

## **Whither Christian Economics? A Roundtable Discussion**

Following a visit to the well-known British interdenominational event, Spring Harvest, Michael Pollitt was inspired to suggest a panel discussion for the Cambridge July 2006 Study Group on the theme of the future of Christian Economics. The idea was to stimulate fresh ideas on how the community of Christian economists may progress in their thinking and the role of ACE in supporting this endeavour. Donald Hay, Andrew Henley and Ian Smith were asked to be panel members on this occasion and agreed to spend a few minutes each addressing the following three questions:

1. Is there a distinctively 'Christian Economics'?
2. What areas would you identify as promising areas for further development of Christian thinking in economics?
3. How do you think a group like ACE can support 1 and 2?

This was followed by an open, lively and thoughtful debate.

Presented here is a summary of the views of two of the panelists together with invited contributions from Andrew Britton and Michael Pollitt to give a flavour of the discussion. If you would like to contribute your own reflections or responses to this on-going dialogue then please feel free to submit your thoughts to the editor.

## ROUNDTABLE     Donald Hay

### 1. Is there a distinctively ‘Christian Economics’?

The question of what *actually* constitutes Christian economics is much easier to answer than the question of what *should* constitute Christian economics. It is straightforward to identify four research areas and literatures in which Christian doctrines, institutions and behaviour are analysed in relation to economic analysis:

*(i) History of economic thought.*

There is fascinating literature particularly associated with the name of AMC Waterman, which focuses on the separation of economics from theology in the last part of the 18<sup>th</sup> century and the early 19<sup>th</sup>. Prior to this period, economics was seen as part of theological ethics and analysed in those terms: after this period, the divorce between the disciplines was complete, and economics gradually reconstituted its analysis in terms of secularised utilitarian ethics. The reasons for the divorce, and whether it was a ‘good thing’, are debated in the literature. Most scholars conclude that it was inevitable, and that it contributed positively to the development of the discipline. Christian economists who would like to return to an avowedly Christian ethic as the basis for economic analysis would do well to ponder the lessons to be learned from this period in the development of economic thought.

*(ii) Economic analysis in the interpretation of biblical texts and in the elucidation of Christian doctrines.*

Biblical scholars have long borrowed from social sciences to enable them to understand biblical texts: the contributions of social anthropology to the interpretation of Leviticus, and legal theory to interpret the parables of Jesus, are cases in point. More recently there have been a number of attempts to use economic models to understand biblical material: for example, game theory has been used to model the Exodus, and signalling theory to explain the incidence of miracles. In terms of Christian doctrines, it has been noted that categories such as covenant and redemption appeal to ideas of contract, and that the doctrine of final judgement suffers from a time-inconsistency problem. More recently it has been suggested that economic analysis might be a starting point for a new ‘natural theology’: the idea is that the characteristics of human relationships and interactions may give us a basis for inferring the existence of a God who enters into covenant with us and shares his image with us.

*(iii) The economic analysis of religion*

This approach is a particular product of the Chicago School project, focusing on the incidence and variety of types of religious behaviour. Key players in the United States are Iannaccone and his disciples. The focus may be on the demand side: why do people hold particular beliefs and practice their religion in particular forms? Or it may be on the supply side using models of firms and markets: what explains successful churches or denominations both in cross section and over time? There is more than a whiff of

reductionism or de-bunking of religious belief and practice in this literature: the ‘real’ reasons for religious practice are uncovered from behind a veil of religious dogma. However the literature does provide an impressive display of econometric skills, applied to large panel data sets: as applied economic analysis, it is definitely state of the art.

*(iv) The interaction of theology and economic analysis*

This research field forms the major corpus of literature in the area of Christian economics, and it goes back at least to the early 20<sup>th</sup> century in one form or another. The literature takes various guises, but at its core is an understanding of the purposes of economic life derived from biblical or theological sources that is at variance with the utilitarian vision that underlies economic analysis. This understanding can be applied at various levels: to critique the normative assertions of economic analysis, to suggest different criteria for evaluating economic performance, to identify a research agenda with specific emphases (e.g. poverty, environment, unemployment, Third World) derived from Christian concerns, to inform Christian contributions to debates on economic policy, to develop an ‘alternative’ Christian economics with different models of economic behaviour. The literature in these areas is very broad in its scope, and is characterised by a low mean and high variance with respect to its quality. The contributions by theologians attract justified criticism from economists that the writers have failed to get to grips with economics as a discipline: in return, economists who venture into this area are often dismissed by critical theologians as naïve in their understanding of theology!

So much for the actual content of Christian economics as it is currently practised. But what might be said about what should constitute a distinctively ‘Christian economics’? There are no good reasons for ruling out any of the areas listed above, though we are all likely to have our preferences. My own preference would be for a subset of area (iv) above. The literature contains far too many contributions that are couched at a very high level of generality, such as the literature (and I plead guilty to the charge of being a contributor) which seeks to evaluate ‘capitalism’ or ‘globalization’ from a Christian viewpoint. This literature tends to be lacking in both theoretical and empirical rigour: the issues are just too ill-defined to be susceptible to generalisation. The subset I would favour is one where particular issues – for examples, global warming, family poverty, income generation projects in developing countries, pensions, delivery of health programmes, to name but a few– are made the subject of detailed ethical, theoretical and empirical analysis, and where the ethical input is distinctively Christian in its foundations.

## **2. What are the promising areas for further development of Christian thinking in economics?**

Christian economics generally has to be interdisciplinary: that is, to succeed the economic researcher has to become conversant with biblical and theological literatures. Unfortunately, that is not just a matter of reading the literature on the topic under consideration: the researcher needs to be sufficiently familiar with theology or biblical studies as whole in order to discern the quality of the arguments being presented. And it is not only theology that may be needed: for example, the history of economic thought

often requires knowledge of the philosophical arguments that affected the development of the discipline. The one area where one might think that the economic researcher could proceed without theological training is area (iii) above. However in a recent symposium (Faith and Economics Fall 2005 – the publication of the North American ACE) Professor Deirdre McCloskey of the University of Illinois argues persuasively that the Iannaccone School of economics of religion is impoverished because it often fails to understand the purposes and meanings attached to religious behaviour. The implication is that the economic researcher who wants to succeed in the field of Christian economics has some hard work ahead to build up his or her grasp of theology.

With the exception of area (iii) outlined above, Christian economics does not register in top ranked journals – or even in second division economics journals. This creates a problem for a young researcher who is concerned about career progression, not least in the context of the Research Assessment Exercise. When I wrote on Christianity and economics in the 1980s, the department at Oxford took a fairly relaxed view, and even entered those publications in the early RAE exercises as indicators of the ‘breadth’ of the department (to show that not everybody did time series econometrics and micro theory!). I cannot imagine that happening now. The question is whether a really good piece on economics and Christianity would be given any consideration by a top journal: unfortunately we don’t know the answer to that question as none of us is producing work that might qualify.

For many years, it has been difficult to get funding for research in the area of Christianity and economics: an honourable exception has been the Templeton Foundation. The situation is however changing fast: AHRC has recently announced funding for the study of religion on the interface of the humanities and social sciences. This is an opportunity that should be grasped firmly. In general there is increasing awareness in the research community, resulting from 9/11 and 7/7, of the need to understand religious movements and behaviour.

Research networks in Christian economics are absent from the UK and Europe. This is because Christian economists are thin on the ground, and tend to be isolated in their departments. This contrasts with, for examples, some of the Christian liberal arts colleges in the US, and the group that Paul Oslington has nurtured in Canberra, Australia. The North American ACE is beginning to function more effectively as a network, at least providing links between Christians in different universities and colleges, and there is at least the potential for research links to develop.

The Christian community more widely needs input from Christian economists, especially in policy debates, though this is not always recognised by that community. This contrasts with some other disciplines, such as medicine, where involvement in policy is based on contributions from Christian academics. Christian economists need to develop policy relevant expertise, and make known their willingness to advise church bodies, Christian NGOs, and prominent policy makers.

### **3. How do you think a group like ACE can support 1 and 2?**

The first desideratum is for Christian academic economists who are willing to dedicate a proportion of their research time to projects in any of the areas listed above, but perhaps especially to area (iv). They should not devote all their research time in this way. It is very important to maintain a reputation for good work in mainline research, partly to keep the head of department off your back when the RAE comes round again, and partly so that you cannot be accused of ducking out of ‘hard’ economics into a ‘soft’ intellectual byway. ACE needs to catch promising academic economists at the beginning of their careers, and challenge them to be involved. There will be costs: a Christian economist may have to work harder than his or her non-Christian peer, and may have to accept a slower progression in reputation and career.

We should develop more joint work with theologians and ethicists. If the best work requires expertise in both theology/ethics and economic analysis, then as economists we should recall our theorems about comparative advantage and division of labour! Some ACE members have gone down this route, notably Andrew Britton in his collaboration with Peter Sedgwick. My personal experience is that such collaborations can be very fruitful, but they do not come easily as it takes time and patience to understand where the other partner is coming from in terms of methodology. Writing a joint piece can be particularly challenging.

We should consciously set out to develop ACE as a research community. That will involve identifying themes, and convening small research groups to work on these, perhaps with a remit to present results at the annual ACE meeting. Such an initiative will require a commitment of time from the members and some funds to enable groups to meet on a regular basis. On the latter the decision to open up the opportunity of bids for small grants from the ACE accumulated balances is to be welcomed: but more funding will need to be sought in the longer term. Developing ACE as a research community might also increase the commitment of members who seldom come to our gatherings, and possibly bring in more Christian economists who are not yet members.

We should make the existence of ACE more widely known in our denominations and to Christian NGOs, and draw up a list of our members who have relevant expertise and are willing to be consulted. Not only would this raise the profile of the Association, it would also bring to our attention particular issues and problems that might form the themes to be addressed by the small research groups.

## **ROUNDTABLE     Andrew Britton**

### **1. Is there a distinctively ‘Christian Economics’?**

Economics as currently taught and practiced derives from the eighteenth-century Enlightenment, so its relationship to Christianity is often problematic. The main problem areas include rationality, individualism and utilitarianism, all close to the heart of neoclassical theory. It is right and proper, therefore, for us to aspire towards the creation of alternative models.

There are, indeed, several different ‘distinctively Christian’ schools of economics. There is one based on Catholic Social Teaching, which has the merit of offering answers to questions which are central to the perennial concerns of economic policy. Another example would be the ‘liberationist’ economics which draws on Marx as well as on Christian teaching.

No doubt other ‘distinctively Christian’ economics exist or could be invented. It is highly unlikely, however, that one could be created which would be accepted by all Christians. Experience of drafting documents for the church on economic subjects suggests that the most difficult chapter to write is the one which is meant to provide the theological foundation. This does not mean that we should give up!

### **2. What are the promising areas for further development of Christian thinking in economics?**

The churches rightly feel called to comment on current issues of social and economic policy. To do this effectively they need the help of professional economists, if only to anticipate criticism and avoid error and misunderstanding. Our agenda is, therefore, largely set for us by public debate. Subjects which are now topical include: climate change, trade and aid, migration, health care and pensions.

As Christians we have another agenda concerned with the main issues of theology: creation, judgement and salvation. Some of the concepts which we use in economics may be helpful as models (or parables) to explain and elucidate Christian doctrine.

### **3. How do you think a group like ACE can support 1 and 2?**

It is proving very difficult to get ‘distinctively Christian’ economics into the academic mainstream. We rightly wish, however, to conduct our debate with no less rigour than the leading academic journals would require. This suggests that we need discussants at our meetings, and referees for papers submitted to our journal. Our aim then might be to widen the circulation of our journal to include Christian academics in other fields, such as theology and religious studies.

Comments on economic issues by church leaders sometimes betray woeful ignorance of our subject! We could offer an advisory service.

## **ROUNDTABLE     Ian Smith**

### **1. Is there a distinctively ‘Christian Economics’?**

While there are undoubtedly certain themes, approaches and topics that particularly attract the interest of Christian economists, there is no clearly established method for doing Christian Economics. Indeed, to describe the characteristics of a genuine Christian economy or policy, we would need to know a great deal more about God’s preferences over economic organisation and allocation. The biblical data just do not seem to provide enough material to establish a distinctively Christian economics and there is no reason to expect it to do so. At best, we are only able to derive general principles that may shape our thinking and help us to choose between different economic options.

Sociologically, one perhaps unfortunate distinctive feature of the ACE membership is its male domination. Although this is true of the economics profession more generally, it seems that women are particularly under-represented in the Association. Speculatively, this may be because Christian women are much less attracted to the initial study of the subject of economics at university level than their secular counterparts (and also relative to the ratio of Christian males to secular male students of economics) though I have no empirical evidence on whether this particular conjecture is true.

### **2. What are the promising areas for further development of Christian thinking in economics?**

Given that activity levels are generally quite low, there is need for further development of Christian thinking on all fronts. This journal, for example, has traditionally struggled to publish more than one issue per year and often more than six months can pass by without the editor receiving any journal submissions. However, it is encouraging to see the recent development of some joint research activities, making use of the synergies and complementarities among ACE members. This will hopefully serve to generate greater output in the future, especially if it results in the formation of proactive working groups with a well-defined focus of attention.

I am personally enthusiastic about rational choice theology, that is, the application of the economics toolkit to biblical texts and theological issues. Previous work on this project is rather limited and there is enormous unexploited scope for economists to make a fresh contribution.

Research on the economics of religious markets and religious behaviour has a more established track record. Rightly handled, some of this work has considerable potential to be of service to churches and church leaders, especially in terms of informing church growth strategies. Why is it, for example, that denominations organized along the “parish” model have particularly struggled to retain members over the past 50 years in both the UK and the US?

Finally, there is a well developed literature on the consequences of religion for a wide range of social and economic outcomes such as its effects on crime, health and well being, suicide, corruption, fertility, economic development and so on. In terms of an apologetic strategy, there are clear gains from monitoring and evaluating the impact of Christianity on society.

### **3. How do you think a group like ACE can support 1 and 2?**

I am naturally interested in the potential of this journal as a vehicle for stimulating progress in Christian economics. Ideas to generate livelier debate, that do not seem overly ambitious, include:

- (i) Special issues on particular themes or questions.
- (ii) Shorter articles that outline ideas or reflections that may not yet necessarily be fully worked out. This would reduce the investment cost of writing a paper and permit each issue of the journal to carry a larger number of articles.
- (iii) Some journals (e.g. *Behavioral and Brain Sciences*) adopt the practice of commissioning a lead article that is then circulated to a large number of interested parties for constructive comments and helpful feedback. These comments are published along with the main article and a response to the comments from its author(s). This could be a potentially productive avenue for focusing the minds and energies of ACE members on specific topics or projects. It is envisaged that this would be conducted in a very positive, encouraging manner, free of the dismissive and argumentative style of criticism that can be found at times in academic discourse.

## **ROUNDTABLE     Michael Pollitt**

I am very grateful to our editor for giving me the chance to answer the three questions that I posed to the panel of Christian economists at ACE 2006. This has given me the excuse to do some reflection on this and develop my own thinking further. Instead of answering the questions directly, I would like to explain why I asked them and to offer a more fundamental reflection on what it means to be a Christian economist doing Christian economics.

### **Why ask the questions?**

First, our economics should be under the Lordship of Christ. Thus while we are free to think and do any economics we like as Christians, not all of it is beneficial (to paraphrase 1 Corinthians 6:12). We should only link Christianity and Economics in ways that please God. God owns the brand name 'Christian'. Thus our Christian economics should pass an edification test – when our hearers/readers have heard/read my work, have I left them more in love with Jesus than I found them (or certainly no less in love!).

Second, I wanted to push us on the issue of Christian distinctiveness. Morality is not a distinctively Christian characteristic. Indeed much of Jesus' teaching is critical of the application of traditional Jewish morality. That is not to say that morality is unimportant to the Christian. However, I would like to see us increasingly trying to bring out a distinctively *Christian* economics that pushes us beyond what any moral person or monotheist might affirm.

Third, I think it is good that we periodically ask and hear answers to such questions in an association like ours. We need to think about why we are doing what we are doing, and whether we are serving any divinely useful purpose. I am sure that there is a lot of good in what we are already doing and that we do have a divinely useful purpose. However in the Christian life it is good to be open to correction, encouragement and new directions.

Fourth, in my view we should be a group which encourages individuals in their 'life' as economists or users of economics. We should not be in the business of just 'doing' Christian economics because it is there. It was this positive encouragement to think about what we are doing and why that I was hoping to get at, rather than continuing to just 'do what we do'.

Fifth, we need to encourage one another and provide support. If people would value it, there may be other things we could do to try and thus bring a Christian understanding of economics to a wider audience. Ideas on that are always welcome.

### **On being a Christian economist doing Christian economics**

In reflecting on this I turned to Mark Greene's excellent book *Thank God it's Monday* (Scripture Union, 2001). If you have not read it, I highly recommend it. In it Greene reflects engagingly about being a Christian in the workplace and I read it recently with

this piece of writing in mind. In the light of this I suggest five desirable characteristics of a Christian economist (and I am sure this list is not exhaustive). These characteristics might be applied to all of our work but I highlight their particular application to the doing of Christian economics.

### *Attitude of Excellence*

We are called to work ‘for’ the Lord not ‘on’ the Lord (Colossians 3:17). This is important. We need to be careful when we do Christian economics not to put God under the analytical microscope as if we are God. We should however work on areas where we have relative expertise and cooperate with others who understand the fields that we do not. Thus it is right that if we are expert economic theorists/econometricians we should use cutting edge economic theory/econometrics in our Christian economics. Ben Cooper’s excellent theoretical analysis of Ecclesiastes (based on his PhD) comes to mind here. If we are to make progress as Christian economists, we need to pursue excellence in our work and not be satisfied with thinking that we would not accept if we were working on ‘secular’ economics.

### *Social Responsibility*

Social responsibility in the workplace is very important. When we do Christian economics it should be honest and balanced, not misleading. At ACE 2006 Richard Lewney helpfully highlighted some of the ethical issues in his work on climate change in the way that figures were reported and compared. We need to follow ‘normal’ best practice in the way that we represent our ‘Christian’ economics. We also have a social responsibility to do useful economics and to address issues of equity (justice) as well as efficiency. That is not to say that Christian economics should always be applied, but that it should have some use value (even if it is just to the writer/presenter). However this does imply that if we have a choice we should think about doing the more useful piece of work rather than the less useful.

### *Radically Christian*

In the Gospels, Jesus is a radical with respect to the established order. I was very challenged by Peter Selby, Bishop of Worcester, when he spoke at ACE 2003. He started with a role-play based on the Parable of the Unmerciful Servant (Matthew 18: 21-35) where we were invited to be the manager providing economic excuses for our actions. Peter put economics in the dock, took the Lord’s teaching as the starting point and then asked for our response to that. This exercise highlighted the way that economic analysis is so often used to provide excuses for continuing economic injustice. We need to reflect the counter-cultural nature of the teaching of the Bible in our economics. God’s economics is not necessarily the same as the economics in the textbook (even a good modern one). For instance, much of Jesus teaching does relate to money and fundamentally challenging in what it says about it. We need to take care not to just reduce Christian economics to the addition of a ‘God’ variable in our regressions or to overly focus on lessons from the Old Testament Law which Jesus came to fulfil (in a radical way). Edward Carter’s thinking about ‘Resurrection Economics’ and Ian Smith’s

work on the ‘Economics of Miracles’ are welcome attempts to develop clearly Christian themes within our economics.

### *Humility*

Economics is a proud, imperialist discipline with a strong tendency to Gnosticism. As Christian economists we need to recognise these characteristics. The pride of economics (much of it based on notable achievements in understanding) needs to be directed to where it can really make a difference in human understanding of the world’s problems. If there is any boasting to be done about economics, it is surely about what the Lord can do with good economic analysis of genuine economic problems. I remember reading an inspiring story of an Argentine church leader (not an economist) receiving a word of knowledge to advise a union facing mass redundancies to offer to accept a pay cut in return for avoiding the job losses!! The imperialism of economics needs to be counteracted by our willingness to listen to people from other disciplines who use different forms of theoretical reasoning and empirical analysis (often ‘softer’ than our own). Interdisciplinary work is something that the Christian economist should be open to, if not actively participate in. Andrew Dilnot and Donald Hay have provided us with excellent examples of joint work with theologians. We also need to be careful about Gnostic tendencies in economics, for instance the assumption that if only everyone else (and other Christians in particular) knew some (or the right) economics, their concerns about the operation of the economy with respect to the private incentives, fair trade, globalisation, income distribution, the environment etc. etc. would be seen to be misguided. We need to listen carefully to what the Lord may be saying to us about the failings of the economic system, even in the economically inarticulate but heartfelt arguments of non-economists.

### *Seeking true wisdom*

Economics is the study of the way the world works. It is wonderfully insightful, intellectually elegant and deeply attractive to us professionals. However it incorporates the value system of the world at its core. It can seduce us with the clarity its analysis and the simplicity of its prescriptions. We need to be wary of being trapped by it. We can lapse into believing the (sinful) economic logic that we might be called on to explain to others. Thus as we understand economics better we need to be careful not to be blinded by its thinking and lose sight of the real spiritual (and economic) issues. Shirley Dex and Bob Rowthorn have done us a service by focussing on the interaction between economics and the institution of marriage. As we know, economics is remarkably silent on non-market activity, true human value, the role of suffering, loss and waiting, providence, compassion etc. When we interact with others at church and in the workplace we need to be careful not to undermine such things. As church members we also need to be careful not to unthinkingly bring to our churches (and other Christian organisations) the pro-competitive, pro-consumer, pro-incentives choice logic of the market, when that is at variance with God’s will.

I am not saying any of these characteristics can be achieved easily or that they all should be to the fore in every paper/presentation/discussion that ACE has. However it

would be wonderful to see them increasingly exhibited by the Association as a whole. These characteristics will also lead to us being able to give inspired answers to the original questions with which we began this debate.