

## Foundations of Economics: A Christian View

**Shawn Ritenour**

Eugene, Oregon: Wipf and Stock, 2010 (538 pages)

Economics textbooks sometimes do a reasonably good job of explaining how market economies work, but it is much rarer to find a textbook that also deals competently with ethical issues. The market is flooded with textbooks awash in glitzy, expensive graphics and complemented by stacks of ancillaries, but for instructors in Christian colleges and universities, finding a textbook that builds on explicitly Christian foundations and presents economics in an intellectually satisfying fashion can be a frustrating task. Many end up using a mainstream textbook and providing a few supplementary readings, but the conclusion that many students will draw from this approach is that Christianity is simply an optional veneer glued on to the amoral structure of economic thought.

Shawn Ritenour's new *Foundations of Economics* text solves this problem with an elegantly written and engaging work. It provides a strong presentation of economic principles that is solidly grounded in Christian epistemology and the best of the deductive Austrian tradition in economics. Using what he calls "biblical apriorism," Professor Ritenour starts with fundamental elements of historic Christian thought—creation and the cultural mandate—then carefully explains the praxeological method of economics (praxeology is the study of human action, within which economics is a well-developed subfield). To Ritenour, human behavior is best understood through the Christian mindset, but he makes profitable use of the economic thought of many non-Christians in this book.

After Ritenour's unusual but most welcome introduction to the philosophy of economics, the remainder of the book carefully explains how the economy works in the real world. Each chapter develops the reader's understanding of economic thought processes with lucid, clever examples. There are no unwarranted mathematical complexities, but neither does the book "dumb down" economics; it blends accessibility, richness, and depth so that it can serve students at many levels. The reader is given enough history to provide context for the ideas and institutions of today (including an excellent section on Marxism and a compelling history of the development of our monetary system), but the book remains relevant and appealing for modern readers. There is a five- to six-page critique of monetarism, followed by a longer explanation of Keynesian theory and its problems. Most of the book, then, should have a broader appeal than its target audience. Readers who do not share Ritenour's Christian presuppositions can still benefit immensely from the book's thorough exposition of the economic way of thinking. *Foundations of Economics* generally follows the pattern of most textbooks in putting the more macro-oriented chapters toward the latter half of the book, with chapters on money, inflation, macroeconomic policy, fiscal policy, and socialism occurring after the microeconomic foundations have been properly laid.

Professor Ritenour's book carries the reader through a series of logical arguments for economic freedom. In the chapters dealing with government intervention in the economy, he dismantles common arguments for the expansion of the state. There are sections on

price controls, labor market regulation, and the role of monetary manipulation in creating recessions. Because so much economic thought by Christians tends to gravitate toward a regulation-intensive welfare state, Ritenour's analysis of the problems of state intervention is most welcome.

While a key strength of this book is the explicit attention given to Christian philosophical underpinnings of economics, readers will not find here the agitated polemics that have often accompanied efforts to connect religion and economics. *Foundations of Economics* does not avoid advocacy, as Christian ethics are brought to bear on policy, but the focus is always on developing sound analytical ability in the student. Students coming from any political persuasion should be challenged. Those already inclined to favor free markets will find no facile political invective but instead will be provoked into thinking more carefully about their views. Those who have interventionist leanings will have to wrestle with Ritenour's thoughtful application of Christian principles and economic logic to public policy issues.

One disappointment, which I hope will be addressed in a future edition, is that there is no discussion of environmental problems. One of the most popular arguments for government regulation is that people and firms will create pollution that is allegedly difficult to handle in a free-market environment. *Foundations of Economics* does an excellent job of explaining the problems of government regulation in other areas but inexplicably neglects to deal with one of the most salient modern arguments for government intervention. Applying the same skilled reasoning and didactic style to environmental issues would handily repudiate the idea that free markets are at a loss when faced with spillover effects or resource use problems.

Students who have become accustomed to segregating their academic thought into *secular* and *sacred* categories will find their thinking challenged by this book. *Foundations of Economics* helps bring faith to all of life, without being dry or difficult. Every student can gain from the clear and precise explanations of economic tools of analysis. Professor Ritenour's book should be of great interest to Christian colleges and universities, and even high schools that can use it for an advanced course. It is a magnificent and much-needed achievement.

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