

only a bad thing when there is not mobility in the income distribution over time. Finally, market proponents are way beyond pointing to the failures of communism as evidence and currently tout the double-digit unemployment and lack of economic growth in the socialist states of Europe.

I agree with Finn that pursuit of self-interest in markets must be constrained by the moral frameworks established by government, institutions, individuals, and groups. Adam Smith agreed as well. That is why *The Theory of Moral Sentiments* was published before *The Wealth of Nations*. (For a fine discussion of this, see Jeffrey Young's *Economics as a Moral Science: The Political Economy of Adam Smith*.) In summary, Finn's observation is neither original nor new. The issue for the reader to decide is whether Finn's four problems and moral ecology provide frameworks that facilitate the debate over justice in markets and ultimately its progress.

—John E. Stapleford

Eastern University, Philadelphia, Pennsylvania

Economic Compulsion and Christian Ethics

Albino Barrera, O.P.

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The most pervasive moral accusation against markets is that even though the two parties to an exchange improve their situations, the cumulative effect of such exchanges is too often destructive of the economic security of other people. These unintended third-party effects—*negative externalities* in the jargon of economics—are particularly harsh for the poor.

Economists have called for public policy solutions for negative *technical* externalities, such as health problems caused by smokestack pollution. However, negative *pecuniary* externalities—the focus of this book—are the motor of change in the price system. Unhappy circumstances caused by changes in prices and opportunities are the signal that we should alter our behavior—something needed to bring about an efficient allocation of resources to their most highly valued use.

Albino Barrera argues that pecuniary externalities at times cause economic compulsion (though not coercion) and that if such compulsion is serious enough in the lives of some, the rest of us have an obligation to assist. The goal of his book is to describe why we have this obligation and under what circumstances we are obliged to offer assistance.

Barrera begins with the common-sense insight expressed by Aristotle that the decision by the captain of a storm-tossed ship to throw overboard the ship's cargo to save the lives of himself and his crew is not helpfully called a *free* choice. The captain's action is done willingly, but, in a very important sense, this also occurs against his will. While not *coerced* by the storm, he is certainly *compelled* by circumstances in the sense that he does something no reasonable person would do in normal circumstances. Of course, anyone who has purchased an airline ticket online a day after prices have risen

has experienced the necessity of making an unappealing choice created by pecuniary externalities. The key issue concerns when such events deserve to be called compulsion and deserve some recompense; clearly most negative pecuniary externalities do not.

As Barrera defines it, economic compulsion is “a condition in which market participants unavoidably incur profound opportunity costs. People give up nontrivial interests in order to satisfy, safeguard, or procure their other vital claims that are at even graver risk.” Neoclassical economics has for several reasons chosen to remain silent on any distinction between wants and needs, and so it has rendered itself unable to address questions of the severity of need, but this is no reason why Christians—and especially economists who are Christians—should avoid the implications for economic ethics.

As Barrera explains, markets are characterized by a bounded rationality. Markets require prior agreements, both formalized in law and less formally institutionalized in custom and convention. Paradoxically, markets “empower people with autonomy” by requiring an “underlying discipline and order flowing from the institutions that shore them up.” Because the community, responsible for law and custom, chooses the market as its economic structure, the community is similarly responsible for the problems markets cause and should be ready to assist when the problems are serious enough.

In a further analytical advance, to my knowledge unique in the literature, Barrera argues that the unintended burdens imposed on all of us by negative pecuniary externalities in the market are distributed regressively, falling disproportionately on the poor. He employs the household production analysis of Gary Becker and Kelvin Lancaster and argues in detail that the transaction costs faced by the poor in cases of negative pecuniary externalities are generally higher than those faced by the rest of us due to differences in innate intelligence, emotional maturity, interpersonal social skills, education, sociability, and/or other specialized skills and talents. This is true not only of individual poor persons but also of poor nations as a whole. In this way, Barrera broadens his argument for communal responsibility for relief to include not only the restoration of freedom in the face of compulsion but also the restoration of equity in the face of regressive incidence of burdens caused by the normal functioning of the market.

Barrera grounds the moral commitments of the book on a biblical and theological argument about economic security, which he describes as a twofold gift from God: the gift of life, including its necessary provisions, and the gift of participating in God’s providence, whereby God provides for us through each other. Biblically based economic security comprises three elements: (1) access to the requisite goods of life; (2) within the nurturing care and support of the community; and (3) through the individual’s own efforts, to the extent possible. The support of the community offered to those who cannot achieve access to the requisite goods of life by their own efforts always aims at helping them become able to do so, and, except in an emergency, should not be simply a provision of the goods necessary for survival. This obligation Barrera calls restoration, which, like his assertions about economic security, he carefully and elegantly grounds in biblical texts, as well as in later theological developments.

The result is that economic compulsion contradicts “God’s proffered gift of economic security and is *prima facie* evidence that we, both as individuals and a community, have not lived up to the obligations attendant on such a benefaction.”

The final argument of the book is that the modern language of economic rights provides a framework that accomplishes two critical tasks: It “adapts the biblical vision of economic security in a postindustrial economy,” and it defines “the threshold that must be crossed before negative pecuniary externalities are considered to be cases of economic compulsion deserving correction and rehabilitative assistance.” Barrera develops an ethical framework in three phases.

The first identifies five relationships and the social principles arising from them. There is the person’s relationship to God (requiring an *integral* human development) and to all others (requiring solidarity), the community’s relationship to the marginalized (socialization, participation, restoration), to all individual members of the community (subsidiarity, universal destination of goods, participation, primacy of labor, relative equality), and to the earth (stewardship).

The second phase is an explicit listing of economic rights, which he groups into three types: personal, social, and instrumental economic rights.

The third phase includes four sets of lexical rules for sorting out—in the face of economic scarcity—competing claims based on the rights and principles outlined above. Here, Barrera shows courage to be more specific than just about anyone else writing on economic ethics. There are, of course, legitimate inequalities (based on different needs, responsibilities, roles, contributions, and capabilities). The challenge is to identify the proper threshold that separates tolerable inequality from forms of economic compulsion that require community assistance.

The book concludes with a chapter that applies the ethical framework to a concrete economic policy issue: agricultural subsidies in wealthy nations. The analysis, detailed and thorough, cannot be summarized adequately here, but largely because of their harmful effects on poor farmers in the developing world and because only a small part of this assistance goes to needy farmers in the industrialized world Barrera concludes that such subsidies should be (gradually) eliminated.

The book is not without shortcomings. It is unfortunate that Barrera chose agricultural subsidies as his primary illustration because his ultimate policy recommendation in this case (less government effort to shield farmers in advanced nations from negative pecuniary externalities) runs counter to the basic recommendation of the book (that communities and governments should become more willing to step in to assist individuals in the face of such effects). He might have engaged more deeply the alternative concepts of freedom and compulsion that free-market advocates employ to show their disparity with the Christian view. Some readers will find his framework for economic ethics overly complex and a challenge to apply, and, in addition, he does not indicate how his framework would apply to problems other than those caused by negative pecuniary externalities.

No book can do all things. This volume is an extremely important one—one of the very best on Christian economic ethics. It is a model for engaging such issues in a manner that affirms the best of markets and the insights that economists have about them while at the same time remaining rooted in the justice concerns of the biblical and later theological traditions. So few books in the area do both. Much of Barrera's commitment comes out of Catholic social thought, but other Christians will nonetheless find his careful biblical analysis a real contribution. His argument concerning pecuniary externalities as causing economic compulsion will be an important contribution to everyone interested in economic ethics regardless of faith commitment.

—Daniel Finn (e-mail: dfinn@csbsjsu.edu)
St. John's University, Collegeville, Minnesota

The Consciousness of the Litigator

Duffy Graham

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In *The Consciousness of the Litigator*, Duffy Graham concludes that litigators rationalize their morals to advance their fee-paying clients' positions. In the eyes of society, litigators become hired guns—immoral professionals who act in response to payment and think solely to advance and see “right and wrong as a function of,” their clients' interests (7–8).

In the first part of his book, Graham tries to place the litigator's role in context. A democratic society necessarily results in immorality: greed and selfishness. Graham discusses how Alexis de Tocqueville and his contemporaries grappled with how to organize society in a way that minimizes this immorality (18). Graham admires how Tocqueville “embraced notions of public service and public morality” but doubts that today's lawyers would permit similar concerns to guide their conduct rather than self-interest (16).

Graham explains that this sense of nobility began evaporating from the legal profession around 1870 as society began recognizing a distinct legal profession with practice standards and when the profession became specialized and fragmented (25–27). With these changes, the legal profession began developing what Graham describes as a “crisis of conscience.” Lawyers narrowed their public role and began serving corporate interests without respecting contrary public interests (28). This crisis continues today (29–30).

In part 2, *The Moral Consciousness of the Litigator*, Graham intermixes his analysis with interviews he conducted with practicing litigators. He asserts that the back-office witticism known as the two-rules of practice reveal the truth about the lawyer-client relationship and the litigator's moral consciousness. The two rules are: “The client is the enemy,” and “Don't forget the first rule” (55).