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The Foundations of Economic Personalism: Promise and Peril

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The Acton Institute's three-volume series on the *Foundations of Economic Personalism* contributes much to the dialogue between theology and economics. This article, however, identifies a number of shortcomings. These include an overly individualistic bias and a reliance on the Austrian school of economics that are not consonant with Christian and especially Catholic social thought on economic life. There is a certain naiveté about the philosophy of science and an artificial bifurcation between "economic" life (where values are assumed to be subjective) and the rest of life (where objective values are endorsed). The dialogue between theology and economics is badly needed, but it requires a strong dose of self-criticism from all its participants.

Introduction

It is all too rare for theologians and economists to work seriously together. In an effort to overcome this unfortunate tendency, the Center for Economic Personalism at the Acton Institute commissioned and published a three-volume work titled *Foundations of Economic Personalism*. The first volume is entitled *Beyond Self Interest: A Personalist Approach to Human Action*, by Gregory R. Beabout, Ricardo F. Crespo, Stephen J. Grabill, Kim Paffenroth, and Kyle Swan. The second volume is *Human Nature and the Discipline of Economics: Personalist Anthropology and Economic Methodology*, by Patricia Donohue-White, Stephen J. Grabill, Christopher Westley, and Gloria Zúñiga. The third volume is entitled *The Free Person and the Free Economy:*

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A Personalist View of Market Economics, by Anthony J. Santelli Jr., Jeffrey Sikkenga, Robert A. Sirico, Steven Yates, and Gloria Zúñiga.[1]

This article presents a brief review and critique of this three-volume work. The emphasis will be on the shortcomings evident in the project, in the hope that the energetic effort of the authors of these volumes can in the future avoid the faults of a "culture wars" attitude that all too often characterizes writing on economics and theology from both the Right and the Left.

The Promise of the Series

This three-volume work holds out much promise for a cooperative relation of economics and theology. Although there are always difficulties of consistency when several authors create a common text, the fact that the effort was undertaken demonstrates the commitment of the Center for Economic Personalism to interdisciplinary conversation. Each volume has at least one representative from theology, economics, and philosophy. This effects a dialogue that is much needed.

There are a number of generally shared convictions in these volumes that strengthen them and bode well for the future of the project. These include a specific attention to the "subculture" of economics (2.91),[2] the use of intellectual antecedents from the Spanish Scholastics through Polish personalism, the reliance on early anthropological work of Karl Wojtyla (John Paul II), and a commitment to dialogue among those sources.

The three volumes steadfastly embrace freedom, individuality, and creativity as central elements in any vibrant economy. At the same time, they endorse the existence of objective values rooted in a created order dependent upon God. This leaves the group attending carefully to markets and economic life broadly while insisting that this represents simply one dimension of human life that "must be seen as subordinate to activities that comprise" social and political life, religious life, and seeking after values for their own sake (2.76).

The authors advocate a Christian commitment to the poor and to the sustenance of vibrant community, and they criticize consumerism as one of the primary moral problems of our age. Along the way, they endorse the importance of family and church, voluntary associations, and meaningful work. They stress the importance of culture in determining the character of economic interactions, thus putting great stress on the importance of ethical formation in families and other institutions. Where some endorsements of markets completely ignore the question of morality, even though markets require morality for their operation, the authors are to be applauded for raising high this constitutive element of economic life. The texts similarly critique the narrowness of mainstream, economic science at several junctures.

These three volumes, thus, hold out a promise for the ongoing dialogue between economics and theology. At the same time, however, whether this promise will bear fruit depends on the resolution of a number of problems, which also characterize these texts. A full assessment of their value, then, needs also to attend to the perils that they face.

Problems with the Analysis

The Definition of Economics

At the beginning of volume one, economics is defined as the story of "human action as it relates to the production, distribution, and consumption of material goods and services" (1.2). In this view, which is not endorsed by mainstream economists, economics is "concerned with a restricted realm of human activities" concerning prices, money, demand, and market structures (2.70). At the same time, the presence of more than one author is evident when elsewhere it is claimed that economics is "an attempt to determine the best use of scarce resources to satisfy human wants" (2.47). This is a quite different definition, one that mainstream economics has endorsed for almost a century: economics as the study of human choice to apply scarce resources in satisfying competing goals.

It is this very broad view of economics as the study of human choice in general that has led economists such as Gary Becker to extend economic analysis to a large number of non-traditional fields of application: crime, household chores, divorce, and even suicide, and the choice of a spouse. While the three volumes at times speak positively of Becker's work, the more consistent theme is that the study of economics as encompassing all human choice is too broad. There are "spheres of human activity where it [economics] simply does not belong" (2.74). At points the authors actually lament the cultural effects of this broader notion of economic theorizing when it "becomes accepted in mainstream society" (2.96).

This resistance of the authors to "economic imperialism" (1.104) or "economism" (2.94) is rooted in their broader and more problematic conceptual commitment to understand human life as bifurcated into two realms: economic activity and the rest of human life. We will return to this distinction presently.

In addition, there are two other concerns about the character of economics that raise questions. At times these volumes seem clear that economics is not and cannot be "value-free" in the way of physical sciences (1.10), thus, conflicting with the standard mainstream view that it can. However, this opinion is apparently not held universally among the authors as "positive economics" is described as "value-free" (and this observation is described as "uncontroversial") (2.48). Clearly, the authors have to do some sorting out here.

Similarly, there is a problem to be addressed concerning the goal of economics. At times this seems to be to offer explanations, (that is, providing answers to the question "Why did this occur?"), while at other points it seems to be to offer predictions (that is, providing statements about what *will* occur without saying why), and at others—both (1.104). This issue is rooted in a larger series of issues concerning a sort of naïveté in the philosophy of science in these volumes, to which we will return later.

Austrian Economics

A good deal of earlier work produced through the Acton Institute has stressed the attractiveness of three schools of economic thought for this inquiry into the relation of economics and ethics: the Chicago School, Public Choice economics, and Austrian economics. In these three volumes, however, there is a heavy emphasis on the third. There is good reason for preferring the Austrians to the other two schools, as the others share a series of positivist, philosophical commitments that treat economics as methodologically homogeneous with the physical sciences. Such a stance, of course, clashes with the authors' views of the human character of economic activity, thus rendering the Austrians a more interesting conversation partner. There are nonetheless some serious contradictions with the use of Austrian presumptions, given the authors' theological commitments.

In dealing with economics, the texts rely on Ludwig von Mises' praxeology (the study of human action) and axiology (the study of value), while they want to distance themselves from a number of elements in Mises' anthropology (the study of human nature). The authors wish to operate out of Catholic social thought, which they understand as providing "normative guidelines for social life" without offering "a methodological framework for a social theory capable of integrating these insights into descriptive analysis" (1.5). They wish to borrow von Mises' social theory, as well as his theory of value, at least as regards values in economic life.

Von Mises, of course, understands *all* values as ultimately subjective, something the authors concede that economists must do (1.78). However, in areas of life beyond economics, the authors depart from Austrian presumptions and endorse the existence of objective values, in accord with the Christian tradition. Peculiarly, however, authors never ask why, if von Mises cannot be trusted in his view of the subjectivity of values in the other areas of life, he can nonetheless be trusted when he insists that values in economic life must be treated as purely subjective?

Of course, it is possible to restrict the idea of economic *value* to a subjective status, a kind of preference that varies from person to person, but only if one limits economic value to the internal experience of individuals. The vast majority of economists, both mainstream and dissenters, object in common to this Austrian limitation on the word "value" because it leaves out of consideration critical parts of the valuation process that the market orchestrates. In fact, in the standard mainstream jargon, the phrase "value theory" refers to the determination of prices by the forces of supply and demand. Individual subjective evaluations play an important part in this process, but so do the physical realities of the cost of production under current technical conditions. Most economists understand economics as addressing the determination of *prices* and not reflections on the subjective valuation process in the minds of individuals. The Austrian stress on subjective valuation is one of the reasons that most non-Austrians find the Austrian approach rather unproductive for economics.

Related to this issue is the notion of "methodological individualism." While there is some diversity on this issue among Austrians, in general they view the world as not only ultimately made up of individual persons but also as including social wholes only in an analogical sense, as shorthand for the interactions of individuals. As von Mises put it, "[A] social collective has no existence in reality outside of the individual members' action" (3.114). An even more famous Austrian economist, Nobel prize winner Friedrich Hayek, argued that such terms as *society* or *war* are simply shorthand ways of summarizing the interaction of individuals in large groups.[3] Such a position represents a radical individualism that would seem to conflict openly with the Catholic view of the human person and society, something to which we will return later.

Given the theoretical conflicts between theological convictions and the Austrians, it is not clear why the authors endorse so much of Austrian economics. There are, unfortunately, a number of other indications in volumes two and three that the enthusiasm for the Austrians is overblown, not only in theoretical endorsement but in misinterpretation of historical fact. Carl Menger, the undisputed "father" of Austrian economics, is treated as a hero whose stature is described far more gloriously than non-Austrian economists would grant.

Menger was one of three economists who simultaneously discovered/invented the theory of marginal utility in the early 1870s. Menger in Austria, William Stanley Jevons in England, and Leon Walras in Switzerland each independently developed the theoretical framework that integrates into economics the insight into human consumption that additional units of the same item consumed per month may each bring additional satisfaction but the additional satisfaction brought by subsequent units is smaller than that brought by "earlier" added units. Volumes two and three, however, assert that this marginal utility revolution was "brought about largely by Carl Menger" (3.36). The other two economists are acknowledged (2.37) but later, on the same page, the authors assert that "neoclassical economists are indebted to Menger for two fundamental principles: marginal utility and the theory of subjective value." In this, the debt owed to Jevons and Walras is ignored, as well as the fact that John Stuart Mill had, himself, earlier articulated the influence of subjective value on prices.

In fact, another problem for the volumes' Austrian hagiography is that Jevons combined his theory with the mathematical calculus and Walras developed his within a general equilibrium framework, both of which are central parts of mainstream economic theory today. Menger's influence today in mainstream economics does not extend beyond his one-third share of the credit for the marginal utility idea. Even such basic distinctions in his work as between first-order, second-order, third-order, and higher-order goods are largely ignored by non-Austrian economists today. The further claim that Austrian economists contributed the notion of "opportunity cost" to the mainstream (3.40) similarly demonstrates an unfortunate ignorance of the earlier work of John Stuart Mill and David Ricardo on the issue. Thus, the authors appear committed to an unwarranted enthusiasm for Austrian economics.

Naiveté Concerning the Philosophy of Science

The authors make clear that theologians should recognize the autonomy of economics as a discipline and should not try to impose theological standards on scientific activity (2.69–77). In many contexts this is good advice for theologians who may have little appreciation for the role of science in contributing to human thriving by better understanding human life. However, in the current context this attitude results in an overly deferential concession of methodological authority to economists in the conversation between economics and theology.

If the concerns that theologians have about the shortcomings of economic science were only matters between theologians and economists, the argument for greater deference by theologians would have weight. However, objections concerning the reductionism of the economic model of human decision-making and the presumption that prediction is the essence of science are charges brought by a wide variety of economists themselves against the mainstream and are broadly debated within the philosophy of science as a discipline. Such objections do not arise from any peculiarities of theology or religion. At least once, the authors acknowledge a neo-classical critique of Austrian economics (3.43) (though without labeling it as such), and they do advert to the critique that Friedrich Hayek lodged against the positivist "scientism" of the mainstream (1.1 and 2.89). Yet, much of what is said about the methodological issues in economics is inconsistent.

A strong theme in these volumes is that a more "realistic" description of economic events would improve economics (1.3). At points, the authors object to the psychological egoism of neoclassical economics (the presumption that all choice is self-interested) (3.77) but they more frequently hope to use existing mainstream methodologies while accompanying them with "a more realistic presentation of the person" (2.78).

The question, of course, is whether this is feasible. A dominant methodological claim that most mainstream economists would likely endorse is that of Milton Friedman, who asserted that the realism of the assumptions of economic models is not important. Friedman argued that the point of science is to create intentionally oversimplified models of economic life in order to generate predictions that will be accurate.[4] The authors do not address the relation between Friedman's argument here and their own conviction in favor of the realism of assumptions. They seem unaware that this creates a large methodological gap between themselves and the economists of the Chicago and Public Choice Schools. Astonishingly, at one point the authors assert that the "differences among economic schools of thought are not great" (2.92). This would seem to be spoken by someone who has not walked past the scores of meeting rooms at the national gathering of economists in the United States every January, where the immense diversity from left-wing Marxists to right-wing Austrians is evident.

Almost all of the concerns that the authors have with the inadequacies of these schools of economics are fully argued within economics: between these schools and other "heterodox schools of economics." To their credit, the authors include one reference to the need to interact with "all nonmainstream economists" (2.102), but there is little evidence in these volumes of the complexities in the philosophy of science that any interaction between theology and economics must engage. Closer attention here might lead the authors to fruitful conversations with less-individualistic options within economic science.

Excessive Individualism

One of the pervasive problems of these three volumes is their excessive individualism. Freedom is addressed and endorsed scores of times throughout these three volumes while there is but one reference to the tension that exists between freedom and justice, noted in an observation on the work of Reinhold Niebuhr (2.22). Similarly, there is far more stress on the very Catholic principle of subsidiarity than on the equally Catholic principle of solidarity. The authors frequently endorse the rights and freedoms of an abstract human person but rarely address the problems faced by real workers who make less than a living wage.

Another symptom of this excessive individualism is the adoption of libertarian rhetoric to define fundamental notions. Thus, we read that "human dignity is affirmed when people are permitted to live their lives as they see fit" (3.89). Those who endorse objective values would have to reject this notion, out of the recognition that what humans "see fit" to do can and often does contradict the foundations of human dignity. There is rarely any reference to the moral importance of blocked exchanges: the sale of goods or services that society has made illegal for moral reasons (whether child pornography, hand grenades, prostitution, cocaine, or many others). Ironically, in spite of the fact that many other intellectual conversation partners and opponents are identified, the volumes never do name "libertarianism" as a group either to critique or to rely on. Yet, libertarian rhetoric finds its way into their formulation of fundamental notions.

A similar problem of excessive individualism is evident in the near absence of sociological understanding in the analysis. There is almost no reference to power as a variable in their social and economic analysis, and the role of law, even law structuring the market, gets little attention. The authors repeat the individualistic fallacy of Hayek and others that markets developed spontaneously (without human design), (3.69 and 3.73), which, if it were true, would strengthen their argument against [further] government "intervention" in the economy. The instinct to trade with others can well be described, as Adam Smith did, as a kind of natural tendency, but advocates of freer markets have worked hard for at least three centuries to improve the character of markets. Markets do not spontaneously get to be what they are. Even so-called "free" markets today have been thoroughly shaped by government activity. The simple Austrian conviction that it is sufficient to say that collective action results from individual actions (3.114) leaves them tone deaf to the harmonies of socialization and enculturation that are essential to any adequate social theory.

Similarly, the authors' inclination to prefer an economics that downplays explanations based on "impersonal phenomena" (2.103) or "nonpersonal forces and events" (2.71) is another indication of this over-individualization of the volumes' understanding of human life. Technological change and inflation, to identify only two "impersonal" phenomena, are powerful forces in economic analysis. To take another example with important implications for economic life and morality, some nations such as the United States have a vibrant civil society, while others do not. Without this, there is a weaker democracy and stronger tendencies toward corruption in both public and private sectors. However, to attribute this phenomena simply to differences in the morality of individuals in the two nations is not only theoretically inadequate but unfair to most of the individuals involved. John Paul II himself has talked explicitly about the importance of the "subjectivity" of society[5] in an attempt to make clear the essential role that social phenomena should have in any adequate analysis.

Markets and the Bifurcation of the World

Essential to the social and moral analysis of these three volumes is the presumption that one can sharply distinguish between the realms of economic activity and the rest of human life. Within the realm of economic activity all valuations are subjective (following the Austrians) and mainstream economic science reigns. The authors admit that mainstream economics is reductionistic in its presumption about *homo economicus*, but this, they say, is not the problem it would be if it were allowed to creep out past economic events and be used to describe other parts of life (à la Gary Becker). As the authors put it, there is "a sphere of the market" and "certain spheres of human activity not properly subject to cost-benefit analysis of the type performed in economics" (2.73). In this broader area "these relations are essentially different from market relations and operate according to their own principles." They "cannot be captured by economic analysis" (2.73).

But can this distinction of two realms of life withstand scrutiny? The authors assert that only subjective valuation comes into play in economics. However, objective values based in the faith tradition also are directly at stake in economic life. The decision of a conscientious Christian consumer not to buy pornography or to leave a tip for a waitress is not based solely in "subjective" values. Similarly, there was a time when economic life entailed slaves and indentured servants, but surely our objective values are part of the reason those practices no longer remain. Such fundamental values are at stake in a myriad of issues of economic policy. Should an employer have the right simply to fire a worker who is injured on the job? Should an employer have the right to hire permanent replacement workers during a strike? Should there be a Social Security tax paid by both worker and employer? Should there be a similar tax to cover the cost of universal health insurance? Some of these questions have already been resolved and others are hotly debated today but there can be little doubt that fundamental values are at stake in all of them, even though they are also part of economic relationships in daily life.

Analogously, though with less importance, there are purely subjective valuations outside of economic life: What sort of concert in the park do you prefer? Or would young people today prefer to play cards or a board game when they gather around the kitchen table? There is no bright line dividing economic from noneconomic realities of life based on the kind of values entailed in each. As a result, the authors' deference to Austrian methodologies (especially the claim that all values in economics are subjective) is undermined. Far better conversation partners are available in economics—among various heterodox economists who recognize that fundamental values indeed need to be recognized in economic science.

Another peculiar bifurcation is the asymmetry that the authors employ in describing positive and negative effects of markets. The authors say that markets do not directly cause vices or virtues (3.119), but they argue that markets "foster" (3.123) or "encourage" (3.112) particular virtues or positive values and practices. These include trust, courage, thrift, industriousness, and creativity (3.124). There is, however, no mention of any vices that might be "encouraged" by the market.

The primary relevant problem here is what the authors refer to as consumerism, the exorbitant place that the purchase and consumption of things has in contemporary life. Here, however, they are quite clear that consumerism ought not be "blamed" on the market or market economy (2.98). Consumerism is "a matter of the heart"—not of the market. In fact, they say, holding the market accountable here is like blaming the alcohol rather than the alcoholic. I have addressed this issue elsewhere,[6] but the complaint that markets encourage consumerism does not accuse the alcohol, because it does not blame the things that people buy. Rather, it indicts the bartender who keeps encouraging the drunk to have another drink, just as markets encourage producers to hire advertising executives to persuade the public to buy more and more.

Markets indeed do not cause vices or virtues; they do not "do" anything. Markets are, however, opportunities, and the behaviors that are encouraged in markets are those that conduce to economic success. Any actions or traits, whether good or bad, which make economic success more likely can be accurately said to be "encouraged" by the market. Thus, while efficiency and industriousness may well be encouraged in our situation, it is also clear that in the economy of the former Soviet Union today, controlled so heavily by the Russian "mafia," a willingness to hire a hit man to execute competitors might well be a winning strategy. Markets in the United States do not encourage this because such behavior is heavily penalized, but if the legal framework did not entail such a penalty (or if it is rarely enforced, as in Russia today), murder in markets would be encouraged as much as industry.

Thus, the solution proposed in the three volumes—that consumerism or other vices must be opposed by cultural changes and not by government action—overlooks the fact that a whole host of vices are already discouraged in the United States by laws that penalize their occurrence in the market. The authors are correct that the "North American market culture" leaves much to be desired and ought to be addressed at the level of spiritual meanings. However, to conclude that this imperative could substitute for government action entails a bifurcated view of the relation of market and culture. In addition, given the corporate ownership of the largest actors in entertainment and the media, the impact of the profit motive in shaping our culture should be clear. Relying only on a moral appeal to challenge cultural trends is another example of excessive individualism and the absence of sociological insight that weakens the project.

Government "Intervention" in the Market

This brings us to the question of the concept of government in relation to markets that is embodied in these books. The authors consistently opt for "free" markets and argue that "government involvement is to be kept at a minimum" (2.56). They endorse Pope John Paul II's notion of a "juridical framework" for the economy, but this, they argue, should not include "nonnecessary interference in the market by … the government" (3.91). "Government often unnaturally interferes with essential free components of the economy" (3.95). "The market restraints sought by economic personalism are moral restraints," rather than "political structures to regulate markets" (3.95).

Moral restraints are essential, but surely this bifurcation between "necessary" and "unnecessary" government involvement lacks conceptual coherence. The judicial frameworks of the economies of the Western industrialized nations differ from each other. Which are the "necessary" elements? Each of these juridical frameworks has gone through considerable change in the last two hundred years. Elements of the juridical structure that may now be taken for granted as necessary in a market economy—such as worker compensation for injury on the job, Social Security, unemployment insurance, workers' rights to form a labor union, and a host of others—used to be seen by many as unnecessary and even wrong-headed. Most were initiated through long struggles among workers who wanted these changes and the wealthy owners of capital who claimed that each in turn would amount to excessive government intervention in the market. Thus, today, we need to recognize that the vast majority of economic issues that divide the national legislatures of all nations are debates over whether there ought to be additional changes to strengthen the juridical framework that structures the economy.

The authors have adopted a rhetorical device employed by libertarians and others on the economic right-wing: taking for granted those elements of the juridical framework already approved but opposing as "government intervention" any additional strengthening of that juridical framework. It is far more accurate to say that governments do not intervene in markets; governments *structure* markets. There is no bright line dividing the appropriate and inappropriate elements in the juridical framework. All these are debated in the democratic process and this, indeed, is what most economic debates are about. The key for Christians engaging in these debates is to bring Christian values to bear in their resolution rather than to start with *a priori* positions—whether the belief that corporations are evil or that government "intervention" in markets violates economic freedom.

It is unfortunate that the authors have criticized Catholic thought because it has "tended to favor a paternalistic government that intervenes in the economy in hopes of promoting human dignity" (1.69). They fail to acknowledge that the juridical framework is exactly the action of government structuring the economy not simply to increase efficiency but also to set up incentives and prohibitions that promote human dignity.

Errors in Economics

The effort of these three volumes to establish a dialogue between theology and economics is commendable, and most of the economic discourse is quite good. Nonetheless, there are a number of particular mistakes in reporting on economic analysis that ought to be addressed in any future work should the same issues recur. Some of these are minor, as implying that indifference curves are based on "numerical scales" (3.42) when they are not: They are ordinal, not cardinal. It is similarly surprising to hear that Chicago School economists would be expected to estimate the price elasticity of the demand of Hershey bars differently than would other economists (2.63).

Would any historian of social science consider economics "the youngest of the social sciences?" (2.47) All the social sciences have roots in ancient philosophy, but their existence as identifiably independent disciplines is a modern phenomenon. There were university chairs of political economy in Great Britain a half century before the pioneering work of Durkheim in sociology or Freud in psychology.

The most grievous economic error occurs, quite ironically, in the midst the authors' accusation of error in the work of Rupert Ederer, a "solildarist" economist. Ederer called for a "family wage" (quite typical of Catholic social thought in the era of Pope Pius XI) and is criticized (3.20) for his alleged failure "to understand the long-term effect of such artificial wage inflation." The text insults this distinguished economist for his alleged "failure to comprehend elementary economic principles" and identifies this as "a central problem with many schools of Catholic social thought, namely, the inability to integrate both the logic of the market and the logic of morality." And what is the evidence provided? The authors assert that "such nonmarket price hikes are eventually passed along until the rise in wages is overshadowed by a rise in prices, thus erasing the 'gains' of the family wage" (3.20).

It is at least catty to criticize any professional economist as not comprehending "elementary economic principles." It is openly embarrassing to both authors and publisher when it is the critic and not the criticized who makes the mistake. Consider what would happen if, for example, all workers whose wages put them in the bottom twenty-five percent of all wage earners were magically to receive a thirty-percent wage increase by government edict. It simply could not happen that prices in the economy would rise by thirty percent to overshadow the gains made by those receiving a wage now thirty percent higher.

There are two reasons for this. First, since the wages of the other seventy-five percent of workers would not change (or would change only slightly in response), the average wage rate for all workers in the economy might rise, say, fifteen percent—certainly not anywhere near the thirty percent that a smaller group received. This fifteen-percent rise in wages would push prices up, but the effect will be much less than if all workers got a thirty-percent wage hike. Second, wages are only one of the components of prices (along with cost of raw materials, capital, et cetera) and even if the average wage for all workers in the country were to rise by fifteen percent, there is absolutely no chance that overall prices in the nation would rise by fifteen percent because of it. Prices might rise only by six to eight percent. This would offset a portion of the thirty-percent gains made by those receiving the now higher wage, but it is clearly erroneous to claim that the whole gain would disappear.[7] This does not prove that Ederer was right to press for a family wage, but the authors are definitely wrong to argue against his proposal on the grounds that it would not help those whom he intends to assist. It is they—not he—who got the economics wrong there.

Other Rhetorical Devices

The volumes at times use rather peculiar definitions for some terms that both confuse the issue and bias the analysis. A couple of examples will illustrate the problem. "Selfishness" is described as "the fundamental feature of actions that are directed at goals for their own sake, without any concern for the long-term effects these actions will have on others" (3.117). In contrast, merely self-interested actions are described as "motivated by a goal that is not an end in itself" (3.118). By these definitions, it is argued that selfishness is not usually rewarded in the market and cannot be long-lived (3.117). This is a counter-intuitive claim, but it creates support for markets. However, the question remains—why the issue of goals for their own sake or not is at all related to self-interest and selfishness.

A far more straightforward distinction might be that selfishness occurs when the intended beneficiary is oneself (or perhaps one's immediate family), while self-interest is a broader term, which comprises selfishness as well as certain actions where others are also intended beneficiaries. It would seem that actions aimed either at narrow selfishness or at a broader concern that includes others may or may not have as their immediate end a goal that is not an end in itself. For example, both may aim to make money though the use of the money might differ in the two purposes.

Another unhelpful set of definitions is the description of "radical atomism," (3.114) "atomistic individualism," (1.24) and "moral individualism" (1.9 and 2.97). In all three cases the description is one of an individualism that is so extreme that there may be *no* economist who actually endorses it. The apparent purpose of such an extreme definition is that it creates the impression that there are alternatives within economics that are more individualistic than the Austrian economists on whom the authors rely. This, of course, makes the Austrians appear less extreme than they really are. Although it is never observed, there really is no school of economists further to the right or more individualistic than the Austrians. This should be a serious problem for all Christians, but especially for Catholics.

A further rhetorical device is surely employed when the authors argue that Jesus' admonition "that the poor will inherit the earth" is an implicit argument for private property, "for inheritance implies some sort of ownership" (3.99). It does not take a biblical scholar to recognize the theological naiveté in such an argument.

Conclusion

This three-volume work on the foundations of economic personalism represents both promise and peril. On the one hand, the strong commitment to interdisciplinary conversation, with special attention by theologians to the claims of economic science, is a wonderful place to begin this dialogue. The careful exposition of Christian anthropology in the work of John Paul II holds out much promise for the relation of theology and economics.

On the other hand, there are a number of serious problems. The authors are overly deferential to Austrian economics and seem unaware of the debates within the philosophy of science and within economics itself that run parallel to the problems that Christian theology does and should have with the Austrian approach. The endorsement of excessive individualism in these volumes is unfortunate and at odds with the Catholic view of the sociality of the world. Most importantly, the conceptual bifurcation of the world into economic and noneconomic realms cannot be sustained. It simply is not true that economic life deals only with subjective valuations and that noneconomic life is the place where objective values are at stake. And because basic values are at stake in the economy, the vast majority of debates within political circles about economic life are also debates about basic values.

There is no bright line between necessary government control called a "juridical framework" and the unnecessary kinds of government activity branded as "intervention in the market." The legal framework undergirding any economic institution entails important moral values; differences of opinion on such practical issues will always exist among well-informed Christians (and others) of goodwill. Con-servative Christians have the right to oppose further government structuring of the economy, but this should be on the basis of values that would be threatened by any particular change and not out of some general opinion that "government involvement should be kept at a minimum."

Perhaps the most basic intellectual challenge facing the authors and the Center for Economic Personalism is answering this question: Do you start with a view of Christian faith and engage economic science to discern what economic policies should be supported or do you begin with an *a priori* conviction that "free market" economic policies should be supported and then search out arguments in economics and theology that can justify that presumption? Historically, intellectuals have aimed for and usually claimed that they follow the truth wherever it leads them. Starting with one's preferred conclusions and then a creating system of thought capable of supporting them is intellectually irresponsible.

Of course, we all need to be self-critical, as we all face the temptation to shape our intellectual convictions so as to serve our interests, whether personal or ideological. The rise of the "cultural wars" mentality in intellectual circles, whether within think tanks or the academy, tempts us all to write off our critics and be satisfied with "preaching to the choir," but Christians ought to feel an intellectual and moral obligation to attend carefully to our critics out of that shared conviction, both intellectual and spiritual, that "the truth will make us free."

The Center for Economic Personalism at the Acton Institute may be at a critical juncture in its consideration of these issues. As a relatively young effort, it is still being judged by intellectuals in the academy and beyond. No doubt, those already oriented to the culture wars mentality have decided either to endorse or reject this work based on its endorsement of "free" markets. It is, however, likely that a large number of intellectuals who value a fair-minded engagement of the issues have yet to make up their mind about the Center. Unfortunately, there is ample evidence in this three-volume work that, in spite of its promise, the contributions of these economic personlists may be permanently distorted by an *a priori* commitment to a particular political point of view. For my part, I strongly encourage the scholars engaged in this project to adopt a more fair-minded approach to their opponents and a more self-critical approach to their own use of our common intellectual heritage so that the Center and its work will not be dismissed as just another right-wing think tank.

Notes

1. All these are published by Lexington Books, 2002.
2. To simplify references, the number before the period indicates the volume, while the number after points to the page. Thus, 2.91 means volume 2, page 91.
3. Friedrich Hayek, "Scientism and the Study of Society: Part III," *Economica* (February 1943), 43.
4. Milton Friedman, "The Methodology of Positive Economics," in *Essays in Positive Economics* (Chicago: University of Chicago Press, 1953), 3–43.
5. John Paul II, *Sollicitudo Rei Socialis*, 15.4.
6. Daniel Finn, "On the Choice of Method in Economics: Options for Humanists, A Response to Gregory Gronbacher," *Journal of Markets and Morality*, vol. 3, no. 2, Fall 2000.
7. The errors of economics appear solely in volumes two and three, and thus, credit should be given to economist Ricardo Crespo for careful work in volume 1.