

Editorial | *Global Economic Crisis*

It is hard to imagine a more complex reality with the potential to touch so many lives as the current global economic crisis. Just when things seem to be improving in one region or industry, a new financial, environmental, or political crisis springs up elsewhere in the world that threatens to undo the meager gains of the last few fiscal quarters. With so much fear, anxiety, and extra time on people's hands to reflect on economic matters due to widespread displacement, it makes sense that the public conversation would turn in the direction of wondering whether the free economy is a deeply flawed system and whether it is still able to support a robust democratic citizenship.

To help provide some orientation and moral guidance in the public debate, we decided to expand our offering in this issue of the *Journal* by devoting six of our ten articles to addressing the underanalyzed moral and cultural dimensions of the global economic crisis. Each author acknowledges that moral factors played a critical role in creating the crisis, but they weigh the cultural preconditions leading up to the crisis differently, and they also diverge on the steps to take now to resolve the crisis of moral leadership. One of the remaining articles is a review essay of a recent anthology that describes how business is represented in modern English literature in which, as you might expect, English literary figures present a less than sanguine assessment of merchants, bankers, and businesses. The remaining three articles focus on the contributions of Christianity, Islam, and Judaism respectively to natural-law ethics, to free-market economics, and to democratic political thought. The scholarship exhibited in these articles breaks new ground in religious interdisciplinary studies.

In his insightful essay, “Democracy, Humane Economics, and a Culture of Enterprise,” Gerson Moreno-Riaño offers a defense of the importance of a culture of enterprise for the support of democratic citizenship. Robust citizenship, he argues, necessitates certain economic preconditions, namely a free enterprise system, but the relationship between culture and citizenship presupposes a humane economics grounded in a rich anthropology of the human person and human goods as well as a relationship among this anthropology, enterprise, and the entrepreneur. He thinks that the entrepreneur should be considered as the emphatic wisdom lover and creator, the individual who is aware of the potential and limits of human nature and creates enterprise associations that support this potential and respects these limits.

Brian Smith in his essay, “Smith and Tocqueville on the Commercial Ethos,” grapples with the social and intellectual forces that those distinguished thinkers regarded as essential to maintaining a vibrant commercial society. According to him, Adam Smith and Alexis de Tocqueville share the conviction that the ethic of commerce requires that members of a society recognize and maintain a salutary interdependence on specific social institutions. Both thinkers share a similar understanding of the way defenders of commerce in our society must constantly work to protect individual people from destitution and ensure the continued vitality of the moral life that restrains unbounded self-interest. Smith and Tocqueville both insist that tutelary dependence on the state must be avoided.

In the essay, “The Virtue of Business: How Markets Encourage Ethical Behavior,” Rachel Kotkin, Joshua Hall, and Scott Beaulier go on the offensive to challenge popular media’s assumption about the immorality of the marketplace and business men and women. They challenge this starting point because individuals as consumers want to support ethical behavior, which is, as they argue, *if* individuals are ethical, markets will tend to enhance, rather than retard, ethical behavior. The enhancement is carried out by ethical entrepreneurs who change and influence the way in which business practices are carried out. They support their case with the examples of Barnum & Bailey Circus, Whole Foods Market, and BB&T Bank.

International business ethics and management professor Surendra Arjoon investigates the claim that the current global financial crisis was caused, in part, by the narcissistic personality disorder of corporate leaders who substituted robust risk management for greed and personal gains by promoting self-serving and grandiose aims. In his erudite essay, “Narcissistic Behavior and the Economy: The Role of Virtues,” Professor Arjoon explores the psychology of individuality and personality and concludes that the narcissist’s moral failings and loss of reality stem from a spiritual disease, namely, an intellectual pride and selfishness

of the will. By cultivating both the intellectual and moral virtues, he believes, a narcissist can transcend the limitations of his or her disordered personality through an intellectual and moral effort motivated by the love of what is true and good. He concludes that what is required for the proper functioning of the economy is not only financial and social capital but also market activity that is built on the practice of the virtues.

In “Market Exchange, Self-Interest, and the Common Good: Financial Crisis and Moral Economy,” Darrin W. Snyder Belousek urges that the financial crisis is an invitation to reflect on the purpose of the marketplace. The central lesson of the crisis, he claims, is the failure of self-regulation by rational self-interest to moderate externalized risk in financial markets. He then addresses the moral meaning of economic activity by asking the question: Is market exchange *solely* for the sake of self-interest? His reply is an extended reflection on the poetry of Kahlil Gibran and a constructive engagement with Pope Benedict XVI’s understanding of moral economy in the encyclical *Caritas in Veritate*.

Finally, inspired by the work of Pope Benedict XVI in *Caritas in Veritate* and Pope John Paul II in *Centesimus Annus*, evangelical economists Clive and Cara Beed show how these papal expressions can be developed into a methodology by which to compare how the operation of the joint stock company (or corporation) stacks up to basic gospel values. The Beeds assess the structure of the corporation against three particular areas: hierarchy, responsibility versus duty, and inequality; they find the corporation to not measure up well against gospel values in these three areas. They think that alternative forms of free-market business organization could help mitigate the deleterious effects of the corporation in these three areas and, in turn, provide a better embodiment of gospel values.

There is a wealth of insightful analysis and moral discernment packed into this issue of the *Journal of Markets & Morality*. I hope that it serves you well as you endeavor to read the signs of the time in this turbulent season.

—Stephen J. Grabill, Ph.D.