

CALCULATED FUTURES: THEOLOGY, ETHICS, AND ECONOMICS. By D. Stephen Long, Nancy Ruth Fox and Tripp York. Baylor University Press 2007. Pp. 245. \$34.95. ISBN: 1-602-58014-6.

Interdisciplinary dialogue, like interreligious dialogue, is a well known challenge. Besides the obvious language differences (even basic terms often have different meanings, much less the more nuanced concepts), each discipline typically has a way of looking at the world which is not always easy to comprehend from the outside. Thus, D. Stephen Long and Nancy Fox are to be commended for their attempt to promote dialogue between the disciplines of economics and theology. It should be noted that intra-disciplinary dialogue is almost as difficult, and that Fox and Long each represent one branch of their respective disciplines. While Long engages other ideas in theology, Fox considers only neoclassical economic views.

Long is a Methodist theologian and Fox is a Jewish economist; and their book, *Calculated Futures*, is an ambitious attempt at interdisciplinary dialogue. Given their differing faith traditions, one would expect the book to include interreligious dialogue, and *Calculating Futures* includes this, but not between Jewish and Christian perspectives, but between Long's and Fox's view of economics as a theology of sorts. Dr. Long also engages in a dialogue with various other Christian traditions. Surprisingly, most of the theology in the book seems Catholic, perhaps not surprising given Long's Christian orthodoxy. (Long argues that the Church has to be one, holy, Catholic and apostolic, which as a Catholic seemed obvious to me, but I am not an expert on the various arguments within Protestantism).

The core of the book is the dialogue between Fox and Long in the first two chapters. The subsequent six chapters are by Long, with the sixth chapter co-written by Tripp York. I shall concentrate on the first part of the book, but it should be noted that these later chapters are interesting and informative, especially Chapters Five and Six, on corporations and usury respectively. *Calculated Futures* also starts off with a very helpful introduction, placing the project in its context. Full disclosure rules require that I tell the readers that besides being Catholic, I am a practicing economist of the Institutionalist school, which is very critical of the neoclassical tradition Dr. Fox represents.

Chapter One is titled: “Prophets and Profits,” and it asks the question “Do economics and theology conflict?” Both authors provide their understanding of the roles of economists and theologians. For neoclassical economist Fox, the economist is interested in efficiency and costs, particularly costs to the whole system (what she calls general equilibrium effects). She states that economists promote opportunity and theologians are concerned with equity. This is the well known equity/efficiency trade-off. Theologian Long’s response shows considerable agreement. He does challenge her contention that theology is “concerned with vague contentless concepts such as fairness and compassion.” (36-7) While Long points out that theology can be as realistic as economics, he is too generous here, as no idea is more vague and contentless than “utility” (a core concept in neoclassical economics). Furthermore, the theory of general equilibrium was specifically designed to be contentless; that is the purpose of axiomatic general equilibrium theory. Here we see one of the major difficulties of this exercise. The history of economic thought and methodology is not part of most neoclassical economists’ training; thus, they are unaware of the history of their own discipline. Moreover, they are completely unaware of the philosophical preconceptions upon which economic theories have been constructed and of the lasting effects these preconceptions have. The common view that economics is a hard science can only be maintained if one looks only at the surface of economic theories. This comes out more in the second chapter.

The dialogue breaks down in Chapter Two, “The Facts about Values,” mostly because the two traditions have very different definitions of value. Neoclassical economist Fox interprets value only in terms of price, while theologian Long links value to virtue. Fox provides a history of value theory in an attempt to show how the discipline settled on concentrating on value in exchange rather than value in use. “Economists do not eschew the concept of value in use, rather they choose not to investigate its foundations.” (49) (One has to question how scientific this approach of choosing not to investigate origins can be.) Yet Dr. Fox misses the purpose of value theory in the history of economics. Value theory is only superficially about prices. In their theories of value, Adam Smith and the Classical economists, as well as Jevons, Walras and Menger, were attempting to explain the underlying social order, including how individual actions were directed towards a coherent outcome. Market prices for classical and neoclassical economists have always been explained with the concept of supply and demand, but this is only the surface of the discussion; the

goal was to go beneath the surface. Yet, the modern neoclassical economist avoids these questions like the plague for the simple reason that neoclassical economics, as an intellectual exercise and as an explanation of reality, just doesn't hold up to either logic or the evidence. In the latter chapters, Dr. Long argues that economics is more like a religion than a science; and he is very close to the truth. In many ways, the dialogue between neoclassical economics and Christian theology is one of competing gospels. It is certainly not a dialogue between reason and faith.

A more meaningful dialogue between economics and theology has to start with the philosophical preconceptions of each discipline or what Joseph Schumpeter called their "visions." Schumpeter stated that "[a]nalytic work begins with material provided by our vision of things, and this vision is ideological almost by definition. It embodies the picture of things as we see them, and wherever there is any possible motive for wishing to see them in a given rather than another light, the way in which we see things can hardly be distinguished from the way in which we wish to see them."¹ This "vision" is pre-analytical in the sense that it exists before theoretical activity takes place.

The vision (for social theory) consists of at least three questions:

- What is the nature of the human person?;
- What is society?;
- What is the good humans seek?

For neoclassical economics, the nature of the human person is summed up in the "rational economic man" model. From this model, they have developed a mechanistic view of society, meaning that they take the approach that only the individual is real, and society is merely a mental fiction. (This is why all their explanations follow the dictates of methodological individualism.) For them, the good for humans is consumption of utility through market exchange. (Consumption of utility outside of competitive markets can be inefficient, for it involves choices based on non-competitive prices). These views of the human person, society and value are in conflict with Christian ethics, especially as developed in the Catholic social thought tradition, which, in my view, is the most complete and authentic presentation of Christian social ethics.

The Catholic view of the human person was central to John Paul II's writings, which Long mentions, but does not develop. John Paul II's personalism is a rejection of neoclassical economics and all other

1. JOSEPH SCHUMPETER, *THE HISTORY OF ECONOMIC ANALYSIS* 42 (Oxford Univ. Press 1954).

forms of extreme individualism, as well as of collectivistic systems that also do not respect human dignity. The *Imago Dei*, that is, man created by God in His image and likeness, has the ability to reason and to exercise free will; he has a social nature and a natural longing for union with God. As John Paul II often noted, humans need to work with others to achieve their own development. Participation is a right and duty in Catholic social thought because it is necessary for our humanity. Reducing people to merely autonomous economic actors ignores this fundamental point. Neoclassical economics views the other as a means to ends, thus instrumentalizing them. The differences between neoclassical economics and Christian anthropology are summarized in the table below.

Imago Dei versus Homo Economicus	
Christian Anthropology	Rational Economic Man
Person	Individual
Social Nature	Autonomous
Exercising Free Will	Deterministic
Seeking Union with God	Seeking Utility
Valuing Solidarity	Valuing Self-Interest

Rationality in neoclassical economics means choosing the option that maximizes one's utility, which means there is no free choice at all, just a mechanical reaction to price signals and budget constraints. That rational economic man has no free will is more than a bit ironic, given that the whole point of neoclassical economics from its beginnings has been to provide an ideological defense of free market capitalism.

As an ideology, neoclassical economics cannot find common ground with a Christian perspective. This is not to say that theology and economics have no common ground, as they certainly do. Both are about human actions and choices, and both are necessarily normative disciplines. That is, both want to understand how people act and evaluate those actions against normative criteria. Both also are connected with the natural law tradition. Yet, Christian theology has a different focus, as it is interested in how our economic actions affect our relationship with God: whether they bring us closer to Him or move us away from Him. The job of the economist is first to explain how the economy works and then to find ways to make it work better for the common good. Often these solutions will involve markets, but sometime they will not. Economists should base their conclusions on

evidence, not ideology, though admittedly ideology will influence what questions they ask and their vision of social reality. Values cannot be avoided and they should be clearly stated so that they can be critically evaluated.

The dialogue between economics and theology is critical, especially for economists, who have, for the most part, lost their way in their attempt to create a value-free science. Positive economics is impossible, as all meaningful statements in economics require value judgments. Economists have forgotten how to bring values into their work, and here theologians can help them rediscover their roots. While many theologians are learning economics (Dr. Long is an example but there are many others), too few economists have studied theology. Thus, most of the dialogue is one way. Yet if economists do not move beyond their mathematical formalism and engage the real world, in which values play a critical role, then the profession will become completely irrelevant. Our current economic crisis was partly caused by the inability of economists to take values seriously. In an attempt to be scientific, economists ignored calls for regulating financial markets, reasoning that those calling for regulation were trying to impose their values on the impersonal and efficient market place. Instead, we were left with the values of speculators, which the invisible hand did not direct toward the common good.

Dr. Long also raises the old question of which economic system better fits a Christian perspective: capitalism or socialism. He notes that all seemed to agree that capitalism won that debate, but this book was written before the U.S. government started nationalizing the banking, insurance and automobile industries, back when George Bush was a social conservative (and before he became a conservative socialist). Many Christians have tried to use theology to support either socialism or capitalism, yet correctly understood Christian theology does not present an alternative economic system. One thing all Christians should object to is our current system of socialism for the rich and capitalism for everyone else.

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