paper makes me wonder: is that all there is to Christianity and economic scholarship? If so, just as circuses and love and life itself ended up as crushing disappointments in the torch song, if that’s all there is to Christianity and economics, i.e., caring scholars doing mainstream work on a non-random selection of topics, this will be a disappointment to those with higher expectations for the impact of Christianity upon economics. For if economics as done by Christians is to offer a new paradigm that is so bold, so useful, and so close to the world of reality that it will influence the discipline, this has not happened. The Richardson paper does not purport to offer such a paradigm and I suspect the author would argue that not many resources be spent in its pursuit.

Furthermore, if economics as done by Christians is to offer a public policy framework that is so bold, so useful, so close to the world of reality and biblical truth that it will carry the day within the community of faith, that too has not happened. The Richardson paper, if anything, seeks to reduce the quantity of debate at this level.

The title Professor Richardson chose for his paper is intriguing: “Frontiers in Economics and Christian Scholarship.” I can read that title two very different ways. If it implies there is a Christian scholarship that operates on the frontiers of economics, the title is too bold. Most attempts to integrate Christianity and economics have not been in the mainstream of the subject. In candor, backwater is the better term.

The locus of most publications is only one signal of its position out of the mainstream. The debate is not carried on in the leading journals of economics nor via the major university presses. Modern economics, to use Paul Vitz’s term, is based on functional atheism. It is always prudent to remember this. It means Christian economists are, in a sense, pilgrims in the underlying control mechanisms of their discipline. For this reason, a case can be made for some Christian economists to interact more aggressively with the fields of biblical studies and ethics. Perhaps more economists should be willing to do serious study in theology. Some are doing just this, my friend John Mason for example.

Richardson makes a case for a competing agenda. His first priority for Christian scholarship in economics is professional economists doing excellent work at the frontiers of the discipline, toiling in the same vineyards as unbelievers, using principles and techniques from the same tool kit they use. That way Christians as individuals are at the frontier, even if Christianity as dogma is not.

I am hard pressed to choose between these agendas. This is awkward to admit. Economics is supposed to be the science of choice. When a little girl is asked whether she wants a soda pop or an ice cream cone, she is thinking like an economist if she knows that “both” is not an acceptable answer. But in this case both agendas are commendable. So I shall waffle and say, I’d like both, please, rejoicing when I observe scholarship in economics that involves thinking Christianly, be it modern economics leavened by the faith, or the faith illumined by economics.

ENDNOTE

1 A former graduate student of mine, now on the faculty at the University of Chicago, sent me a paper entitled “The Efficient Organization of Religions: A Club-theoretic Approach.” The paper is by Fred S. McChesney. Increasingly, I predict, at least the structure of religions will be studied along economic lines.
Comments on Tiemstra, Heyne, and Richardson

Robin Klay on Tiemstra

I don't regard the “dual critique” as convincingly undermining the neoclassical model. First, regarding the methodological part of the critique: There is still, to my mind, an important virtue in attempting to separate positive from normative. As John Lunn and I argue elsewhere, the fact that every act involves values does not mean that the principle dimension of each act is moral. Accordingly, though economists may exercise Christian values and concerns in their choice of research topics, this need not be the principle origin of all their intellectual endeavors. Furthermore, when we use a neoclassical model to describe economic choices, we are not simultaneously making efficiency our god; nor are we holding out cold-blooded selfishness as the principle, and highest, human motivation. Regarding the ethical critique: Throughout the development of economic theory, beginning with the classical writers, attention has always been given to the fact that in economic (as other) choices, there are indeed motives beyond pecuniary ones, and that economists are not relying on narrow selfishness in their depiction of human choice. Instead, economists are saying that behavior is purposeful, in that we are trying to do the best X with what we have.

As a consumer, I generally look for the lowest price of products of equal quality. This I do despite the fact that I sometimes buy a Christmas tree, or magazine, or candy bar as a way of supporting local Christian and school groups. In looking for a job, I include the opportunity to serve students in ways that fit my gifts. But when comparing two positions which are in this (and other important respects) similar, I will likely be drawn to the one with the higher pay. This is true, unless I have a strong inward sense of God’s direction otherwise. On the other hand, I look to use my non-work time in ways that satisfy other values—charity, community, justice, etc. The fact that pay will affect my choice does not make me materialistic, assuming that I am responsible and stewardly with my income. As an investor, I will choose instruments with higher expected returns over lower returns (for the same risk), unless I have some special reason or concern, such as charity or respect for worker rights. As the owner of a business, I will hire secretaries and plumbers in the range of prevailing
wages for those skills. This I will do to remain competitive in business. In general, to do otherwise would not serve my employees, other investors, or the community. Competition may not exclude social/ethical “investments” in benefits (e.g. childcare) to improve worker welfare, or in good relations with the community (e.g. paid internships for disadvantaged youth), but it certainly puts limits on such expenditures—no matter what my values!

Since I don’t find the dual critique convincing, I am pleased to see that increasingly neoclassical economists are using their analytical tools to investigate the power of nonpecuniary values, like loyalty.

I see the usefulness of Christian economists devoting some attention to evaluating economic institutions and policies using Christian values—whether they do so within the neoclassical tradition, as social economists, or as institutionalists. This has always been part of the highly normative field of political economy. Since I am not convinced by the dual critique, it does not strike me as “patch work business” to introduce values at this stage—rather than insisting that the neoclassical approach be abandoned in order to integrate values into a broader umbrella of motivations for the basic economic behaviors being analyzed.

I support Christian economists who, having found the neoclassical approach ethically deficient, look to other approaches, as Tiemsra looks to PKI. More power to them, if they can explain some economic behavior by incorporating motives and data and institutional analysis which are understudied by neoclassical researchers. Even so, I would not like to see Christian economists move in droves out of the neoclassical mainstream and into PKI. Why? First, because the former has proven to be a powerful research program. Second, because it would abandon the core of the profession to non-Christians (some of whom just might be tempted to collapse self-interest into selfishness and call it good). Third, because there is still lots of room for issues of ethical concern to Christian economists to be addressed within neoclassical economics, as David Richardson never ceases to point out. Fourth, because a Christian in any professional field is called to serve God and humanity by doing the very best work possible—in terms of honesty, creativity, insight, and technique—with the gifts God has given her. To do this does not require that a Christian bifurcate life into two separate realms—work and faith. His work, no less than that of an institutional economist who is dealing with unemployment, or poverty, or the environment, is a sacrificial offering of praise to God, and service to humankind.

ENDNOTE


Kurt C. Schaefer on Heyne

To get our bearings, let us review the options for how Christians have thought about the relationship between Christ and Culture—that is, between our confession/belief/revelation on the one hand, and the products of human effort/the direction of civilization, on the other; or between being a believer and being an economist.

These are especially important questions at a moment in history like ours, in which we wish to make a positive contribution to what is generally perceived to be a crisis of cultural authority. Niebuhr’s classic Christ and Culture gives five possibilities:

1. Christ is opposed to culture; the Christian must withdraw from things "worldly" and create a Christian
counter-culture. While the correlation with particular denominations is a bit fuzzy, we would find mostly Mennonites, Amish, fundamentalists, and other “anabaptists” here, according to Niebuhr.

2. Christ is in agreement with culture. Christ is whatever culture says he is. Therefore, culture is also whatever culture says it is; culture is autonomous from Christ’s judgment and mercy. Christ doesn’t tell us what economics is all about; economics tells us what economics is all about. Here we would find theological liberals.

3. There is a synthesis between Christ and culture. Christ and culture are both of value, with Christ forming the center. Here we would find Roman Catholics.

4. Christ and culture stand in paradox with each other. Their standards pull in opposing directions, but both are legitimate and must be dealt with this side of glory. Here we would find Lutherans.

5. Christ is transforming culture. Christ is Lord of all, and wishes all to be brought under his sovereign rule, including all of culture. Here we would find Reformed believers.

I would add at least two additional categories:

6. Modern American evangelicalism seems to me to be a volatile combination of its two parents, fundamentalism and liberal theology. It wants all Christian cultural formation to be done with piety, but in practice often allows whole sections of culture to be considered autonomous.

7. What I shall call “Augustinianism,” after Augustine of Hippo’s understanding of creation and the fall. Most human theories, frameworks, and typologies give a partial explanation of some elements of existence; therefore we need to take different approaches to different problems, chosen in a non-arbitrary way. A person could therefore hold several of the above positions, in different contexts. A “transforming” Christian could have a healthy sense of paradox, while believing that Christians must withdraw from some elements of culture at some times. This is where Niebuhr (and 1) ultimately rest.

For those keeping score, this session offers one evangelical paper, one reformed paper,...and then there is Paul Heyne.

“Passing Judgments”
I have the advantage of not knowing Professor Heyne’s formal denominational affiliation. He writes from a paradoxical framework that is characteristic of Lutheranism, though this is sometimes spoken with a Mennonite accent. On this view, while there may be a vague, indirect relationship between belief and public culture, we Christians find ourselves in two fundamentally different kingdoms, each legitimate and with its own standards, language, ethics, beliefs, appeals, and heritage. Connecting one kingdom’s standards to the other kingdom is harmful. We can be citizens, and Christians, but not (in any important way) Christian citizens; we can be economists, and Christians, but not Christian economists; there are even Christian principles, and useful principles, but no useful Christian principles.

This may be an unconventional view within ACE, but it is the dominant first principle of modernity and our secularized culture. As a good Augustinian, I feel obliged to discuss what is helpful about the healthy sense of paradox that such a viewpoint can bring, and also to discuss the potential this attitude carries for going astray.

Professor Heyne has documented some of the benefits of remembering the latent paradoxes of life after the fall. We are "naturally" inclined toward: (a) utopian triumphalism that in the end turns out to be incorrect and harmful; (b) confusing confessional issues with professional judgments, devaluing the first while...
Professor Heyne is not yet over the line into nihilism, but I do not see what will protect him from eventually ending there.

overselling the second; (c) losing patience and respect for those who disagree, but whom God loves to bless in our civil institutions, despite their active rebellion against God.

These are helpful reminders. But when paradox goes haywire, what happens? The problem enters, I think, because the Christian doctrines of creation and incarnation rest somewhat awkwardly next to an overactive paradoxical imagination. Is there integrity in the creation? Is it all made by God, and made "good"—that is, all subject to norms that even nonbelievers ignore to their own peril? Did Christ take on the physical at the incarnation and become involved in the formation of culture, which is the basis for a high view of the inspiration of scripture? Can scripture therefore speak clearly, as Christ did? Did He send a Comforter to lead us into all truth? Is the whole creation groaning out for release from anti-normative stewardship? Is there to be a consummation to which we press on, in which we will have real bodies, real cities, and real culture and civilization—even, perhaps, real economists?

If not, if we can neatly divide the creation into two distinct kingdoms, one of God and one of this world—if God has given a clear word for the inward/personal kingdom of faith, but not even a rumble about the ordering of the civilization he makes and loves—then we are right to say that there cannot be a Christian social ethic that might guide Christian economists in putting their discipline to work. In this case, all the Christian social ethics we have thought we were reading from scripture were actually imported from the other kingdom, as Heyne suggests. If there is a crisis of cultural authority in America, Christians have nothing to contribute but the attractiveness of retreat to life within the church.

But this epistemology quickly unravels: If we become cynical about the way Christians read lessons for the kingdom of this world into scripture, what is to keep us from saying that we are also reading everything about the kingdom of heaven into scripture? Why should we believe that Word and Spirit speak clearly on anything, if we have argued that we are caught in a hermeneutical circle, always returning to where we started, unable to see things in scripture that we did not already believe? When I long for holiness and a clear witness by the Church, am I not also reading into the text things I wish to see? In fact, if God only speaks clearly to the inward, personal kingdom, how are we to know that scripture doesn’t just record the inward, subjective feelings of the authors—nothing that “really happened.” But in that case, God’s word does not speak clearly to me, even to inward/personal issues!

So if we draw too thin a line between the kingdom of this world and the kingdom of God, between Christ and Culture, we’re likely to end up with no Christ at all—with the epistemological nihilism upon which modernism is built.

Along the continuum between “a healthy sense of paradox” and “epistemological cynicism,” where does Professor Heyne’s paper rest? We would need to analyze his three points, and the two transitions between them.

In the first point, Heyne reasons that there does not exist a Christian ethic for policymaking because (a) no one has described one that meets his (unnamed) standards for distinctiveness, and (b) when people try, they are reading prior convictions into the text that always could be derived (and, in fact, always are derived) from secular sources. I think Professor Heyne is not yet over the line into nihilism, but I do not see what will protect him from eventually ending there. There is a paragraph affirming that faith and values do influence social inquiry, but this paragraph left me wondering where the real content of “faith” or “value” come from in such a framework, if we are all trapped in a hermeneutical circle.

We are saved from nihilism, in this paper, by a change of subject to the second point. If scripture is not entirely clear, why not work hard at clarifying it? Because
explicitly religious references in policy formation of any sort (emphasis his) pollute democracy, and have often been misused. Thus the paper's view of civics (point #2) is logically prior to its view of truth (point #1)—in effect, it is not worth searching the scriptures for truth even if it is there, because we place a higher prior value on "democracy," which will not admit scriptural references. Of course, this tight separation between religion and civics is itself viewed as part of the kingdom of the world, and thus beyond the criticism of Christians.

This is an extremely individualistic view of democracy, in which we are not allowed to form private associations or communities of meaning ("mediating institutions") that stand between the individual and the political order; rather, the standards of the public square must be applied directly to each person, individually. This is not the view of the Bill of Rights. But that is not my main concern.

Is it true that explicit references to religious principles poison the public debate in democracy? Is it true that only a vague reference to "values" or "perceptions" will have the tough endurance to affect civilization? The framers of democracy certainly would not recognize this standard for democracy—they constantly violated it. But why go back that far? Would we be so bold today if the conference panel consisted of Desmond Tutu, Martin Luther King, Dietrich Bonhoeffer, the abolitionist movement, and Richard Ely? Has their work been the poisoning of democracy? I think not. Precisely because of the integrity of creation, it is often true and religious argument that most captivates the conscience of even secular people and leads to positive democratic change.

This leads to the transition to Heyne's third point. The argument is as follows: Even if religious arguments were not abused, they should not be used because the search for a public ethic diverts Christians from their real work, and obscures the Gospel. Why? (1) America is not a theocracy. (2) We need a special concern for the brethren. (3) Christians have often "gotten it wrong" about God's will for the general public. (4) In the process, Christians have sometimes set lower standards for themselves within the church.

It's hard to argue with these four statements, but I do not follow the logic by which they would motivate the conclusion drawn. It is hard to think through God's intent for our profession, but then it is hard to do any kind of economics. Would we give up on our profession, or on arguments based on good economics, because we are in a pluralistic land that includes non-economists, or because economists have often gotten economic analysis wrong? I don't think so.

A Few Comments on the Other Papers

Professor Tiemstra (and, I believe, Professor Elzinga) are correct to suggest that approaches like those taken by Professor Richardson bear a special burden of proof, because they appear to leave Christ generally irrelevant to the direction of culture; Christianity becomes an inward exercise of being nice people, doing nice work on nice topics—or as Richardson puts it, sampling wines that we do not find distasteful.

So in epistemology at a very general level I believe I am closer to Tiemstra, though I am uncomfortable with some of the things he does with it. My main concern is one of consistency. For example, Tiemstra writes

Reading somebody like Novak may give us a taste for grand theories and big questions, but we are much more likely to be successful if we take on a narrow part or a particular instance of a problem...rather than a great abstraction... When we have analyzed enough...particular cases we may have a basis for a general theory.

These are words to live by. Let's take the same careful approach to evaluating the neoclassical paradigm. It should not be rejected at the level of a great abstraction called "the mainstream story" and re-
...in being capable, competent, masterful, and learned in our discipline, we earn the opportunities to sign the gospel, change the substance of our discipline, and demonstrate a style that is compelling.

place[ed] with a new, even grander abstraction called “PKI” or “postmodern methodological theory.” I think we are likely to find that a wholesale rejection of the neoclassical richness Richardson documents is not called for; neoclassicism, for example, does admit considering many of the “value” questions associated with PKI, in a rigorous framework; neoclassicism does not universally assume that pecuniary considerations are all that matter. We are instead likely to get some “good stories” with neoclassicism, some other good stories with amended neoclassicism, and some others with other approaches. The Christian nature of our work would then come at the level of meta-methodology, deciding which partial explanation fits which circumstance, in a non-arbitrary normative framework. There is much work yet to be done to flesh out this approach, but if we pursue it we create the possibility of a distinctive research agenda.

discipline of economics is a wonderful one within which to display the gospel. I like his word choice in saying we display the gospel for that is what we do. We demonstrate, exhibit, and unveil the truth of God in our work.

Why does Dave use the adjective professional in front of economics as he states that professional economics is worth doing for Christ’s sake? I believe that what he has in mind is that in being capable, competent, masterful, and learned in our discipline, we earn the opportunities to sign the gospel, change the substance of our discipline, and demonstrate a style that is compelling. This is an important issue and these are hard words. If we are satisfied with conducting our economics at a conversational level we have no hope of fulfilling Dave’s triad of reasons to be involved in the discipline. Our presence is unlikely to be noticed or observed. There may be those among us who sincerely believe that a good intermediate level understanding of economic theory is sufficient to equip one to be an economist—that economic theory is not particularly useful in doing economics. Dave rejects that view without being an apologist for any particular form of economic theory. His list of topics that Christian economists should find compelling is wonderfully rich, reaching across many fields within the profession and employing a wide variety of technical tools. He maintains, however, that without being masterful in our discipline we cannot effectively sign the gospel, change the substance of the discipline, or demonstrate a style that is compelling. That means, for example, learning our micro theory with an understanding of full duality, our macro theory with dynamics—our econometrics built on the foundation of probability theory and mathematical statistics, and our fields with their corresponding requisites as well. Anything short of this leaves us incapable of demonstrating that we love the Lord with our scholarly minds as well as with our emotions.

---

**John Anderson on Richardson**

Dave Richardson’s answer to the question posed in the title of this session is that professional economics is worth doing well for Christ’s sake. He emphasizes that point by reiterating that mere professional economics is worth doing for Christ’s sake. This is not simply an apologetic for the status quo in our profession. It is, instead, nothing less than a clarion call to Christian economists to be involved at the forefront of our discipline, doing economics. Dave’s 1987 paper together with his new additions in today’s paper provide clear and compelling reasons for Jesus’ disciples to devote themselves to the discipline of economics.

With a three-point outline and handy alliteration, Dave gives the reasons for being engaged in professional economics: sign, substance, and style. We find that the
Dave also expresses the worry that too many of us in the Association of Christian Economists have sacrificed either the quantity or the quality of our skills as professional economists in order to acquire skills in philosophy, theology, biblical studies, and the history and philosophy of science. We have, in Dave’s words “shift(ed) our attention from our professional calling to unskilled and unschooled introspection about our methods, our ethics, our controversies, and our intellectual history.” These are strong words that deserve further thought. Is Dave saying that it is improper to be involved in these areas of scholarly investigation? Absolutely not. He states clearly that some of us need to be so involved. In defense of those in our midst who are so involved, we argue that as Christians this is our natural comparative advantage? I think not. Some of us may have moved in this direction either due to the false notion that professional sanctification requires it, or in a more mundane way, in reaction to our discomfort with the technical orientation of our graduate school preparation. Neither reason is adequate. There are precious few in the profession with dual Ph.D. degrees in philosophy and economics, or in history and economics for example. Those who are not so trained are unlikely to make substantial contributions in synthesizing the two fields. Few of us are equipped and gifted to be synthesizers. Many of us may think of ourselves as synthesizers, however, and in the process perhaps “think more highly of ourselves than we ought.” It is important to recall, however, that the biblical metaphor for the church is that of a body. We are not all ears. We are not all eyes, feet or fingers. There is not only room for, but a necessity of diversity in the body. The same holds for the Association of Christian Economists.

But isn’t Dave’s whole argument dissatisfying because it is disappointingly neoclassical (to use a phrase I have heard from the lips of some of my brothers in this group)? I think not. In fact, Dave makes no particular defense of neoclassical method per se. His argument is that we should not be satisfied with “living on the periphery of responsible intellectual existence.” But with this phrase isn’t Dave lapsing into a kind of arrogant egoism that defines what he does as economics while what others do is defined as non-economics? Such a temptation must surely be resisted in order to speak with integrity. My reading of his paper, and subsequent re-readings of his paper, convince me that this is not the case. He does draw implicit boundaries within which he describes a rich array of topics which should be of interest to Christian economists. Nevertheless, he has drawn boundaries and at least implicitly defined the domain of economics. We may legitimately debate whether those boundaries are properly drawn, but we must not lapse into the quagmire that is inevitable when we define economics too broadly. By this I have in mind the kind of definition that views economics broadly as an evolving organic matrix of relationships and institutions. There are methodological distinctives that uniquely define the discipline of economics from that of the other social sciences that also have to do with many of the same actors and institutions.

For some in our fellowship, this is not enough. We believe that in order to think Christianly, we must think in distinctive ways. I agree with that proposition, but find that in the process I am not obliged to abandon the central core of economics. As an example, it is not only appropriate but biblical that we study incentive structures and their effects on human behavior. In the gospel of Luke alone we find more than forty promises of reward and threats of punishment connected with Jesus’ commands. As Harry Blamires has said

Christianity is the salt that gives a different flavor to everything you eat without altering its essential character, without eliminating any of its distinctiveness, indeed, on the contrary, forcing its true distinctiveness onto the palate.
In summary, I believe that we need to heed the account of Dave Richardson, acting as a modern day Caleb encouraging us to enter the promised land and find our satisfaction in the God who created us for his glory. In this regard, I am reminded of Eric Liddle's response to his sister Jenny as she questioned his commitment to the ministry. You may recall that Eric Liddle was an Olympic runner and missionary to China in the early part of this century. He said “I know that God made me for a purpose, but he also made me fast, and when I run I feel his pleasure.” You and I as economists were made for a purpose, and we were also made good at economic reasoning. Let’s feel God’s pleasure in our work as economists.7 Dave Richardson’s plea this afternoon is that we economists, who have been “bought with a price,” find our satisfaction in being professional economists to the glory of God.

ENDNOTES

1 John 6:60 On hearing it, many of his disciples said, “This is a hard teaching. Who can accept it?”
2 Rom 12:3 For by the grace given me I say to every one of you: Do not think of yourself more highly than you ought, but rather think of yourself with sober judgment, in accordance with the measure of faith God has given you. [4] Just as each of us has one body with many members, and these members do not all have the same function, [5] so in Christ we who are many form one body, and each member belongs to all the others. [6] We have different gifts, according to the grace given us. If a man's gift is prophesying, let him use it in proportion to his faith. [7] If it is serving, let him serve; if it is teaching, let him teach; [8] if it is encouraging, let him encourage; if it is contributing to the needs of others, let him give generously; if it is leadership, let him govern diligently; if it is showing mercy, let him do it cheerfully.
7 John Piper’s summary of the concept of Christian hedonism is that “God is most glorified in us when we are most satisfied in him.” John Piper (1986), Desiring God: Meditations of a Christian Hedonist, Portland, Oregon: Multnomah Press.
8 1 Cor 6:19.
Whose Theology?
Which Economics?

In this paper I will explore some of the sources and consequences of disagreements among Christian economists on matters of economics and theology. In the course of this exploration I will have occasion to consider such fundamental issues as the nature of truth and the limits of human knowledge. Those familiar with the writings of Alasdair MacIntyre will (correctly) anticipate from the my title some connection with MacIntyre’s work on conflicting traditions of moral inquiry. I will also connect this inquiry with the work of Donald McCloskey, and others, who seek to replace the economist’s “rule-bound methodology” with a rhetoric of economics. Drawing on these various strands, I will address the question “What Should (Christian) Economists Do?” in light of our often conflicting views.

Given the broad range of issues discussed in this paper and the consequent need to stay on track, I will frame my argument in the form of eight propositions. These propositions range from the nearly self-evident and innocuous to the more complex and controversial. Yet even the former—which are not always recognized consciously nor appreciated fully—will serve to advance the argument.

Proposition #1: Christian economists who integrate their faith with their discipline, or who address issues related to the possibility or form of such integration, are doing theology, or making theological claims whether they acknowledge it or not.

To “do theology” is to make some statement about God’s attributes or His relations with, or desires for, human beings or the rest of His creation—including the economic dimension. Those explicitly engaged in some form of faith-learning integration are obviously “doing theology.” But so are Christian economists who think that they can avoid theology altogether by confining their economic inquiry to “positive” economics or who have adopted, consciously or unconsciously, a form of dualism: Christianity is irrelevant to “positive” economics, though it may serve as the basis for normative statements about the economy. Those who claim that positive economics and theology don’t mix, or whose work is an implicit endorsement of this claim, cannot escape doing theology altogether. For this claim is itself a theological statement, and must itself be grounded (explicitly or implicitly) in certain other theological propositions (e.g. that the Bible is
Those who claim that positive economics and theology don’t mix...cannot escape doing theology altogether. For this claim is itself a theological statement...

addressed only to the church and not to secular society). We cannot circumvent the theological dimension of our work by clinging to some form of dualism.

Some Christian economists are uncomfortable with the necessarily theological character of their work, given their lack of theological training. While this is understandable, claims to theological ignorance do not let us off the hook here. Our ignorance may lead us to make statements which are poorly grounded or theologically naive, but bad theology is theology nonetheless.

Proposition #2: Christians hold conflicting theological views.

As stated, this proposition is little more than a truism, though some will find it disconcerting. I am not, of course, claiming that every Christian disagrees with every other Christian on each and every theological issue. Most Christians accept the statements contained in the Nicene and Apostles’ Creeds, and these are substantial and important points of agreement. But it would be a mistake to claim, as some Christians do, that our common assent to the creeds means that we have agreed on all the essentials and disagree only on peripheral or secondary issues. For it is surely the case that one Christian’s peripheral issue is another Christian’s primary doctrine. Is the mode of baptism—by immersion or sprinkling—a secondary issue? Not to some baptists who see it as a question of obedience to Scripture and ultimately to Christ himself. What about the nature of the real presence of Christ in the Eucharist? A peripheral issue say some protestants; central to the faith respond the Roman Catholics. The list goes on. What about the nature of the millennium? The priesthood? Authority in the Church? The ordination of women? The inerrancy of Scripture? To some these are secondary matters. To others they represent the very core of the faith.

Proposition #3: Christian economists hold conflicting theological views.

Once again there is a sense in which this proposition states only what is obvi-ous. We Christian economists are, after all (if I may use the trendy word) a “diverse” lot. We are Baptists and Presbyterians; Roman Catholics and Episcopalians; Lutherans and Congregationalists. The theological differences which have historically caused the separation of these groups (e.g. the efficacy of the Sacraments and the means of our justification) have a long history and have been much debated. Yet these long-standing doctrinal disputes need not concern us here, for these doctrines do not bear on whether we can or should relate our faith and our discipline. Other theological differences are relevant to this concern, however. A modified version of Proposition #3 will set us on the right course.

Proposition #3a: Christian economists hold conflicting theological views, some of which affect their views on economics or economic policy or their views on how Christianity and economics ought to relate to each other.

Readers of the ACE Bulletin will not be surprised by this. Three brief examples will suffice to make the point that distinct theological views affect the ways in which Christian economists relate their faith with their discipline. Consider first Jim Halteman’s article (1990) on the Anabaptists. Halteman notes that while Anabaptists have begun only recently to develop a systematic theology, they hold, nonetheless, “a set of core beliefs...[which] are clearly articulated from the early leaders to the present writers.” These include: the “radical new life” which Scriptural teaching requires of Jesus’s disciples; the belief that “to reform the secular world toward Christian practice while people remain in their sinful state is futile as an overall strategy;” following secular authorities and practices only when these do not conflict with Scriptural teaching; living in a faithful Christian community which seeks to model the relationships (economic and otherwise) which God desires for his followers (pp. 7, 8). Halteman contrasts this strategy of “modeling” with the strategy of “infiltration...which frequently
characterizes the mainstream protestant approach to secular reform” (p. 8). All too frequently, he claims, the practice of infiltration requires the Christian to compromise his or her values in ways that conflict with the radical demands Jesus placed on his followers.

He then sets forth “three separate agendas” which stem directly from this “two-kingdom theology” (p. 8):

1. “The first is to create a vision of what economic relationships might be like in a full reign of Christ.” The church would then seek to adopt and model this vision in its own, internal, economic relationships.

2. “The second agenda is to explore the alternative economic systems that are feasible in the secular world, and to support as much as possible the system which is least hostile to the values of the kingdom of God.”

3. “The third agenda is to carve out a strategy by which believers can relate to the secular institutions in which they are involved without selling out to the secular spirit of those institutions.”

The point I wish to emphasize here is that these economic agendas are a direct outgrowth of Anabaptist theology. When asked, “What should Christian economists do?” the Anabaptist, drawing upon his or her theological convictions, will give a response something like that given by Halteman.

My second example comes from Reformed theology and its “economic agendas” as discussed by Roland Hoksbergen (1992) and Edd Noell (1993). The Reformed tradition begins with a different set of theological propositions and from these propositions flow precisely the sort of approach which Anabaptists criticize. While neither Hoksbergen nor Noell uses the term “infiltration” it provides, nonetheless, a fitting description. Hoksbergen describes one branch of the Reformed tradition—the Kuyperians—who emphasize: (1) that the “cultural mandate” given to Adam and Eve is still in effect; (2) that “Jesus is Lord over all creation” and “God cares as much for what goes on in our businesses, families, schools, neighborhoods, and farms as he cares about what goes on in our churches...”; (3) that God relates directly with his people, apart from the mediation of the church; (4) that the Christian task is to restore God’s creation to “what God intended for his world before it fell into sin.”

Niebuhr calls conversionists who see their work under Christ as being nothing less than the transforming of culture... They evaluate what’s happening in culture and try to live so that God’s intentions for culture are progressively realized” (pp. 8-10).

Building on this version of Reformed theology, the Kuyperians adopt their own agenda for Christian economists. This would begin with “worldview analysis”, wherein the Christian identifies the ways in which “faulty worldviews” have led secular scholars to embrace theories which “do not comport well” with Christian belief. Christian economists should, in other words, criticize thoroughly, and at the most fundamental level, all existing economic theories—neoclassical, Austrian, institutional—from the perspective of a Christian worldview. But in a more positive vein they should “base [their] own theoretical reflections ... on that sound [Christian] worldview.” This amounts to a call for building a distinctively Christian approach to the discipline of economics, grounded in a Christian worldview. The Christian economist’s task is to “reflect on the character of economic life at creation, the distorting effects of the Fall, the ongoing redemptive work of Jesus Christ and His Church, and the expectations for economic life at the consummation” (p. 17). What separates this from the Anabaptist agenda is the belief that the “norms” which God established at creation are still binding on all people, not just...
Christians. "Modelling" the economic relationships which stem from these norms is not enough. Our task involves nothing less than bringing all economic institutions, practices, relationships, and indeed theories under the lordship of Jesus Christ.

A variant of Reformed theology—Christian Reconstructionism—reaches similar, yet far from identical, conclusions. Reconstructionists, according to Edd Noell (1993), speak of the "dominion covenant" derived from Genesis 1:26-28, which calls for "bringing the whole world under the rule of God’s law." He continues:

This understanding is derived from two other principle doctrines: its postmillennial eschatology and its theonomic approach to ethics. Postmillennialism contends that prior to the Second Coming of Christ, his kingdom will be manifested in a worldwide conversion to Christianity. The theonomic doctrine affirms that every detail of God’s law as given through Moses is explicitly binding on Christians today. Reconstructionists who espouse theonomic postmillennialism assert that worldwide victory for the gospel will result in adherence by all nations to the standards found in Biblical law (p. 8).

The emphasis on God’s unchanging law leads the Reconstructionists to promote some rather specific and controversial economic and social policies including a return to the gold standard, the prohibition of multiple indebtedness, and the death penalty for a variety of offenses, including blasphemy, homosexuality and adultery. Yet controversial as these may be to those outside the Reconstructionist theological orbit, they appear plausible and defensible from within. Once again we find that the views of Christian economists are determined, at least in part, by their theological beliefs.

As a final example consider Stephen Worland’s analysis of the encyclical Centesimus Annus (1992). He points out that "The moral philosophy presupposed in the Church’s social Magisterium [teaching office] is typically that of Aristotle...” (p. 5). Yet the Roman Catholic Church’s adoption of Aristotelian “virtue ethics” is by no means arbitrary, but comes from a long tradition of theological reflection. Worland sums it up this way:

...in the Catholic reliance on Aristotle, the moral and cultural excellences are recognized as authentic human goods, but such perfections are recognized as taking their origin from the creative act of a loving God. With his inner life illuminated by prayer, the study of scripture, the sacraments, with his passions controlled by the moral virtues, the believer strives to exemplify Aristotelian excellence as a “strategy of love.” He means to make of his life a “song of praise” offered to his Creator. And he realizes he can succeed in the grand endeavor only because he knows by faith that his struggle to please God with a good life will be met and guided by his Creator’s gracious gift of the Spirit (p. 5).

What agenda does this suggest for Christian economists in this tradition? Worland does not answer this directly, but we can make a presumption based upon what he claims is the best interpretation of Catholic social teaching. The presumption is that Christian economists in the Roman Catholic tradition should contribute to the “effort to show how Aristotle’s moral ideals—concerning property, justice, the use of wealth—play out in an industrial society” (p. 4). Recognizing that many protestants would be uncomfortable within this theological framework, Worland notes: “Evangelical and Lutheran theologians are disturbed by the characterization of the Christian’s attempt to live out his faith as obligation to achieve Aristotelian excellence” (p. 5). Once again we find a close connection between a proposed agenda for Christian economists and the theological tradition out of which that agenda arises. It should also be clear that the Christian economists residing in one of these traditions will have reason to criticize the agendas set by, and determined within, each of the other traditions.
But our disagreements extend well beyond the various agendas described above. As economists we are no strangers to conflicting ideas and points of view. We are well aware that conflicts arise due, in part, to the existence of different economic paradigms (e.g. neoclassical, Austrian, institutionalist) but also due to theoretical and empirical disagreements within each of these paradigms. It is not surprising that these same disagreements are found in the works of Christian economists.

**Proposition #4: Christian economists disagree on economic issues, both within and across economic paradigms.**

Once again, I turn to recent articles in the ACE Bulletin for support. Roland Hoksbergen (1992) points out that he and other Kuypersians—he mentions specifically, John Tiemstra (1993), Douglas Vickers (1985) and Alan Storkey (1986)—are drawn to institutionalist economics. Tiemstra speaks for himself in a 1993 *Christian Scholar's Review* article in which he lists a number of advantages to institutionalism and calls for Christians to develop a “Christian version of institutionalist economics.” He, in turn, suggests that one or another form of institutionalism—either the “classical”, post-Keynesian, or “social economics” variety—is present in the works of a number of Christian writers including, in addition to those already mentioned, Cramp (1975), Goudzwaard (1979), and McKee (1987).

Edd Noell, in his article on the Reconstructionists (1993), points out that there are “many similarities to Austrian policy found in reconstructionist literature: the call for privatization of money, the limitation of government activity in relation to the economy, and more broadly speaking, a general endorsement of free market capitalism” (p. 14). While Noell may indeed be correct in labelling “simplistic” those criticisms of reconstructionist Gary North which claim “that he has baptized Austrian thought,” I nonetheless would argue for a closer connection than Noell admits. Ronald Nash (1989) as “an advocate for Austrian school economics” and claims, as well, that “Austrian economics has proven attractive to many evangelical thinkers...” Although this latter claim is made without any specific citations, I have no reason to doubt that he is correct, nor do I suspect that there is any reason to limit the association to evangelicals. For example, I doubt that Paul Heyne would be upset if someone claimed to find Austrian “leanings” in his work.

Perhaps most Christian economists, however, would place themselves somewhere within the neoclassical mainstream. I will cite only a few examples here: David Richardson (1988), who calls upon Christian economists to push themselves to the frontiers (presumably the neoclassical frontiers) of the discipline; my colleague Stephen Smith (in his paper for this workshop) and Laurence Iannaccone in his work on economics and religion (1991).

But even if my conjecture that most Christian economists are neoclassical economists is correct, we have no reason to expect, and indeed have good reason to doubt, anything like a consensus on all theoretical, empirical or policy issues. The exact nature and extent of our disagreements here are hard to pin down. Many Christian economists publish infrequently on “pure” economics, and those who do publish regularly tend to be spread out across the many fields which make up our discipline. Yet in the absence of evidence to the contrary, I shall assert that we have no reason to think that Christian economists are any more prone to agreement than are their secular counterparts. And if economists are known for anything—sometimes, but not always, unjustly—it is for their disagreements. I take it, then, that within the Association of Christian Economists we find support for an increase in the gasoline tax to balance the budget, and opposition to it; support for managed competition in health care, and opposition to it; support for an increase in the minimum wage, and opposition to it. Finding the “correct” policy, which is “known”...
Christian economists make explicit or implicit theological claims when we integrate our faith with our discipline and when we speak to the possibility or proper form of this integration.

through the “correct” theory and empirical evidence—where “known” and “correct” are defined by some unassailable consensus—has proven to be no less difficult for Christian, than for secular economists.

Perhaps a restatement of the first four propositions would serve us well at this point. Christian economists make explicit or implicit theological claims when we integrate our faith with our discipline and when we speak to the possibility or proper form of this integration. Yet, we disagree theologically, and some of this disagreement affects the ways in which we conceive of and carry out this integration. Finally, our disagreements as economists are not unlike those found within the discipline at large. I turn now to the matter of how Christian economists have viewed and responded to the existence of disagreement and competing claims within their ranks. As before I shall advance a proposition.

Proposition #5: Christian economists disagree about the need for, and urgency of, overcoming our disagreements.

Among those who have given thought to the matter, responses have taken one of two forms. The first is best represented by Paul Heyne’s article, “Christianity and the Economy” (1988). He begins by noting that, “The most interesting fact about Christian theological perspectives on economic systems is how many conflicting ones there are” (p. 26). He then wonders, “why the fact of such conflicting visions disturbs so few of those theologians who continue to draft or endorse new church pronouncements on the economy” (p. 26). Of course the “disturbance” of which he speaks, and whose lack he finds interesting, is not the sort which would urgently drive us to find the unity which has so far remained beyond our grasp. Though the work of theologians who seek unity represents an understandable attempt to respond to the “profound uncertainty in our culture about the status and meaning of ethical judgments” and is motivated by the desire to do what God requires of us, the result is a “confusion of tongues” reminiscent of the Tower of Babel.” They are, in fact, chasing an illusion because there is no “single Christian vision on the economic order” which can gain the assent of all Christians and there is certainly no vision “that is also capable of commanding the assent of all those who profess to value human freedom and dignity” (p. 28).

Heyne’s advice, which carries a distinctly Anabaptist flavor, is clear: “...our economic arguments should not be shaped in any way by our theology, which we should leave at home when we enter the public arena” (1990, p. 6). Practically speaking, this means that we should stop making “Christian statements” on the economy, which have as their implicit goal a unified Christian response to economic policy issues. We should be good economists and offer sound policy advice; we should also be good Christians, and live our lives in obedience to the New Testament’s radical demands. But attempts to mix the two will not bring us the sought after unity; they will only lead to bad economics and watered-down Christianity.

Others disagree. While not denying the current “confusion of tongues” they cling, nonetheless, to the goal of a “single Christian vision on the economic order.” The means of attaining such a common vision, along with its scope, is of course open to dispute. Some Reformed economists seek unity in a distinctive Christian approach to the study of economics. This they see as a necessary prerequisite to agreement on the proper structure of an economic system or on matters of economic policy. Others seek a more direct unity on policy issues, and call for a unified Christian response to pressing economic problems. My purpose here is not to dwell on these differences but to emphasize the common thread that connects them—namely, the goal of a “single Christian vision on the economic order.”

The reasons why some Christian economists cling to this goal are easy enough to understand. I suspect that some see the goal of a unified Christian economic vision
as a part of the more general goal of Christian unity. And this general desire for unity has clear biblical warrant in Jesus’s own prayer that his followers would be one and attain “complete unity” as a witness to God’s love and to the fact that God had sent Jesus into the world (John 17:20-23). This, perhaps, is what Heyne has in mind when he attributes the goal of a “single Christian vision on the economic order” to the belief that “it ought to be done,” that is, God expects this of us. This is undoubtedly the case.

Yet others add to this more pragmatic considerations. Mason and Schaefer (1990) claim that late twentieth century democratic capitalism “face[s] a more confused socio-economic reality, with regard to the most ethically appropriate means for achieving given objectives...” (p. 46). They go on to note that our disagreements extend to ends or objectives as well as means. And with regard to these disputed ends, neither democratic states nor “post-Enlightenment ‘moral philosophy’”—which they describe as being in “something of a crisis”—has found a way to settle competing claims about our moral obligations. But far from being a cause for despair, this moral crisis presents Christians with a golden opportunity to enter the public square. Mason and Schaefer write: “It is in this context that we appeal to Biblical teaching” (p. 47).

But what will ensure that Christians entering the public square—armed with “Biblical teaching”—will help to resolve, rather than add to the problem of conflicting claims? The answer lies in their proposed “hermeneutical and ethical framework,” based on the claim that, “...the foundations of Scripture’s social, political, and economic ethics all are laid in the Pentateuch, and are intended to inform all peoples” (p. 48). Implicit in this claim is the belief, or perhaps the hope, that Christian unity will come in the form of a common hermeneutical framework which will emanate in a common understanding of our ethical obligation.

This suggests another reason why Christian economists strive for unity. In setting forth our particular perspective on Christianity and economics we believe, not unsurprisingly, that we are setting forth the truth. If we did not believe it were true, we would not make public claims that subjected our claims to criticism. In the words of Michael Polanyi (1958), these ideas are held with “universal intent.” I take it that Mason and Schaefer believe that their proposed hermeneutical framework is the correct framework for Christians to find ethical guidance in just this sense. And as the correct framework it ought to serve as the basis for Christian unity. Another example of this belief is found in Roland Hoksbergen’s recent article (1993) on the Kuyperian tradition. After acknowledging that “Kuyperians have up to this point addressed much of their work to an explicitly Christian audience”, where even there it has not received widespread acceptance, he states: “Kuyperians also believe...that their perspective and their analysis merits consideration from a broader audience. That’s because they believe it to be the truth about the world...”

Let me summarize. The desire for unity among Christian economists as to belief, and method, and response to policy issues, is understandable. In a general sense it is nothing less than a faithful commitment to the fruits of Christ’s own prayer. Complementing this general desire for unity, we find a pragmatic call for Christians to fill the void left by secular moral philosophy and to do so united around the truth.

Yet even as we cling to the desire for unity, there are good reasons for proceeding with caution, and, from a human perspective, little cause for optimism. The phrase—“from a human perspective”—is important here. God could, if he chose to do so, touch the heart of each of us to bring about the Christian unity we seek, and He will, I trust, in due course. But so far He has not chosen to do so and we find our-selves with a number of disagreements of very long standing.
These states of disagreement have a common origin in the fallibility of our reason and our inability to "know" with certainty.

Many (some-times hundreds) years of conflict and dialogue, scores of conferences and publications, countless hours of thought and study, and further untold hours of prayer by sincere Christians, we seem not to have advanced very far. Two thousand years of church history ought to be enough to stifle the optimism (and again I speak from a human perspective) of the most ardent ecumenist. But why is unity so difficult to achieve? And why should we, in light of our obvious desire to find common ground, proceed with caution?

Finding answers to these questions will require us to enter the realm of modern philosophy, especially epistemology and the philosophy of science. But before we do I ask you to consider, in your minds, a certain similarity between the state of the discipline of economics and the state of Christianity. Both contain a number of "factions" based on disagreements over belief and practice. Christianity, of course, has been around much longer and has allowed its "factions" to become more firmly entrenched. But the issues which divide the economics profession, and which have been the source of "factions" within the discipline, have also been debated for quite a long time. Take, for example, the issue of whether a market economy is inherently stable, in the macroeconomic sense, such that if left alone, it will automatically settle in at full employment. Economists have never agreed on this issue and consensus seems no closer today than it has been in the past. Can we learn something from our inability to agree as economists, that will help us better understand the difficulties we face as "separated" Christians? I believe the answer is yes. These states of disagreement have a common origin in the fallibility of our reason and our inability to "know" with certainty. I therefore put forth another proposition:

Proposition #6: There are no neutral or objective grounds for settling our economic differences.

I take this to be the central message of post-positivist philosophy of science as well as recent work by Donald McCloskey and others on the rhetoric of economics. A brief review of some of this literature is in order here, beginning with a critique of positivism, or "modernism" as McCloskey has labelled it.

The central thrust of positivism, which its proponents took to be "the true task of philosophy, ... was to analyze knowledge propositions with the aim of making such propositions clear and unambiguous" (Caldwell 1982, p. 13). This involved separating "meaningful" or scientific knowledge claims—"factual statements which may be verified or falsified by evidence"—from meaningless, including metaphysical statements. As is now well known, the task of separating meaningful from meaningless statements proved far more difficult than the positivists first realized. Equally difficult to achieve was the goal of "rid[d]ing philosophy and the positive sciences of all traces of speculative idealism and metaphysics" (Caldwell 1982, p. 30).

Perhaps the best known post-positivist philosopher of science is Thomas Kuhn, author of The Structure of Scientific Revolutions (1970). According to Kuhn, the history of science shows that the decision to accept one theory over another is based on more than an appeal to logic and empirical observation. Philosopher Nancey Murphy offers this concise summary of Kuhn's work (Murphy 1990, pp. 56, 57):

[Kuhn] described the history of science as a succession of paradigms...that carry with them laws, theories, applications, and instrumentation. Those who share the view of science associated with a particular paradigm share the same rules and standards for scientific practice, but when paradigms change so do these standards. Kuhn...show[ed] that it is the paradigm as a whole...that scientists accept, and that the acceptance of a paradigm involves at the same time acceptance of a certain domain of data that are interpreted in
terms of the paradigm’s view of the world. Thus there is no pool of independent data that allows scientists to arbitrate between competing paradigms (emphasis added).

To put it another way, since the very grounds for theory selection are set by and within paradigms, there is no neutral or objective basis for choosing from among competing paradigms. The decision to select one over another is, in the end, an act of faith.

This message—refined and further developed by a number of other philosophers—has been brought to the attention of economists by, among others, Bruce Caldwell (1982), Donald McCloskey (1985), and, somewhat critically, Mark Blaug (1980). Many Christian economists have embraced the work of McCloskey and other anti-modernist writers on the grounds that this new view opens the door for explicitly Christian scholarship. While positivism ruled out metaphysical statements as “meaningless” and ignored evidence that was not in conformity with the reigning methodological strictures, the new philosophy of science, with its recognition that all science involves a certain faith commitment and its methodological pluralism, seemed to place secular and Christian scholarship on a level playing field. Yet it is my belief that many of those who have embraced this new philosophy have failed fully to grasp its implications, especially for theological inquiry. These implications are stated in the following proposition:

Proposition #7: Theological systems, or traditions, guide inquiry in the same way as scientific paradigms; that is, they provide us with a starting point consisting of a set of foundational or underlying assumptions, a body of accepted knowledge, a certain range of issues to be explored, and agreement on the means to address these issues.

To some protestants the use of the words “theological systems or traditions” raises a red flag right at the start. Systems and traditions hinder, rather than help us in our pursuit of the truth. Yet it is impossible to argue against theological systems and traditions without ourselves drawing on a system or tradition, one which takes as its starting point or derives from another starting point, the belief that systems and traditions hinder the pursuit of truth. Even those who claim that they are drawing their insights directly from Scripture are in fact building on certain assumptions, whether recognized or not, which guide their approach to Scripture. And these assumptions are the constituent elements of a theological tradition. I will return to the matter of traditions and approaches to Scripture below in the context of a more general discussion of the role of theological traditions.

Scientific Paradigms and Theological Traditions

I have already used the term “paradigm” to refer to alternative approaches to economics (neoclassical, Austrian, institutionalist), and in my brief review of Thomas Kuhn’s work. In scientific inquiry (including economics), a paradigm constitutes a set of shared assumptions, values, and beliefs along with an accepted methodology and scope of inquiry. The paradigm provides the scientist (economist) with a starting point and agenda for further inquiry, a set of generally accepted tools for engaging in such inquiry, and the criteria by which the inquiry will be judged. Since these are shared assumptions, beliefs and methodological tools, the scientist need not justify them each and every time he or she engages in inquiry. In this way paradigms facilitate, rather than restrict, scientific inquiry.

A theological tradition is much like a scientific paradigm and each serves quite similar purposes. The theologian (or the Christian economist doing theology) needs a starting point, just like the scientist. Imagine a Christian economist working on environmental policy who wanted theological guidance on her work. What can she simply assume about God and His creation which can serve as the basis for
her further inquiry? And where will she look to carry out such further inquiry? And to what end and for what purpose should such inquiry be conducted? Theological traditions provide answers to these and a host of related questions.

I will treat only one example here, though one which I believe to be particularly relevant: sources of authority for theological inquiry. What is (or are) the acceptable source (or sources) of authority to which we can turn for theological insight? If there are actually multiple sources of authority, how are they to be weighted? And what is the exact nature of this authority and how are we to use it?

Consider, first, the Bible as a source of authority. All Christians—Protestant or Catholic, liberal or conservative—vest some authority in the Bible. But they differ as to the nature of this authority (e.g., whether the Bible is inerrant or infallible or contains internal contradictions due to fallible human authorship). Yet even if inerrancy (or perhaps infallibility) is granted, we must discern what it is that the Bible is in fact teaching on a given subject. This opens the door to other sources of authority, such as tradition, reason and experience. But what relative weight should be given to each of these and how are we to in the interpretation of Scripture? Traditions have differed historically in their answers to these questions.

A comparison between Roman Catholics and Protestant evangelicals provides perhaps the sharpest contrast on these issues. The authority vested in “tradition” has long been a source of conflict between Protestants and Catholics. It is not surprising, then, to see these differences in their respective attempts to address economic matters. A “faithful” Roman Catholic will find him or herself obliged to build upon and interact with Roman Catholic social teaching as it has evolved through papal encyclicals and other documents of the Magisterium. Indeed, the failure to do so places one, almost by definition, outside the circle of “faithful” Roman Catholics.

Teaching authority, including the authority to interpret Scripture, is vested in the Magisterium, not in the individual. This, of course, does not preclude the use and application of Scripture in the writings of individual Christian economists. But it does suggest that such uses and applications must comport with the official interpretations put forth by the Magisterium.

Evangelicals, on the other hand, recognize no official Magisterium. Individuals are encouraged to read, interpret and apply Scripture on their own, provided that such interpretations are guided by the Holy Spirit and are not contradicted elsewhere in Scripture. To recognize a Magisterium, or official teaching body, is to place human teaching authority above that of Scripture itself. Such a view, of course, is not taken from thin air but is a product of the (broadly speaking) Protestant theological tradition.

In summary, theological traditions guide our work as Christian economists in much the same way that scientific paradigms guide the work of scientists. They provide us with a body of accepted theological data, direct us to sources of authority, and define the nature of that authority. As already shown, they may also set the agenda for further work. And of course these traditions may conflict at key points.

Before continuing I will briefly summarize the content of propositions one through six: Christian economists, who are engaged in a necessarily theological enterprise, hold conflicting views on economics and theology. In the realm of economics we find not only that some have identified themselves with each of the principle competing paradigms but even within the mainstream we find a range of conflicting views. Settling differences across competing paradigms may not be possible insofar as these paradigms are grounded in conflicting “faith commitments” and insofar as they establish conflicting criteria for judging what is, and is not, the truth. Even within the main-
stream, there are no certain and objective grounds given to us through some methodology, for pronouncing that one competing claim is true and another false. Finally, I have argued that theological systems or traditions play the same role in theological inquiry as paradigms do in other scientific disciplines. I state now what will undoubtedly be my most controversial proposition:

**Proposition #8: There are no neutral or objective grounds for settling theological differences.** (Once again I add that I am speaking in purely human terms.)

Let us imagine what the attempt to find such neutral ground would entail. To be neutral it would require us to stand outside of any of the existing, competing traditions. But such a standpoint would have to itself provide answers to those questions whose resolution are necessary for theological inquiry to take place. And either these answers would be those of one of the existing traditions, or new answers which, taken together, would themselves form the basis for a new theological system. In either case, the claim to neutrality is invalidated.

The work of Alasdair MacIntyre (1988), though directed mainly to the problem of conflicting moral claims, is instructive here. After examining a number of competing traditions of rational inquiry and views of justice, he concludes: “Each has its own standards of reasoning; each provides its own background beliefs. To offer one kind of reason, to appeal to one set of background beliefs, will already be to have assumed the standpoint of one particular tradition. But if we make no such assumption, then we can have no good reason to give more weight to the contentions advanced by one particular tradition than to those advanced by its rivals” (pp. 351, 352). Even clearer is this statement of his position: “There is no standing ground, no place for inquiry, no way to engage in the practices of advancing, evaluating, accepting, and rejecting reasoned argument apart from that which is provided by some particular tradition or other” (p. 350).

At this stage of my argument I have little doubt as to which question stands uppermost in the minds of my evangelical, and perhaps other friends and colleagues. What about the Bible? Does it not provide a sure foundation for truth? Can we not appeal to Scripture as our ultimate arbiter of conflicting theological claims? The answer to the latter question is “yes,” provided that we are part of a tradition which assigns this role to Scripture, since this assignment itself is not self-evident. But the question of whether the Bible provides us with a sure foundation for truth is more complicated.

Even the most ardent biblical-inerrantist will have to concede that an inerrant Bible in no way guarantees inerrant interpretation. Sincere Christians coming from different theological traditions, each committed to the authority of Scripture, will nonetheless reach different conclusions from the same text. Do we, for example, understand the words, “This is my body” metaphorically or literally? There is no way to give a definitive answer to this question apart from that provided by a theological tradition. The “correct” interpretation of these words—and I take these only as a well-known example—does not enter our consciousness through some form of osmosis. Theological traditions teach us the “correct” interpretation, but if these traditions are found to be in conflict, there is no neutral point of reference to point us to the one which is Correct.

Yet our difficulties are not limited to the problem of competing interpretations of one or more particular biblical texts. More fundamental is the question of which texts are relevant to the ordering of our economic relationships and the structuring of our economic institutions in a late-twentieth century industrial economy. A number of recent works have pointed us to the Old Testament—and specifically to the laws given through Moses to ancient Israel—for guidance on these questions (Griffiths 1984, Mott 1989, Mason and Schaefer 1990). For example, Mason and
...we are not bound to give equal weight to all truth claims simply because these claims are made from the perspective of a particular tradition.

Schaefer make the following claim: "We argue that in the Mosaic provisions designed for early Israel lie intentions the God of creation holds for all peoples and nations" (p. 47). They are not alone in this belief.

But how are we to understand and apply these "intentions"? Are we obliged to take a literal approach which seeks to implement these laws today precisely as they were implemented in early Israel? According to the Reconstructionists we are so obliged. Or do we, instead, follow Mason and Schaefer in discerning and applying the "spirit" of these laws: "We do not call for application of the specific political and economic institutions of the Pentateuch in contemporary societies, but for discerning the moral emphases or norms which the institutions promoted" (p. 48).

Christopher Wright, an Old Testament scholar who takes a position similar to that of Mason and Schaefer, points out "that there were three major positions or traditions of biblical hermeneutics (specifically on handling the Old Testament) in the early centuries and that these three approaches have continued to be influential all through Christian history" (p. 101). These positions consist of: the "Marcion" tradition, which sees "a radical discontinuity between the Jewish scriptures and the Christian New Testament" (p. 102); the tradition of the Alexandrian fathers, which presupposes "continuity and harmony between the testaments" (p. 103); and the tradition of the Antiochene fathers which, while accepting the continuity between the testaments, also "allowed the New Testament to override the Old where necessary" and stressed "the importance of redemptive fulfillment of the Old Testament in the new" (p. 104).

Arguments can, of course, be advanced for and against each of these traditions and for and against their many possible variations. Where do we turn to settle these competing claims? We can derive arguments from the Bible itself, but the texts which we cite will themselves be open to various interpretations. Once again we find ourselves referring to and relying on the perspective and authority of a particular tradition. We understand the Old Testament law, or some other biblical text, in this way or that because it was understood in this way or that by John Chrysostom or Origen or Diodore of Tarsus or Augustine or Aquinas or Luther or Calvin or Pope Leo XIII.

Having responded to a question which I have imputed to the evangelicals present, I should, in fairness both impute and respond to a question from Roman Catholics. What about papal infallibility? Is it possible to accept consistently both the arguments I am advancing here and the doctrine of papal infallibility? I believe that it is. It must be remembered that papal infallibility is not based upon human reason. That is, when—and as a non-Roman Catholic I should say if—the pope speaks infallibly it is on account of divine inspiration, not infallible human reason. More problematic is how someone other than the Pope—who may presumably claim no direct revelation—can know that the pope is infallible. If the bible cannot provide us with the basis for indubitable knowledge, the doctrine of papal infallibility cannot provide it either.

Before proceeding to draw out the implications for Christian economists of the propositions which I have advanced, I should make clear what they do not imply. First, they do not lead inevitably to some form of relativism. In other words, we are not bound to give equal weight to all truth claims simply because these claims are made from the perspective of a particular tradition. This is not to say that the relativist argument lacks all plausibility. MacIntyre (1988) recognizes this seeming plausibility stemming from the "anti-Cartesian and anti-Hegelian" character of his tradition-bound conception of truth:

"Traditions fail the Cartesian test of beginning from unassailable evident truths; not only do they begin from contingent positivity, but each begins from a point different from that of the..."
others. Traditions also fail the Hegelian test of showing that their goal is some final rational state which they share with all other movements of thought. Traditions are always and ineradicably to some degree local, informed by particularities of language and social and natural environment... Those educated or indoctrinated into accepting Cartesian or Hegelian standards will take the positivity of tradition to be a sign of arbitrariness. For each tradition will, so it may seem, pursue its own specific historical path, and all that we shall be confronted with in the end is a set of independent rival histories (p. 361).

How does MacIntyre respond to this “plausible” case for relativism? Can traditions be evaluated in such a way that one may perhaps be judged superior to its rivals? To understand his response, we must first consider the historical character of traditions. MacIntyre makes this clear in his definition of a tradition:

A tradition is an argument extended through time in which certain fundamental agreements are defined and redefined in terms of two kinds of conflict: those with critics and enemies external to the tradition who reject all or at least key parts of those fundamental agreements, and those internal, interpretive debates through which the meaning and rationale of the fundamental agreements come to be expressed and by whose progress a tradition is constituted (p. 12).

To fully understand a tradition we must study its history, a point to which I will return later. For now we need only recognize that a tradition need not be static, but rather may evolve progressively or perhaps degenerate based upon debates occurring within and outside the tradition. These debates may arise because of new data or new experience which appear to conflict with key beliefs or assumptions associated with the tradition.

The debates within the tradition will center on whether the tradition can assimilate or explain the new data or experience, based upon the standards of rationality established by the tradition itself. A tradition that is progressing will find ways to resolve these debates in ways that preserve the essential characteristics of the tradition. However, at some point the internal contradictions faced by a tradition might become so strong, and irresolvable, that its adherents will abandon the tradition altogether or modify it in such a way as to form a new tradition.

This general approach will also serve as a means of comparing rival traditions. Nancey Murphy (1993) summarizes MacIntyre’s views on this:

One aspect of the adjudication between competing traditions is to construct a narrative account of each tradition: of the crises it has encountered (incoherence, new experience that cannot be explained, etc.) and how it has or has not overcome these crises. Has it been possible to reformulate the tradition in such a way that it overcomes its crises without losing its identity. Comparison of these narratives may show that one tradition is making progress while its rival has become sterile (p. 13).

The adherents of a “sterile” tradition may well look elsewhere—that is, to a rival tradition—and “ask whether the alternative and rival tradition may not be able to provide resources to characterize and explain the failings and defects of their own tradition more adequately than they, using the resources of that tradition, have been able to do” (MacIntyre 1988, p. 167).

But suppose, as seems often the case, that rival traditions face no such crises, at least not of sufficient depth to cause one or the other to be defeated. MacIntyre admits “that by restricting itself to such examples the relativist challenge can still be sustained...” (p. 366). But in response, he asks us to examine the position of the one who issues the relativist challenge:

Who is in a position to issue such a challenge? For the person who is to do so must during such period of time either be him or herself an inhabitant of one of the two or more rival tradi-
McCloskey is wrong in assuming that the adoption of a coherence theory of justification (in this case rhetoric) is necessarily linked with an anti-realist concept of truth.

...it is an illusion to suppose that there is some neutral standing ground, some locus for rationality as such, which can afford rational resources sufficient for inquiry independent of all traditions. Those who have maintained otherwise either have covertly been adopting the standpoint of a tradition and deceiving themselves and perhaps others into supposing that theirs was just such a neutral standing ground or else have simply been in error. The person outside all traditions ... has no adequate relevant means of rational evaluation and hence can come to no well-grounded conclusion, including the conclusion that no tradition can vindicate itself against any other. To be outside all traditions is to be a stranger to enquiry; it is to be in a state of intellectual and moral destitution, a condition from which it is impossible to issue the relativist challenge (p. 367, emphasis added).

Second, the propositions advanced in this paper do not require us to abandon the search for truth. Here I find helpful Uskali Maki’s critique (1988) of McCloskey (1985). Maki shows that McCloskey holds a “coherence theory of justification” which, consistent with the position I have taken above and consistent with that of MacIntyre, holds that statements are justified “by their relations to other beliefs or statements with which they cohere” (p. 27). A coherence theory of justification is anti-foundationalist in the sense that it admits no “foundation of certitudes” on which we can build our knowledge. We cannot justify claims to knowledge by appealing to any such indubitable foundations.

But McCloskey goes one step further and denies the very existence, or at least the relevance, of truth itself. He thus combines his coherence theory of justification with an anti-realist coherence theory of truth. The latter position holds that, “The truth of a statement consists in its coherence with a certain system or set of beliefs or statements” (p. 29). In other words, to McCloskey the grounds for truth itself are the same as the grounds for justification. He therefore concludes that a truth claim adds nothing to a statement, once we have offered our set of reasons as justification for the statement. Says McCloskey: “The very idea of Truth—with a capital T, something beyond what is merely persuasive to all concerned—is a fifth wheel, inoperative...” He says that after economists make their arguments for their theories, “there is not a point in asking a last summarizing question: ‘Well, is it True?’ It’s whatever it is—persuasive, interesting, useful, and so forth... There is no reason to search for a general quality called Truth, which answers only the unanswerable question ‘What is it that is in the mind of God?’” Such and such and so and so accord with a human checklist of arguments persuasive to humans. That is all ye need to know” (1985, p. 47).

But McCloskey is wrong in assuming that the adoption of a coherence theory of justification (in this case rhetoric) is necessarily linked with an anti-realist concept of truth. Says Maki: “... it should not be concluded that rhetoric is inseparably linked to anti-realism. Realist rhetoric is a viable option. We do not have to think that the reality of quarks and gravitational lenses is a matter of rhetorical persuasion even if we think that our belief in their reality is” (p. 23). Maki notes that the realist conception of truth (that is, what philosophers call the correspondence theory of truth), “is the traditional idea
which is more or less in line with people’s common-sense intuitions about the truth. With the correspondence notion, the truth of a statement is supposed to be something objective, independent of our beliefs in it and justifications for it. A statement is true or false by virtue of the way the world is, objectively” (p. 28). This distinction is important for Christian economists. It is not at all inconsistent to hold a realist view of truth—truth exists independently of anyone’s belief about the truth—and a non-foundationalist, coherence theory of justification. We can, and indeed should, continue to pursue the truth. But we must recognize our human fallibility which prevents us from ever knowing the truth with certitude, in a foundationalist sense.

Third, the realization that theological and economic inquiry are tradition or paradigm bound, does not rule out all conversation across competing traditions. This would only be the case if the incommensurability were complete, in the sense that rival traditions shared no common ground whatsoever. But this is certainly not the case. Although I have focused in this paper on our disagreements, it is nonetheless true that we share a good deal in common both as Christians and as economists and this common ground forms the basis for dialogue. The successful sessions sponsored by the Association of Christian Economists at the annual ASSA meetings and the (apparent) success of this workshop provide ample support for this. It is not dialogue itself that is at issue, but the possibility that such dialogue will result in concrete statements agreeable to all concerned, or, at least move us closer to that goal. What then are the implications for the work of Christian economists?

Implications

First, while “statements” on the economy, signed by members of competing theological and economic traditions, may not be ruled out, they are likely to garner widespread acceptance only to the extent that they lack specificity. Suppose for example, I asked for agreement on the following three statements:

1. Christians should help the poor.
2. Christian help for the poor should come through private contributions and through efforts design and implement a national welfare program.
3. Christians should promote a welfare system that comports with the system found in ancient Israel.

The first statement would, I suspect, receive unanimous endorsement; the second, which makes a more specific claim, would have the support of many but would lose the support of libertarians; the third, a still more specific statement, would capture even less support. An actual example of this problem can be seen in The Oxford Declaration. James Skillen (1990), in an insightful review of this document, gets to the heart of the problem:

The difficulty...is that the statement allows important differences in economic judgment among the signers to be covered over by general confessional statements. Instead of sharpening the meaning of economic agreement among Christians, the statement allows one set of words to serve an equivocal purpose—to be interpreted in different ways by those who differ over economic policies and principles (p. 15).

Among the specific ambiguities noted by Skillen are the meaning of the term justice, “the criteria for judging responsible technology,” the content of “fundamental rights,” and the specific role that government should play in securing our rights. In spite of these ambiguities Skillen still finds the document to be “useful and encouraging” and expresses his hope “that [it] will encourage Christians who hold different views to keep on working together” (p. 21). What is not stated directly by Skillen, though strongly implied, is that a statement which clarified these ambiguities in one way or another would have proven to be unacceptable to one or another group of participants. Apparently, the organizers

We can, and indeed should, continue to pursue the truth. But we must recognize our human fallibility which prevents us from ever knowing the truth with certitude, in a foundationalist sense.
and participants of the Oxford conference valued unanimous (or near unanimous) agreement over specificity and clarity.

Second, as long as Christian economists are found within conflicting economic paradigms and theological traditions, we should not expect a single Christian approach to economics. A Christian approach to economics would have to be grounded in certain theological presuppositions, just as secular approaches take certain presuppositions (perhaps epistemological, or pertaining to human nature) as their starting points. But on which theological presuppositions would such a Christian approach be based—Reformed, Anabaptist, Roman Catholic, or perhaps the much-neglected Orthodox tradition? Theological presuppositions for a Christian approach to the discipline—if specific enough to be useful—cannot be found in generic form. These presuppositions will inevitably be derived from one or the other of these competing theological traditions.

Third, Christian economists should become more aware, first, of their own tradition and, second, the traditions of others. As I have argued above, and as the work of MacIntyre makes clear, one cannot stand outside of all traditions of inquiry, for it is only within a tradition that we find grounds for justifying our beliefs. In seeking to justify our beliefs we will, at some point, be forced to fall back on the “first principles” of some tradition. Though these are not, as MacIntyre reminds us, “self-sufficient, self-justifying epistemological first principles” (p. 360), they serve an important, indeed essential function in the justification of beliefs. Foundationalism, it will be recallec, is dead. It is only from within a tradition that we can avoid the charge of being “ad hoc” in our form of argumentation.

Somewhat ironically, the goal of unity may be served best by first learning well and subjecting to critical examination the historical development and current content of our own theological tradition. For it is in first clarifying and then subjecting our own beliefs to such an examination that we may find cause to doubt the adequacy, coherence, or even the first-principles of our tradition. Or, just the opposite, we may find new and more convincing reasons, or more finely honed arguments for continuing to affirm the truth claims of this tradition.

Once we acknowledge and consciously accept and endorse the “first principles” of our own tradition we are in a position to consider the first principles and beliefs of a rival tradition. Yet such a step is far from easy, for to approach another tradition is to run headlong into the problem of incommensurability, especially the incommensurability of language. Consider such theological terms and expressions as “justification by faith,” “sacrament,” “the church as the body of Christ,” or, more relevant to Christian economists, “stewardship,” “justice,” “cultural mandate.” While not foreign to most Christian traditions, these terms and expressions nonetheless take on different meanings and carry different connotations within the various traditions. Members of rival traditions who attempt to converse with one another may find that the use of such expressions hinders rather than helps the resolution of such a conversation because of the different meanings and connotations.

Such difficulties do not rule out cross-tradition conversation altogether. As already noted, incommensurability is by no means complete. Yet deep, meaningful conversation will only occur when members of one tradition learn the language of the rival tradition, not as a “second language” but as a “second first language.” That is, we must learn the language not as those who translate—since translation is always subject to the biases of one’s own tradition—but as one who resides in, or in-dwells that rival tradition. This allows us to view and evaluate the rival tradition on its own terms. Such a view may cause us to see such advantages to the rival tradition that we have cause to adopt it as our own. Or, if such advantages are not found, our commitment to our own
tradition will be strengthened all the more. Finally, and perhaps most important of all, we must acknowledge human fallibility (including our own) even as we cling to the belief that truth exists and Christians are obliged to pursue the truth. It is not a contradiction to hold simultaneously a belief in human fallibility and in the existence of objective truth. Our fallibility prevents us from knowing, with certitude, when we have arrived at the truth, but this in no way negates the reality of truth. Acknowledging our fallibility should, however, cause us to make our truth claims with a proper sense of humility, always holding out the possibility that we are wrong and someone else has it right. And this attitude of humility should extend equally to economic and theological truth claims, for our fallibility is not diminished as we move from one form of rational enterprise to another. Ultimately, all knowledge claims—whether made by Christian or secular economists, and whether it is acknowledged or not—rest on an act of faith. But faith is not certitude. If we could know God’s truth with certitude then faith would not be necessary. But we cannot, and so it is. Let us pray, then, that the God of all truth will use to His glory our feeble gropings after the truth, carried out in His name.

**BIBLIOGRAPHY**


**ENDNOTES**

1. If anyone doubts my assertion I refer them to the bibliography in North (1975).

2. For a readable summary of some of Polanyi’s ideas see Newbigin (1989).


Storkey, Alan (1986), Transforming Economics, London: SPCK.


Wolterstorff, Nicholas (1976), Reason Within the Bounds of Religion, Grand Rapids: Eerdmans.


Comments on Webb

Bruce Webb has helpfully outlined, in the first half of his paper, two viewpoints on the link between theology and economics. One is that the two disciplines should essentially be seen as separate. The other is that they are very much intertwined, and that a unified theology of economics needs to be our goal. I appreciate the wide reading and even-handedness that Bruce employs in his discussion.

Then, in the second half of the paper, he proposes a way forward in the debate that is built around respective theological “traditions” or paradigms. It is on this that most of my comments will focus.

Shortcomings with “Tradition Thinking”

In Christian epistemology, there are four different approaches commonly in use: Revelation, Tradition, Reason, and Experience. Of these, only the first (i.e., Scripture) is an exogenous epistemology; the others are endogenous. That is, revelation as an epistemology best seeks divine sovereignty while the other three inevitably resolve into human sovereignty, and thus the greater potential for error and “fallenness.”

This is the theological reason for adopting a healthy skepticism regarding tradition-driven thought or practice. The Westminster Confession puts it well when it says that “Scripture is the interpreter of Scripture.” This is saying more than just using the Bible to yield Answers. Importantly, it is saying we should use the Bible to yield the questions, as well. Scripture must be allowed to set the agenda, to rank priorities, and to tell us what God regards as important and unimportant. A basic principle is that if the Bible treats an issue, then we need to take that issue seriously; if the Bible ignores a given issue, then we are entitled to be flexible about it and need not attach theological significance to it. Indeed, we must not.

The second argument against a tradition-driven epistemology is the philosophical one. John Rawls, for instance, put this forward in his landmark 1971 book, A Theory of Justice. It involves the principle of impartiality. Rawls asks us to imagine a hypothetical convention in which we all draw up the ethical rules of the game. As we do this exercise, it is in the presence of other members of the society, and is on the assumption that we each know nothing of our own talents, endowments or abilities. Knowing not what our potential status will be, it is likely we will draw up the rules so as to maximize the position of the weakest member. This is dubbed the “principle of maximin.” The point is, each culture, each thinker—each tradition—
Scripture must be allowed to set the agenda, to rank priorities, and to tell us what God regards as important and unimportant.

brings its own baggage to ethical debates, making impartiality unlikely. Once again, this points to the need for a Biblical epistemology.

The Middle-Axiom Approach

All of this naturally raises the question: how should we apply the Bible to economic science? It is helpful to think of three levels, like strata in a geological formation, which link theology and economics:

(1) core doctrines (e.g. God, Humanity, Creation, Sin, Redemption);
(2) middle axioms;
(3) final blueprint (e.g. taxation, welfare, trade blocs, money, regulation).

My contention is that the Bible does not address level 3 topics: it is not an economics textbook and contains no blueprint for economic design. In this sense, economics is no different from plumbing or cooking, theologically speaking; Economics is simply the science of how to get economic things done. At level 3, the issues are culture-dependent and so the forms will vary according to time and place.

However, the story does not end there. The Bible contains material that falls into level 2: “middle axioms.” These are connecting theological principles for how humanity should relate to God, each other and the environment in so far as economic questions are concerned. They are culture-independent. The significant thing about this material is that it tells us what is important, in God’s eyes, and what is not. It tells us what aspects of economic life are theologically “hot,” and also tells us that everything else is a “non-event” as far as discipleship is concerned.

What are these middle axioms? The table immediately following these comments summarizes the Biblical data where economics is concerned. To fully argue the list of middle axioms would require another paper in its own right, and will not be attempted here. Suffice it for me to suggest, tentatively, that as I read God’s revealed word it would seem the following axioms are close to the Lord’s heart:

- **Contingency**—every economic endowment is a gift from God by his sheer grace;
- **Idolatry**—economic life must not be allowed to usurp our worship of God;
- **Needy**—to ignore the plight of the destitute is to offend God;
- **Integrity**—conventional morality such as honesty, true scales, duty to rulers and fair work;
- **Eschatology**—the “now, not yet” tension which cautions against pre-heaven idealistic blueprinting on social issues.

These are themes that unmistakably run through the Bible. The list of middle axioms is important not only for what it includes but what it does not include: the “missing axioms.” For instance, Scripture places little or no store on such matters as high efficiency (technically defined), precise horizontal equality, or aggregate growth in national income. This is not to say that God is actively opposed to them, but neither is he actively champion of them: they simply do not rank as theologically significant. Thus, neither should we elevate them to “sacred” status.

Conclusion

Returning to Bruce Webb’s original question, why then do various Christian traditions arrive at different economic views? One reason is that, there being no definitive economic blueprint in the Bible, this permits a good deal of flexibility and plurality at the modelling stage. Another reason is that various traditions arrive at differing lists of middle axioms, or weighting of these axioms. Bruce Webb’s paper is helpful in laying these differences out on the table and showing us that because one tradition may not have the same epistemology as another, its middle axioms will not be identical. Mark Twain once heard an acquaintance talk of being neutral about an issue of the day. Twain was heard to ask: “who are you neutral
against?” There is a point at which the authority of Scripture must be safeguarded: when we must stand “against” something. This point is reached when a tradition is out of line with the Bible: its list of answers, its list of questions, and its list of priorities. Faithfulness as economists requires us to humble ourselves before Scripture and let God’s agenda be our agenda.

### BIBLE AND ECONOMICS

<table>
<thead>
<tr>
<th>Section</th>
<th>Main Economic Message(s)</th>
<th>Some Specifics</th>
</tr>
</thead>
</table>
| Genesis | 1. Created order belongs to God  
2. Mankind has dominion mandate (1:28)  
3. Sin has its effect on economic life (3:17-19) | - Economic activity basically good  
- Work part of God’s plan (2:15)  
- Leisure part of God’s plan (2:2)  
- God provides all needs (1:29)  
- Economic activity develops its skills (4:20-22)  
- Work becomes toil in fallen world (5:29)  
- Promise of salvation somehow encompasses the economic (5:29, 12:1)  
- Economic resources can be misused to challenge God (11:3-4)  
- Famine and plenty both a part of fallen world (12:10; 41:46-49)  
- Economic disputes can spoil relationships (13:5-7)  
- Wealth in itself not necessarily condemned (13:2)  
- Faithfulness includes right use of economic resources (15:9) |
| Pentateuch | 1. Ethical guidelines for economic life given on assumption that covenant relationship exists with God.  
2. Idolatry, lack of trust in God’s provision, and neglect of needy are seen as central econo-spiritual problems | - Economic oppression taken seriously by God (Ex 2:24; 6:5-6)  
- God expects people to trust His provision (Ex 16:4-5, 19-20)  
- Grumbling about economic situation not good (Ex. 16:6-9)  
- Economic not to become an idol (Ex 20:4; 20:23; Lev 26:1; Deut 4:28-29)  
- Respect for other’s property (Ex 20:15; 22:1-15)  
- Be gracious to the needy (Ex 22:25-27; Lev 23:22)  
- Sabbath principle (Ex 23:12; Lev 23:1-2; 26:2)  
- Can express love for God via eco-giving (Lev 2:1-16)  
- Year of Jubilee (Lev 25:8-55; 27:17-24; Num 36:4)  
- Sabbatical year (Lev 25:1-7) |
<table>
<thead>
<tr>
<th>Section</th>
<th>Main Economic Message(s)</th>
<th>Some Specifics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Israel's History</td>
<td>(No new economic themes)</td>
<td>• Idolatry (Judg 17:3-4; 1 Kgs 12:28)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Exploitation (Neh 5:1-13)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Various episodes of greed and dishonesty</td>
</tr>
<tr>
<td>Prophets</td>
<td>1. Economic wrong doing amongst God’s people harshly condemned in order to illustrate underlying spiritual malaise</td>
<td>• Isa 1:21; 2:7-8; 3:14-15; 5:8-10; 10:1-2; 32:16-17; Jer 2:34; 6:13; Ezek 18:8, 12; Zech 7:8-10; Mal 3:10; Hos 7:1-2; 12:7-8; Amos 2:1-7; 3:10; 4:1; 5:11-12; Mic 3:1-2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• False weights and measures condemned (Prov 20:23)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Praise God rather than question Him (Job 40:7-8; Ps 9:11; 33:1-2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Keep economic things in perspective (Eccles 4:4-6, 13-16; 5:8-20; 6:1-12)</td>
</tr>
<tr>
<td>Gospels/Acts</td>
<td>1. Riches can be major obstacles to entering the Kingdom</td>
<td>• Give in secret (Mt 6:1-4)</td>
</tr>
<tr>
<td></td>
<td>2. True treasure is heavenly not earthly</td>
<td>• Treasures in heaven (Mt 6:19-24)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Trust God’s provision (Mt 6:25-34; Lk 12:22-34)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Riches a barrier (Mt 19:16-30; Mk 10:17-31; Lk 18:18-30)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Meeting obligations (Mt 22:15-22; Mk 12:13-17; Lk 20:20-26)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Give from the heart (Mk 12:41-44; Lk 21:1-4)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Rich fool (Lk 12:13-21)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Conversion brings new attitude to possessions (Acts 2:44; 4:32-37)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• God the giver (Acts 14:17)</td>
</tr>
<tr>
<td>Section</td>
<td>Main Economic Message(s)</td>
<td>Some Specifics</td>
</tr>
<tr>
<td>---------</td>
<td>--------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Epistles</td>
<td>1. Practical instructions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. No apparent burden for altering existing social structures</td>
<td>• Be thankful (Col 3:15)</td>
</tr>
<tr>
<td></td>
<td>3. Exhibit Christian character in your given situation</td>
<td>• Pay taxes due (Rom 13:6)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Generosity (Rom 12:13; 1 Cor 16:1-4; 2 Cor 8:1-15; 9:6-15)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Hospitality (Rom 12:13)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Support Gospel work (1 Cor 9:11-12)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Hard work (Eph 4:28; 2 Thess 3:6-15)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Serve master/employer (1 Pet 2:18; Col 3:22-25; Eph 6:5-8)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Treat slave/employee well (Col 4:1; Eph 6:9)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Contentedness (Phil 4:12)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Obey civil authorities (Rom 13:1-7; 1 Pet 2:13-14)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Avoid love of money (1 Tim 6:3-10)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Trust not in wealth (1 Tim 6:17-19; Jam 5:1-6)</td>
</tr>
</tbody>
</table>