

## What Bearing, If Any, Does the Christian Doctrine of Providence Have Upon the Operation of the Market Economy?

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### Introduction

Christian economists Robin Klay and John Lunn have come up with an original and provocative argument that divine providence guides and directs the spontaneous orders of modern market economies.<sup>1</sup> Jewish and Christian scriptures seem to offer “little guidance about how such markets should be regarded” (542); therefore, Klay and Lunn decided to turn their attention toward the traditional doctrine of providence and have proposed that the contemporary market economy may be understood as one way through which God provides for the world.

In response to their article, two questions arise. First, have the authors fully understood the traditional Christian doctrine of divine providence? Second, have their attempts to apply this doctrine to modern economic theory and practice been successful? In addressing both of these questions, I contend that although Klay and Lunn provide a fresh look at a traditional doctrine, their arguments, from a theological perspective, are seriously flawed.

The most immediate problem is that Christian talk about God’s providence cannot be based upon nor identified with a human theory, construct, or ideology.<sup>2</sup> According to Karl Barth, if the language we use about God is not grounded in the revelation of God in the Incarnation and Trinity, then it is merely human talk about God. As such, it probably says more about human thoughts, wishes, and projections than it does about God. For Barth, the theological foundation for divine providence must be grounded in God’s being in

himself (*in se*), as Father, Son, and Holy Spirit (the immanent trinity), and God's activity (*ad extra*) for others (the economic trinity).<sup>3</sup> Because God, in God's own being, is Father, Son, and Holy Spirit and because God freely chooses to be not only for himself but also for us (*pro nobis*) in Jesus Christ, we cannot identify divine economy with a human model based on self-interest and competition. God, after all, does not create, preserve, nor govern the world in order to gain something in return. Moreover, God's being and activity is not dependent upon creatures, nor can God's creatures give to God anything that God does not already possess. On the contrary, God is perfectly complete in and of God's own being and yet freely and unconditionally chooses not to be simply for himself but for others in order to share the abundance of God's trinitarian life. Hence, for Barth, at the very core of Christian theology (and indeed of any Christian understanding of both the social and natural sciences) is the notion of free and unconditional divine self-giving—a notion that provides a normative foundation for all human action and relationships.<sup>4</sup>

## The Doctrine of Providence in the Christian Theological Tradition

In introducing the Greek word, *oikonomia*, Klay and Lunn rightly point out that the patristic understanding of God's relationship to the world can be seen as the regulation of God's household (economy), which controls, arranges, and disposes of all things according to God's designs and purposes. Although Aristotle had used this same term to describe the "overseeing of a large farm or household," in the early church, the term referred to God's administration and management of God's household, especially with respect to the distribution of grace or of alms to the poor. Unfortunately, Klay and Lunn fail to develop this specific interpretation, one that is at the very heart of patristic teaching.<sup>5</sup> Instead, they focus on the *general* arrangement of God's household, as though grace and the care of the poor were but peripheral to the traditional doctrine. For the tradition, however, it is precisely God's concern for the needy (the poor, the sick, and the sinner) to which God's providence and the work of human beings are primarily to be directed.

Klay and Lunn rely heavily on Barth's theology of providence, yet they seem to be unaware that he places the ethical concern for "the other" at the center of his treatise and, precisely for this reason, vehemently opposes any general view of providence. Furthermore, challenging any and all attempts to ground a theology of providence on a human theory (including a theory of

economics), Barth insists that the Christian doctrine of providence must adhere exclusively to the love and freedom of God in Christ, as made known by the power of his Holy Spirit. For Barth, this issue has profound implications; if we are to derive our understanding of providence from sources other than Christ, then we shall be at risk of construing God's work in a way that elevates our own private, self-serving interests to divine status. We would then imagine God in our own image, rather than allow ourselves to be formed, informed, and ultimately judged by the Word of God and its radical command: "for the other."<sup>6</sup> Thus, according to Barth, because the providence of God is God's coordination and integration of general history into salvation history, such that all creatures may be enabled to participate in the coming kingdom through their service and witness to God and neighbor, we can only understand the general operation of God's providence on the basis of the specific revelation of God in Jesus Christ.

According to Barth, the divine preservation, when understood in terms of the special revelation of God in Christ, cannot be taken to mean maintaining creatures in existence simply through blind market forces. Indeed, he argues, divine preservation is *essentially* the work of grace, which preserves the creature in being and moves it to respond to God's call to "fulfill ... [and] execute a mission or commission to its fellow creature."<sup>7</sup> Similarly, the divine government, for Barth, cannot be understood as directing all things *in general* to their ends, for God's government moves all things to a *specific* end in history: the kingdom of God. Hence, if we are to take Barth's argument seriously and derive our understanding of human economics and government from the model of God's self-giving in Jesus Christ (a self-giving that is based not on human worthiness or competition but on the freedom and love of God), then a Christian understanding of human economy and government must approximate such divine self-giving as closely as possible, regardless of how utopian this might seem to those committed to the secular logic of the marketplace. Indeed, one might well argue that God's economy and the market economy are strongly opposed to one another; while the former presupposes abundance and free self-giving, the latter thrives on scarcity and competition.

Barth is widely known for his repudiation of market capitalism. Also, he vigorously denies that the specific providence of God can be confused with "political or economic totalitarianism ... [both] in its Western and ... its Eastern form."<sup>8</sup> Clearly alluding to Soviet communism, as well as to what he regarded as the imperialistic and hegemonic tendencies of Western capitalism, Barth firmly rejects identifying God's rule or God's kingdom with any social,

political, or economic agenda. To prevent human beings from thinking of providence in terms that sanctify their particular worldview or political/economic ideology and seeing the world “divinely ordered in [their] favour,”<sup>9</sup> Barth grounds his theology of providence exclusively on the freedom and love of God in Jesus Christ. Indeed, for Barth, the basic problem both with modern communism and capitalism is that each places a general theory of the *bonum commune* above that of the *bonum singular* as defined by the gospel, thereby reducing the individual to a mere “cog in the machine” of a greater whole, whether that whole be the state or the market. For Barth, seeing an individual merely as a means to an end would “inevitably result in the unequivocal abasement of the individual creature ... exist[ing] ... only to be sacrificed ... for the life and progress of the whole and [of] the favoured few ... the ruling class.”<sup>10</sup>

Barth contends that the providence of the God of Jesus Christ cannot tolerate the abuse of some for the good of the whole. The “normative image” that Barth evokes to explain the relationship between divine providence and human action (a relationship that brings creatures into the “formative economy and disposition” of the triune God), is to be found in 1 Corinthians 12: “the parts of the body which seem weaker ... [and] less honorable we invest with greater honor ... for God gives the greater honor to the inferior part that there may be no discord in the body.”<sup>11</sup> Thus, if God’s rule is the coordination and integration of all things, then even economic systems and theories must be brought into this formative economy and disposition in this way.

Klay and Lunn, seeking to support their general interpretation of God’s providence as “ordering all things” to their proper end (546), appeal not only to Barth but also to Thomas Aquinas. However, here, too, the authors have overlooked a key feature of Aquinas’ thought, namely, that Aquinas explicitly forbids the identification of divine providence with human self-interest. According to Aquinas, providence (or prudence) may be understood in two different ways: first, how one orders one’s affairs *to one’s own best end* (Aristotle); second, how one orders one’s ends *with regard to the needs of others*, as in Matthew 24:45: “the Lord elects a wise and faithful servant over the affairs of his family [to give food in due season].”<sup>12</sup> In the latter way, God orders and directs all things to be a cause of goodness for others. This ordering, according to Aquinas, refers explicitly to those in positions of power and authority<sup>13</sup> who are to use their God-given gifts for others, especially those who participate in the very least (*in extremis*) in God’s goodness.<sup>14</sup> Aquinas laments, however, that there are many who, in the words of Philippians 2:21, “look after their own interests, [but] not those of Jesus Christ” (RSV):<sup>15</sup> “For rare indeed is

such a faithful servant serving his Master for his Master's sake, feeding Christ's sheep not for profit but for the love of Christ."<sup>16</sup>

Aquinas' theology of divine government reiterates both the basic structure of God's providential care for others and the demand to coordinate all human thought and action accordingly. For Aquinas, the divine government by which the creature is assimilated to God yields two effects. First, God rules the creature by preserving it in the goodness of its being. Second, God moves creatures to be a cause of goodness in other creatures. Just as it is better to enlighten others than merely to shine, so, too, is it better to govern things by moving them to become a principle of goodness in others so that they might learn to perfect themselves by becoming a cause of goodness in others still, the net result being nothing less than the perfection of the universe itself.<sup>17</sup>

Hence, if the divine government and economy form the basis on which human government and economic activity should be ordered, then modern democratic capitalist systems ought to be concerned not with decentralization but with administering the abundance of God's blessings to others.<sup>18</sup> Aquinas' theology, far from advocating an economic theory that is based on individual self-interest or that leads to dependency, understands God's government as the *empowerment* of all beings to participate in their own personal perfection by teaching others, through word and deed, the importance of mutual care and service.

Therefore, if Christians are to model their economic activity on the divine self-giving, as expressed through the Incarnation and the Trinity, they will need to reconfigure the modern market economy (along with contemporary business practices) such that the greatest advantage goes not to those with the most power and capital but to those lacking them the most.<sup>19</sup> In this sense, then, the modern economic theory proposed by Klay and Lunn needs to be radically redesigned: individuals and corporations must be moved by faith and by the love of God to trust that when they endeavor to serve one another, *God* will ultimately meet their needs. Businesses concerned about maximizing profits and benefits *for others*, such as their employees, their business associates, the community, and the poor, might even find themselves reaping greater rewards (financial, social, and spiritual) than would businesses committed to extracting maximum profit at the expense of others. Businesses that exclusively pursue their own self-interest not only create hostile workplaces but also jeopardize, in the long term, their ability to reap sustainable profits. On the other hand, businesses that are committed to maximizing benefits for others are very likely to enjoy increased worker satisfaction, higher productivity, and

greater profits. Such a radical, evangelical transformation of commerce might seem like a naïve initiative to the average citizen, yet faithful Christians no doubt will recall that Jesus instructed his disciples to “seek *first* the kingdom” that “all these things [spiritual, social, *and* material] shall be yours as well” (Matt. 6:33, my emphasis).

## Economic Theory and the Christian Doctrine of Providence

In their reflection on the economic theories of Adam Smith and Friedrich Hayek, Klay and Lunn laud market systems for coordinating millions of economic decisions from autonomous individuals acting according to their own self-interest and doing so in ways that “peacefully ... serve each other’s economic interests” while creating an abundance of material wealth (548). They argue that market systems are beneficial to all parties (although not to an equal degree), “because markets provide incentives for each player ... [that] vastly enhance ... the possibilities for increased production, consumption, and exchange” (548–49). Hence, they claim that markets are a great boon to personal liberty, insofar as they afford “*as much freedom as possible* to all actors participating in the spontaneous order of markets” (553, emphasis added). The authors also claim that markets help develop the virtues that come from participating in market exchange by rewarding certain behaviors, such as prudence, justice, courage, risk-taking, creativity, and inquisitiveness while punishing others, such as dishonesty, laziness, inefficiency, and lack of creativity (549–52). Moreover, they suggest, one need not be too concerned over the possibility of abuse and exploitation because human beings are naturally endowed with a “built-in moral capacity” that complements the regulatory nature of markets.

However, while Klay and Lunn take pains to point out some of the great benefits to be gained from market systems, a number of theological problems arise in relation to their proposal. For example, although many natural virtues may indeed come from market exchange, one need not therefore conclude that such actions are specifically Christian. Moreover, to suggest that markets provide the best possibilities for developing individual freedom is to understand the notion of freedom only in narrow financial terms. Freedom, in this sense, would simply mean the ability to enjoy the opportunities that arise as a result of the accumulation of capital. Thus, in the framework of a competitive market, those on the winning side would gain the most freedom, whereas others would

obtain significantly less. However, to avoid this trap, we must understand freedom not in the individualistic terms of secular modernity but in terms of God's freedom *pro nobis* in Jesus Christ (as Barth has suggested). More importantly, we must consider how the market's view of freedom accords with the Christian principles of freedom *from* pride and self-interest, on the one hand, and freedom *for* God and neighbor, on the other. If human freedom were more deeply understood as the freedom that God grants to individuals and to the church to serve others, then, a truly Christian account of freedom could not be understood in terms of self-interest but, rather, in terms of one's ability to engender freedom and opportunities for self-giving in others.

Furthermore, from a theological perspective, it is highly problematic to say that human beings have a built in moral capacity that enables them to discern right from wrong (without any mention either of original sin or of the need for grace). According to Klay and Lunn, Adam Smith claimed that human societies naturally come to develop rules for moral conduct, rules that they learn from registering the "approval" or "disapproval" received from others, so that, over time, they learn to do what is "praiseworthy" in the sight of others (549). Although Smith had a far more sophisticated understanding of human nature and the dangers inherent in markets than Klay and Lunn,<sup>20</sup> from a Christian perspective, public approval or praise is not a criterion for moral adequacy. According to the clear testimony of the tradition, it is precisely the doctrine of original sin that proves that we *cannot* trust our so-called "built in moral capacity" nor, for that matter, the opinions of others. Our natural disposition toward the good has been so corrupted by an uncontrollable tendency toward greed, pride, envy, and lust that we are simply incapable of making such determinations. It seems naïve and irresponsible, then, for Christian economists to suggest that a perfectly decentralized market economy, apart from God's grace, will naturally produce moral agents who will advance God's providential care in ways that are consistent with the rigors of both Scripture and tradition.

Most startling, however, is that Klay and Lunn say nothing about the potential problems to which markets are prone, such as the concentration, in the hands of a few, of power and capital; the abuse of power through domination of the powerful over the powerless; and the gross inequalities of privilege. Surely, one would expect that these Christian authors might reasonably have commented on such important issues. Yet, as economists committed to an ideology of "perfect decentralization" they would have us believe that God works through "individual consumers and producers *who make decisions based only on the price and price changes*" (556) *but not according to the concrete needs of human beings!* (emphasis mine).<sup>21</sup> By appropriating the model of perfect



competition as the model of perfect decentralization, Klay and Lunn argue that one way in which God's providence works is when individuals make a decision on the basis of the price alone. Yet, it seems an enormous leap to take a conceptual model of perfect competition (which does not obtain in reality) and conclude that "*the reality* of this model ... can be thought of as part of God's providential care" (557, emphasis added). Moreover, the claims of Klay and Lunn simply reduce God's involvement in human relationships to the bottom line and fly in the face of the theological tradition, not to mention the teachings of the prophets, of Jesus,<sup>22</sup> of Paul,<sup>23</sup> and of the church fathers.<sup>24</sup> Nonetheless, Klay and Lunn insist that a perfectly decentralized market economy is the best and most practical way to meet the needs of *all* people.<sup>25</sup> Yet, in making such a claim, they overlook the fact that only people who are in possession of capital are capable of participating in such an economy. Further, they celebrate their economic theory as a "grand intellectual achievement," one that makes it no longer necessary "to rely ... on the benevolence of others to meet one's needs" in a large impersonal society. "Thanks to the market place," they conclude with evident self-satisfaction, "we do not have to" (556–57). Instead, they insist that through the efficiency and simplicity of markets, we may "economize on love ... without burdening each actor with the need to operate exclusively on the basis of love" (552). As we have seen, however, the providence of God operates exclusively on the basis of love, a love that is not a burden but a blessing in which God's goodness flows freely into the world through the Incarnation and the indwelling of the Spirit; a love that fills individuals and communities with the freedom that enables them to enjoy God's abundance, as well as to share it freely, joyfully, and without burden according to the needs of others.<sup>26</sup>

Of course, Christians have always been free to engage in private acts of charity. However, we have been warned of the "unintended consequences" and harms that may result from trying to help those about whom we have little information. Indeed, we are encouraged instead to help only those who are in closest proximity (552).<sup>27</sup> However, while unintended and possibly negative consequences could arise from Christians who are intent on trying to fix everyone else's problems, we might well ask ourselves what the consequences are of not using our vast resources and available knowledge to make the kinds of systemic economic changes that would help those in greatest need. Moreover, what are the consequences of encouraging hundreds of millions of people to act out of self-interest without providing any centralized safety net to protect the most vulnerable? Further, what are the consequences of individuals' making moral decisions on the basis either of the price system or public approval?



Most importantly, though, what are the consequences of abandoning the real and ideal call for Christians to seek above all the kingdom, to forgive debts, to give to the poor, and to abandon their attachment to worldly wealth so that they might truly learn to trust all things into God's able hands?

## Conclusion

Market systems may appear to be miraculous in their ability to create an abundance of wealth and personal liberty, but the Christian doctrine of providence is concerned with the free and unconditional self-giving of the triune God. The fact that a human theory of competitive economic relations may be construed as one way in which God's providence is at work is, in the words of Karl Barth, "most dangerous in its amiable brutality."<sup>28</sup> While it may seem innocuous enough to think of a God who directs the market exchange, it is patently false to suggest that God is content when some creatures are "simply used and dropped and trampled underfoot"<sup>29</sup> for the good of the whole. If God's providence were to be understood only in this way, then God would indeed appear in a most unbiblical light, namely, as a God who favors the rich and the powerful while leaving the mass of humanity to the whims of market fluctuations and the occasional benevolence of a few. If Barth were alive today, he would surely warn us, and in the strongest possible terms, against constructing an idol of God who serves our self-interests. He would surely warn us against the temptation to "rationalize or civilize or domesticate"<sup>30</sup> the gospel into something that is respectable and acceptable to the values of middle-class society. Finally, he would most certainly warn us against watering down God's command for the kingdom in order to accommodate our inability or unwillingness to follow faithfully in every facet of human existence. For Barth, the Christian doctrine of providence is not revealed in the general trajectories of world occurrence but only as Christ himself stoops to serve his flock; this is made actual and concrete only when human beings respond by humbling themselves to minister to others. This is why "God laughs over all our attempts to see His rule with the eye of human reason [and] this divine laughter rings out over the folly of all our crude or refined imperialisms";<sup>31</sup> it suggests that human beings have a privileged capacity for discerning the work of providence, and it construes the work of God in far too worldly a manner.

If divine providence is understood according to the free and unconditional love for the world through God's Word and Spirit, then there are major theological difficulties with identifying it with competitive economic exchange. However, because providence is universal, we must admit that God works in

*all* things, even in economic theory and practice, just as God was at work during medieval feudalism, Soviet communism, and the ancient economies of Greece, Rome, and Israel. However, a specifically Christian understanding of God's providence must clearly distinguish the triune operation of God's Word and Spirit from that of the sinful world if we are not to confuse the two and thereby elevate the latter to godlike status. Klay and Lunn have a great understanding and faith that markets are able to create enormous prosperity (at least for some) without violence or war. Indeed, Christians who categorically vilify the market could no doubt learn a great deal from them. However, Klay and Lunn, on their part, also have much to learn about the traditional doctrine of providence and the challenges it poses to Christian economists to develop practical theories and policies that ensure that markets be converted according to the free and unconditional divine self-giving. This is what the ancient and medieval church meant by taking "every understanding captive in obedience to Christ" (2 Cor. 10:5), and we ought to expect nothing less from Christian economists today.

## Notes

1. Robin Klay and John Lunn, "The Relationship of God's Providence to Market Economies and Economic Theory," *Journal of Markets and Morality* 6, no. 2 (Fall 2003): 541–64.
2. Karl Barth, *Church Dogmatics* III.3, trans. G. W. Bromiley and T. F. Torrance (Edinburgh: T & T Clark, 1960), 3.3.16. Hereafter *CD*.
3. *Ibid.*, 878–79. For discussion, see Paul D. Molnar, *Divine Freedom and the Doctrine of the Immanent Trinity: In Dialogue with Karl Barth and Contemporary Theology* (London: T & T Clark, 2002), x–xi.
4. Kathryn Tanner has worked out the implications of the unconditional, free, and noncompetitive self-giving of God for human beings in her work *Jesus, Humanity, and the Trinity: A Brief Systematic Theology* (Minneapolis: Fortress, 2001). See also her recent work on God and the economy, *An Economy of Grace* (Minneapolis: Fortress, 2005).
5. G. L. Prestige, *God in Patristic Thought* (London: SPCK, 1964), 64.
6. *CD*, 3.3.39.
7. *Ibid.*, 65, 64.
8. *Ibid.*, 173. For Barth's full critique of capitalism, see *CD*, 3.4.544.

9. Ibid., 18.
10. *CD*, 3.3.173.
11. For Barth's discussion, see *CD*, 3.3.192–96.
12. Saint Thomas Aquinas, *Summa Theologica*, 5 vols., trans. Fathers of Dominican Province (New York: Benzinger Bros., 1948), 1.22.1 (Hereafter *ST*.)
13. Saint Thomas Aquinas, *Catena Aurea Vol I: St. Matthew*, trans. J. H. Cardinal Newman (London: St. Austin Press, 1999), 838.
14. Saint Thomas Aquinas, *De Veritate* 5.8. For English translation, see *Providence and Predestination: Truth Qs 5 & 6*, trans. R. W. Mulligan (South Bend: Henry Regency, 1961), 59.
15. Saint Thomas Aquinas, *In Mattaeum Evangelistam Expositio*, 24.226 in *Opera Omnia X* (Parmae: Fiacador, 1852–1873), ed. V. Bourke (New York: Misurgia, 1948–1950).
16. *Catena Aurea Vol I: St. Matthew*, 838.
17. See *ST*, 1.103.6 and 2.2.188.6.
18. See the U.S. Catholic Bishops' document, *Economic Justice for All: Pastoral Letter on Catholic Social Teaching and the U.S. Economy* (Washington, D.C.: United States Catholic Conference, 1997) in which it is argued that the success of an economy is determined by its treatment of the most vulnerable.
19. Ibid., 17.
20. Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (Chicago: William Benton, 1952), 28: "We rarely hear ... of the combinations of masters, though frequently of those of workmen. But whoever imagines ... that masters rarely combine, is as ignorant of the world as of the subject. *Masters are always and everywhere in a sort of tacit but constant and uniform combination, not to raise the wages of labour above their actual rate ... Masters, too sometimes enter into particular combinations to sink the wages of labour even below this rate*" (emphasis added).
21. In this sense, their theory is seriously flawed not only because it treats individuals as cogs in the machine of the bottom line, but also because it acts as though human beings are simply adding machines. In reality, human beings are far more complex and make economic decisions on the basis of many factors, not just price, including relationships, needs, familiarity, and availability to name just a few.
22. Matthew 6:33: "Seek first his kingdom and his righteousness and all these things shall be yours as well." Luke 14:33: "So, therefore, whoever of you does not renounce all that he has cannot be my disciple." Matthew 19:21: "If you would be perfect, go, sell what you possess and give to the poor."

23. 1 Corinthians 10:24: “Let no one seek his own good, but the good of his neighbor.”
24. Saint Ambrose: “Feed him that dies of hunger; if thou hast not fed him, thou hast slain him.” Cited by Aquinas, *ST* 2.2.32.5; 2.2.66.7, for whom almsgiving to those in extreme need was not optional but obligatory. The reason for this is that individuals do not have an absolute right to private property. According to Augustine, “The superfluous things of the wealthy are the necessities of the poor. When superfluous things are possessed, others’ property is possessed,” which means that accumulation of wealth in the midst of poverty is akin to stealing from the poor. See M. Douglas Meeks, *God the Economist: The Doctrine of God and the Political Economy* (Minneapolis: Fortress, 1989), 122.
25. It is worth noting that the poverty rate in the United States is about 13 percent (close to 30 million people), many of whom are employed. Hence, from a Christian perspective, it is fallacious to suggest that the market itself will miraculously and providentially provide for the basic needs of all these people, at least, at a minimum of decency. For this reason, we need strong institutions and governments that advocate for the implementation of radical Gospel values on behalf of the lowest members of society.
26. In this sense, Klay and Lunn are wrong to claim with A. M. C. Waterman that the love of neighbor is the most relevant commandment (562, n. 46). See “‘Mind Your Own Business’: Unintended Consequences in the Body of Christ,” *Faith and Economics* 35 (Spring 2000). Rather, the love of God is the first and most relevant commandment, and it is precisely this love that enables human beings to love their neighbor freely, unconditionally, and without feeling like it is a burden.
27. On this point, they are correct in the eyes of the tradition. We are responsible to provide first for our families and friends and those in closest proximity. However, we are also called to take care of those in the greatest need and to take all knowledge (including economics) “captive in obedience unto Christ” (2 Cor. 10:5).
28. *CD*, 3.3.172.
29. *Ibid.*, 173.
30. *Ibid.*, 161.
31. *Ibid.*, 160.