

On the Choice of Method in Economics: Options for Humanists A Response to Gregory Gronbacher

*Daniel Rush Finn**
Professor of Economics and Theology
Saint John's University

This essay continues a dialogue concerning the problems that Christian personalism will face in efforts to work with the Chicago, Public Choice, and Austrian Schools of economics. These problems ought not be dismissed as recognizable only out of a theological concern, as they are addressed in lively debate within social science. The view of methodological individualism and the role of government held by these schools openly conflicts with Christian personalism. These schools represent the “far right” within economics as a science and show little inclination to improve their inadequate anthropological foundations. Better economic analysis of consumerism and a number of other (but by no means all) problems on the border between economics and ethics can be found among so-called “heterodox” schools of economic thought. Many of these employ foundational principles that are far more compatible with the perspective of Christian personalism.

Introduction

In a helpful essay titled “The Need for Economic Personalism,”¹ Gregory Gronbacher proposes a “synthesis of free-market thought with Catholic social thought” as one of the goals of the Acton Institute and the Center for Economic Personalism. As he phrases it, “unifying these schools of thought” would be highly beneficial.² A subsequent essay of my own calls into question Gronbacher’s choice of the Chicago, Virginia, and Austrian schools of economic thought as partners for dialogue, arguing that several of their underlying commitments contradict essential elements of Christian personalism.³ In a constructive response, Gronbacher outlines ways in which he himself is critical of these schools of thought, even though his ultimate judgment is that the criticisms are not serious barriers to progress.⁴ He clearly holds out hope of inducing changes in these economists. As he puts it, “One of the central aims of economic personalism is to provide economic science—in all of its schools—with a better anthropological and theoretical foundation.”⁵

In this essay, I propose to further this conversation by challenging six fundamental presumptions Gronbacher makes in the more recent essay. The first is his assumption that theological, but not social scientific, objections are at

stake in my (and his) critique of the shortcomings of the three schools of “free-market” economics. The second is that the methodological individualism he defends is the methodological individualism employed by these schools of thought. The third is that there is a great gap between responsible advocacy of a juridical framework and the irresponsibility of the “philosophy of interventionism.” The fourth is that the market does little or nothing to contribute to consumerism. The fifth is that the dangerous extreme of individualism criticized by Pope John Paul II is not represented by these three schools but lies farther to the right on the economic spectrum. The sixth concerns the prospect for transformation of these schools of economic science.

Is It Only a Theological Critique?

Gronbacher argues persuasively that “social science in general, and economics specifically, regardless of the school of thought, will fall short of articulating a theological vision of the social order.”⁶ This is undeniably true. But it does not mean that the criticisms of the three free-market schools that I (and Gronbacher) have articulated are thereby simply “theological.” Most, in fact, are social scientific objections. The ultimate proof of this is that there has long been a robust, thoroughly non-theological debate about these very issues within social science—and, specifically, within economics.

Gronbacher, however, ignores this debate, excusing the anthropological reductionism of these three schools by observing that “we can only expect so much from social science. There is a limited sense in which what appears to a theologian as reductionism is actually proper to economics.” He is silent on the need for a social-scientific judgment within economics regarding the proper scientific method that ought to be employed.

The choice of a scientific method within the discipline of economics is indeed a complicated process—one far beyond our scope here.⁷ The point, however, is that theologians who extend their conversation into the discipline of economics ought not take for granted whatever reductionisms that particular mainstream economists have come to accept as the price for “good” science. Many other economists have developed scientific approaches to the study of economic life that begin with far more adequate methodological foundations. These scholars include the useful results of empiricist/positivist research and yet avoid the very extension of market relations into all arenas of life that Gronbacher himself laments. This is not the place for a catalog of options, but I would mention two representative analyses of this approach: Lutz and Lux⁸ (who employ the psychology of Abraham Maslow to analyze economic needs)

and O'Boyle⁹ (who identifies the centrality of cooperative work toward the common good in economic efficiency). Economics journals in which such perspectives frequently appear include the *Review of Social Economy* and the *Journal of Economic Issues*.

The key concern here is that humanists need not simply withdraw when economists assert that "economists cannot do it that way." Humanists conversant with the debates in the philosophy of social science can engage the methodological debate within economics. Other humanists can at least engage in dialogue with that (minority) group in economics that insists on more accurate anthropological presumptions about human economic actors.

Whose Methodological Individualism?

A central theme in Gronbacher's defense of the choice of the three "free-market" schools is his argument in favor of methodological individualism. While he notes certain "reductionist" shortcomings of the Chicago, Virginia, and Austrian Schools, he argues that methodological individualism "properly understood" is wholly consistent with the Christian personalism of John Paul II.¹⁰ Gronbacher outlines a persuasive version of methodology and concludes the section by asserting, "*Thus*, the methodological individualism of the Austrian, Chicago, and Virginia Schools ... coincides rather nicely with the central theme of Catholic social teaching regarding the place of the human person in the social order."¹¹ This is a powerful conclusion and, if warranted, would answer several of the objections I raised to the research program Gronbacher proposes in launching a structured conversation between Christian personalism and "free-market" economic thought.

However, we need to look more carefully at the syllogistic logic implicit in the italicized *Thus* in the previous quote, and then ask whether the argument works as Gronbacher implies. His argument is that, first, methodological individualism "properly understood" is compatible with Christian personalism. The second step of the argument (wholly implicit) is that the three free-market schools of economics employ this version of methodological individualism. Third, the conclusion is that the methodological individualism of the three schools "coincides rather nicely" with the view of the human person in the social order proposed by Christian personalism. The key problem here is the second premise; it simply is not true. These schools employ the phrase *methodological individualism* but mean by it something substantially different from Gronbacher's version. Gronbacher, however, simply asserts they are the same, without examining, for example, Hayek's famous views on methodological individualism. To understand this, we should reexamine Gronbacher's descrip-

tion of methodological individualism properly understood and divide its elements into two groups. The first group consists of presumptions shared by Christian personalism and the three schools of free-market economics, while the second encompasses premises broadly endorsed in Christian personalism but almost universally rejected by the three schools.

There is broad agreement on at least three of the elements of methodological individualism as Gronbacher persuasively describes it.¹² The first is that humans exist as individual units. The second is that each human person has an inaccessible interiority. The third is that there is an ontological priority of the individual. On all three of these points, Christian personalism and free-market economic thought are in agreement.

Yet there are three other essential elements to the personalist view of the individual and the social order, which have been consistently rejected in the descriptions of methodological individualism by free-market economists. Here we must acknowledge important differences between the Chicago and Public Choice (Virginia) Schools, on the one hand, and the Austrian School, on the other.

Gronbacher identifies the first element as the volitional, emotional, and intellectual capacities of the individual person. Such language and concepts are almost completely foreign to the methodology employed by the Chicago and the Virginia Schools. A second missing element is Gronbacher's insistence on the importance of personal identity for understanding economic life. In the Chicago and Public Choice Schools, individual actors appear as utility maximizers, a model that falls far short of any adequate sense of a personal identity, within which an individual's emotional and intellectual capacities and inclinations can help shape that person's behaviors and beliefs. It is hard to imagine how these two schools "can take subjectivity seriously on all levels."¹³

Let us be clear that the objection here is not simply theological dissatisfaction concerning the limitations necessitated within social science, even though Gronbacher makes this argument in defense of the free-market schools of economics. The history of criticism regarding narrow individualism and one-dimensional maximization in mainstream economics is far too broad and deep to summarize here, but a single example arising out of Gronbacher's own concern with consumerism may be helpful. From the point of view of Public Choice theory and the Chicago School, the reasons individuals hold the values they do—and thus have the utility functions they do—lie largely beyond the ken of social-scientific research. In fact, assertions that free markets are morally commendable because they assist individuals in attaining their goals—sometimes

described as *consumer sovereignty*—make sense only if individuals have goals, which are not creations of the market process. If, however, commercial firms are able to manipulate the tastes of consumers through advertising, so that consumers are led to demand products they would not otherwise purchase, then, in principle, we could have an economic system that dictates what goals people should have to increase the profit of producers.¹⁴

Many other schools of economic thought, which decided not to be limited by the reductionist tendencies of utility theory, are better able scientifically to analyze the question as to whether the tastes of consumers are influenced by commercial advertising. It is interesting that for all of Gronbacher's interest in the notion of consumerism, he fails to note that there are few economic issues on which these three free-market schools have less to say than this one. It would seem that any moral perspective such as Christian humanism, which strongly endorses a non-consumerist mentality, would want to dialogue with a school of economics able to provide empirical inquiry into this widespread cultural phenomenon.¹⁵ A scientifically more accurate description of markets provided by other schools of economics would strengthen Gronbacher's analysis of consumerism.

We should note that the fault line within these three schools of economics runs to divide the Chicago and Public Choice Schools, on one side, and the Austrian, on the other, with regard to this modeling of human action. Austrians tend to share many of the same criticisms I have made against the Chicago and Public Choice Schools.

Nonetheless, even the Austrian School rejects a third element in Gronbacher's version of methodological individualism. This concerns his statement that "the person is a more substantial reality than any collective or group."¹⁶ Gronbacher clearly understands groups, nations, and other collections of persons to be real in a way that Friedrich Hayek, for example, has quite explicitly denied. Because Hayek considers only individuals to be real, he thinks the very notion of social justice is a charade,¹⁷ which is incompatible with the analysis of economic life provided in the personalism of John Paul II. Even further from Hayek's position, John Paul argues that there is a subjectivity of society that can and ought to exist through the vibrant participation of citizens in the structures of civil society.¹⁸

For these reasons, Gronbacher's second premise in the syllogism identified earlier seems wholly unwarranted. The methodological individualism that he endorses diverges in absolutely fundamental ways from the methodological individualism defended by Hayek and by the Chicago and Public Choice Schools.¹⁹ Gronbacher himself warns of the reductionist features of these three

schools; the point here is that these very features render the methodological individualism of the free-market schools essentially different from Gronbacher's description of them.

Juridical Framework and Governmental Intervention

Gronbacher strongly criticizes "the philosophy of interventionism," because it inhibits the development of a humane economy²⁰ and is based on "a mechanistic understanding of the economy as a thing to be manipulated or controlled."²¹ At the same time, he endorses the notion of a "juridical framework" (from John Paul II) as "necessary for the market to operate effectively."²² While he discusses these two in close physical proximity in his most recent essay, he does not compare or contrast them conceptually. Clearly, for Gronbacher, the juridical framework is "good" government, while intervention is "bad" government. He prefers to think of capitalism as markets-within-the-proper-juridical-framework, and thus attributes, at least implicitly, the instinct toward intervention as arising out of a misunderstanding that seems to "think of capitalism as unbridled capitalism" and thus seeks governmental intervention "to limit capitalism's destructive forces."²³ Within the setting of "an over-restrained market,"²⁴ Gronbacher sees such intervention as counter-productive.

The problem, here, of course, is that much of the juridical framework Gronbacher endorses was created explicitly to "limit destructive forces" in the market. Child labor laws, social-security guarantees for the elderly, the obligation of employers toward workers injured on the job, the right of workers to organize a trade union, and a host of other elements of our juridical framework today were created to offset injustice and bring about a more humane economy. Furthermore, those of us who share in the prosperity of our current system need to admit that all such legislative initiatives originally were strongly opposed by the wealthy.

I would propose that it is more helpful to think of the market as an arena where individuals are allowed to make and respond to offers with other individuals or groups. With the possible exception of anarchists, no one—and I mean that literally—would endorse a truly unfettered, "free" market, where there were no legal restrictions on actions people might take. This would be Thomas Hobbes' war of each against all, and it would be unbearably unjust. Murder, mayhem, fraud, and a host of other evils would occur widely. As the Mafia demonstrates, whether in Sicily or Russia, market forces alone do not terminate such abuses.

But when law effectively bans the most abusive behaviors, and when the morality of individuals and groups obviate a host of other inhumane actions,

then we might come to a provisional moral endorsement of the outcomes of voluntary interactions in the market. Most debates today about economic policy in the United States concern this function of law. Gronbacher himself helpfully acknowledges the inevitability of legitimate disagreements in this regard.²⁵ I would propose that what is at stake here is a matter of degree, and only rarely a difference between those for whom the economy is “a thing to be manipulated or controlled”²⁶ and those for whom it is not. Taxing cigarettes, banning sales of cocaine, and a host of other elements in our current juridical framework do, in fact, “manipulate” the economy. Banning child labor and forcing employers to contribute funds for retirement or for injured workers do, in fact, “control” the economy to some extent.

In sum, implying that there is a huge gap between a juridical framework (good government) and governmental intervention (bad government) only makes it *appear* as if the drawing of a line along this continuum is easier or less controversial than it truly is among people of goodwill and insight. All participants in this debate should have good reasons for drawing the line where they do, and there are important philosophical differences between left and right here. But let us not talk as if only “bad government” aims at any form of market control or attempts to limit the destructive force of unrestricted self-interest in capitalism. A good juridical framework controls, limits, and even eliminates many abusive behaviors. This is the most fundamental purpose of a juridical framework. Making this clear might lead Gronbacher to a rhetorically less persuasive argument for reducing governmental regulation, but it would enhance the quality of the dialogue.

Is the Market Innocent of Furthering Consumerism?

One problem in talking about markets is that we often reify them, talking about them as if they were agents that have effects in the world. Thus economists are often heard to assert that markets bring about greater productivity and, thereby, greater prosperity. Defenders of markets often claim that free markets reward cooperation and a willingness to meet others’ needs. Critics of markets often assert that free markets marginalize the poor and abuse the environment.

The problem with such arguments, of course, is that in each case the causal chain of events is complicated, and markets themselves do not “do” anything in a literal sense. Markets are places—or, in the age of electronic interaction, opportunities—where individuals make offers to others and respond to offers made in return. Thus, in the most fundamental sense, it is people who “do” things. And in this spirit, Gronbacher helpfully argues that markets do not

cause consumerism—that mindset in which “possessions become the central expressions of identity, values, and love.”²⁷ It is people who choose consumerism. As a clarification of the literal causality among the agents involved, this description is quite accurate. In his words, “Markets, by themselves, can only create situations for the realization of virtue or vice; they cannot directly cause such realities.”²⁸

But this helpful thesis is also clearly part of Gronbacher’s broader argument in defense of markets, and this more limited thesis is far from the whole picture. In broader conversation, it is only fair to acknowledge the ways in which the organization of production in markets does indeed foster consumerism, despite Gronbacher’s assertion that the process of production and distribution of wealth “does little, if anything, to abet [consumerism].”²⁹

Gronbacher is willing to talk of certain positive behaviors associated with the market. He tells us that “cooperation, mutual assistance, and service to others are the hallmarks of a free economy.”³⁰ By this, he no doubt means that individuals find that engaging in these three activities will help them accomplish their goals within a market structure. In this, we can rightly insist that markets “further” cooperation, mutual assistance, and service (a more accurate formulation than saying markets “cause” such activities).

The key here is that although the market is not an agent, it is a significant part of the institutional structure within which agents operate. Therefore, we never observe just “the market” in general but a particular market defined by many prohibitions and limitations—whether mandated by law or encouraged by a shared morality. Thus powerful persons in a market where there is no effective prohibition of murder—as perhaps in contemporary Russia—will also find that the periodic assassination of competitors might further their economic interests. Assassination might be employed in addition to cooperation when this proves more helpful.

Governments enact and enforce laws against many abusive actions so that persons will have a less destructive set of behaviors at their disposal as they pursue their market goals. As a result, it would not be accurate to claim that markets encourage cooperation but discourage murder. Markets foster whatever behaviors—whether cooperative or destructive—that, in a particular institutional setting, further the individual’s interests.

Turning to consumerism, we can see that, given the current North American institutions of market and legal restrictions, producers clearly engage in actions that encourage consumerism among the general population because consumerism suits many producers’ economic well-being. The key force here is

advertising, especially those billions of dollars spent annually by the advertising industry, commonly referred to as *Madison Avenue*. Unlike the local grocery advertisement that touts low prices, these marketers subtly persuade the buyer of the less concrete advantages of a purchase. Producers spend vast resources to convince the consuming public that their product embodies the values consumers hold, or will help them to develop a more attractive identity, or make them more successful in their love lives. (Recall that these are the three elements in Gronbacher's definition of consumerism.) That is, it is in the economic interest of producers to encourage consumerism, and it is also in their power to do so. I have yet to meet a male who thinks those sexy women in beer commercials have led him to buy any particular brand of beer, but unless Miller and the other breweries are irrationally wasting corporate resources, such advertisements do just that, at least to a significant degree.

Gronbacher employs two similes in defense of his argument that markets do not cause consumerism: Blaming the market for consumerism is "akin to blaming marriage for adultery" and is like blaming "the alcohol, not the alcoholic."³¹ But marriage entails a specific promise of fidelity that is inherently contradicted by adultery. The notion of a market is not inherently contradicted by investing exorbitant meaning in material goods. In markets, persuasive appeals increase sales and profitability, and sellers are largely free to create and to sell even a fictitious cachet of their products. Similarly, those who hold the market responsible for consumerism are not blaming alcoholism on the alcohol. They are, in effect, blaming the bartender for encouraging the drunk to have another drink to feel better.

Consumerism is a serious moral problem in our society, but my point here is a different one. Markets need to be evaluated morally for their strengths and weaknesses. It is good to praise the beneficial outcomes they tend to foster; too many critics of markets are unappreciative of these benefits, and Gronbacher's argument serves this worthwhile purpose. But we should likewise be realistic about the venality that markets further.³² Too many defenders of markets speak as if they are unalloyed blessings inevitably fostering a more healthy society.

Who Are the Extremists?

One theme woven throughout Gronbacher's articles is that there are extremists whose work is so objectionable that Christian personalism would not find them to be constructive dialogue partners.³³ The rhetorical effect of this theme is to depict the three free-market schools as more centrist than they would otherwise be. Gronbacher makes several such references to extreme views in his

most recent essay, but does not mention any names of persons or even identifiable groups. Usually such omission of particulars is of little import, but the problem here is that it is often not clear that the extreme positions are actually held by real people, rather than representing merely conceivable positions.

Who are the extremists that Gronbacher acknowledges to exist? Who are the “economic ideologues” who call for “absolute government non-involvement”?³⁴ (This, of course, would entail no police or courts.) Who are the economists who endorse anarcho-capitalism?³⁵ Who advocates the moral individualism Gronbacher describes, where individuals avoid marriage and fail “to regard the needs of others in his or her deliberations”?³⁶ (Even Dickens’s Ebenezer Scrooge took note of Bob Cratchit’s tolerance for cold in the office.) Which school of economics endorses those “variations of free-market theories” that insist on “the application of market principles to all aspects of human life”? (Gary Becker has applied economic *science* to all aspects of life, but since he is listed among the “better free-market theorists,”³⁷ I presume Gronbacher refers here to the actual organization of life.) Literally applying market logic to *all* areas of life might mean allowing women to produce and literally *own* a baby if they justly secured all the necessary “inputs.”³⁸ Similarly, Gronbacher does not explain just which *are* “the more dangerous trends of ... reductionism, and positivism that leave no room for the centrality of the free human person in social science”—trends, he asserts, these three schools avoid.³⁹ (Many scholars have criticized the reductionist model of human decision-making in the Chicago and Public Choice Schools for exactly this shortcoming.⁴⁰)

Gronbacher asserts that he is excluding the most objectionable positions, but it is unclear whether these represent real options within public discourse. Further, even if some individuals or groups outside of economics could be identified, the question would remain whether there are schools of economics that represent these extreme positions. My guess is that of all the schools of economics that might be chosen as dialogue partners, these three schools represent the most extreme position on a series of issues central to personalist concern. For all three, examples would include extreme individualism and an aversion to non-contractual obligations such as the universal destination of material goods. For the Chicago and Public Choice Schools, there would be, in addition, positivism and the reduction of the complexity of human subjectivity to maximizing choice from given preferences.

It is not my intention to endorse particular alternative perspectives with which readers of this journal should dialogue, as this would take us far beyond the purpose of this essay. Still, the majority of economists active in the Association for Social Economics, or the Association of Christian Economists, or

the Association for Evolutionary Economics make assumptions about these issues that are far more compatible with Christian personalism than Gronbacher's three schools.

The Prospect for Change in the Three Schools

It is helpful to reflect on two of Gronbacher's central convictions. The first—and, by far, the more thoroughly analyzed one—is summarized by the phrase “economic personalism.” The key here is a vision of the human person rooted in what historically has been called *Christian anthropology*. The second is the conviction that “our situation is one of an over-restrained market.”⁴¹ He reports that the first is most fundamental,⁴² but it is clearly the second that provides the rationale for why Gronbacher has begun to dialogue with the free-market schools.

The Chicago, Austrian, and Public Choice Schools do indeed believe that the market is over-restrained. They disagree, however, quite seriously with many of the economic personalist presumptions that Gronbacher endorses. But these differences do not arise out of discrepancies, I contend, between high theological aims and social scientific limits. They also exist wholly within social science—and within economics as a discipline. Economists who live with such limits have chosen to do so. To understand this, we must sort the three schools into two separate groups based on their scientific methodologies.

For the Chicago and Public Choice Schools, these discrepancies exist because a personalist approach to human action in social science is inconsistent with broadly positivist methodological strictures.⁴³ In essence, positivists argue that a more adequate account of human action is unscientific because economic science cannot attempt such introspective descriptions of human life—and does not need them anyway. Gronbacher himself tells us that “anthropological errors in social science usually lead to bad social science.”⁴⁴ This is exactly the reason that heterodox economists, for the past 180 years, have been criticizing the mainstream economics of their day and working to develop alternatives. As T. E. Cliffe Leslie argued in the nineteenth century, the use of reductionist *a priori* economics by Ricardo and others “deserves a high place in the history of fallacies.”⁴⁵

Clearly, Gronbacher hopes that economists of these three schools will eventually incorporate more adequate models of human action into their science. As he puts it, “One of the central aims of economic personalism is to provide economic science—in all of its schools—with better anthropological and theoretical foundations.”⁴⁶

I have no doubt that Chicago and Public Choice economists would be willing to participate with humanists in singing the praises of the market, for the

benefit of those who misunderstand its operation. The market is a wonderful institution and deserves praise. But economists in most other schools of thought would also be willing to join in song. My own guess would be that efforts to persuade Chicago and Public Choice economists to embrace “better anthropological and theoretical foundations” will have no more effect than did the considerable work of a multitude of dissenting economists of the nineteenth and twentieth centuries.

Gronbacher has apparently appealed directly to economists of these schools to improve their anthropological foundations, for he reports that the economists of the free-market schools “will be willing to ... incorporate more subtle and refined theological concerns into their work only if it can be demonstrated that such efforts lead to better science.”⁴⁷

Further dialogue may, of course, lead to just such a change. We should note, however, that this is the same answer that has been given by a host of mainstream economists for at least the last 150 years. Like so many of their mainstream predecessors, economists following in the footsteps of Chicago’s Milton Friedman (or George Stigler or Gary Becker, both of whom Gronbacher cites as “better free-market theorists”⁴⁸) and Virginia’s James Buchanan still conclude that economic science cannot be improved by a more adequate anthropology. They cannot do otherwise without a radical realignment of their underlying view of science. Far more promising as dialogue partners for economic personalism are economists of more centrist schools who use the controversial, reductionist assumptions when they are helpful but employ anthropologically sophisticated models of human action when necessary.

I should add that I remain deeply respectful of the Chicago and Virginia Schools. I myself am a product of Chicago and have spent many stimulating hours in the classrooms (and significant time in the offices) of Milton Friedman, George Stigler, and Gary Becker. They each have contributed much to me and to economic knowledge generally, and much good economic inquiry continues to be done within that research program. But in my direct experience of their work, and of other Chicago economists then and since, I conclude that this group has never been open to altering its method to include greater anthropological accuracy. There is, in fact, a conspicuous philosophical naivete, and often a self-declared lack of interest in methodological issues among most Chicago economists—largely for the presumption that Friedman’s one essay on methodology a half century ago⁴⁹ said all that needed to be said (and what it said was that empirically accurate assumptions in describing human actors are unimportant for good science). This is not the place to review the issues in the philosophy of social science, but it is clear that Friedman, Stigler, and Becker

have not shown much interest in engaging the many lively debates over method during the past four decades. Yet it is in such conversations that Christian personalism's interest in a more adequate anthropological foundation for economics can have a creative influence.

The situation is different with Austrian economics, where the positivist methodology is explicitly rejected because of the very reductionism Gronbacher laments. A robust conversation concerning how to model human action will be appreciated by the Austrians due to their general interest in philosophical issues. Yet this very philosophical sophistication will simultaneously make clear the anthropological and broader philosophical discrepancies between their work and that of economic personalism. Austrians would seem quite likely to be among those holding a "radical capitalist ideology" that John Paul II harshly criticizes.⁵⁰ Still, unlike the other two schools, Austrian economists—as economists—are willing to enter a substantive dialogue on the issues. A number of economists have articulated possibilities here. For example, Gabriel Zanotti has argued in this journal⁵¹ that at least one fundamental part of Ludwig von Mises's work—his notion of praxeology—is compatible with a Thomistic philosophical structure.

Conclusion

The dialogue between theology and economics is crucially important. All too many religious people endorse economic policies without understanding their effects, some of which they would often regret. At the same time, all too many economists move from their analysis to heart felt policy endorsements without competent reflection on their ethical assumptions. Thus the interface of these two disciplines, which Gregory Gronbacher called for in the inaugural issue of this journal, is immensely important. More specifically, however, Gronbacher has proposed to initiate dialogue with the three free-market schools of economics. His goal that these schools embrace "better anthropological and theoretical foundations" is a laudable one, and I have little doubt that these schools would be able to make even more helpful contributions to our understanding of the economy, if they were to adopt the anthropological assumptions of Christian personalism. I have indicated above my own doubts about the likelihood that such change will occur, largely because these schools have made *a priori* commitments in the philosophy of science that tend to obviate such a transformation. Nevertheless, I have no intention to discourage dialogue with any group, and Gronbacher's ongoing conversation with these schools of thought might someday prove fruitful.

Far more hopeful, I would suggest, is a dialogue between theologians and

those many “heterodox” economists who share Christian personalism’s aversion to the reductionism of mainstream economics. Because so much more of the fundamental perspective of economic personalism is shared by these schools than by the three free-market schools, a rich and rewarding dialogue is far more likely.

Notes

* I am grateful to Joseph M. Friedrich for his helpful suggestions.

1. Gregory M. A. Gronbacher, “The Need for Economic Personalism,” *Journal of Markets & Morality* 1, 1 (Spring 1998): 1–34.

2. *Ibid.*, 29.

3. Daniel Rush Finn, “The Economic Personalism of John Paul II: Neither Right Nor Left,” *Journal of Markets & Morality* 2, 1 (Spring 1999): 74–87.

4. Gregory M. A. Gronbacher, “The Humane Economy: Neither Right nor Left: A Response to Daniel Rush Finn,” *Journal of Markets & Morality* 2, 2 (Fall 1999): 247–70.

5. *Ibid.*, 257.

6. *Ibid.*, 254.

7. For a brief survey of two economists (Milton Friedman and Oskar Lange) who chose two quite different methods, see Daniel Rush Finn, “Objectivity in Economics: On the Choice of a Scientific Method,” *Review of Social Economy* 37, 1 (April 1979): 37–61.

8. Mark A. Lutz and Kenneth Lux, *Humanistic Economics: The New Challenge* (New York: Bootstrap Press, 1998).

9. Edward J. O’Boyle, *Personalist Economics: Moral Convictions, Economic Realities, and Social Action* (Boston: Kluwer Academic Publishers, 1998).

10. Gronbacher, “The Humane Economy,” 257.

11. *Ibid.* Emphasis mine.

12. *Ibid.*, 255–57.

13. *Ibid.*, 255.

14. For a more thorough analysis of utility theory as entailing self-centered welfare, self-welfare goals, and self-goal choice, see Amartya Sen, *On Ethics and Economics* (New York: Basil Blackwell, 1987), 180ff.

15. See, for example, Frank Ackerman, “Consumed in Theory: Alternative Perspectives on the Economics of Consumption,” *Journal of Economic Issues* 31, 3 (September 1997): 651–65. Ackerman explicitly criticizes three assumptions in the neo-classical theory of consumption: social individualism, insatiability, and commodity orientation. For more on consumption as tied to the good of society, see Donald Stabile, “Theories of Consumption and Waste: Institutional Foreshadowings in Classic Writings,” *Journal of Economic Issues* 30, 3 (September 1996): 685–700.

16. Gronbacher, “The Humane Economy,” 255.

17. See, for example, Friedrich Hayek, “Scientism and the Study of Society, Part II,” *Economica*, N.S., 10 (February 1943): 43; and “Scientism and the Study of Society, Part I,” *Economica*, N.S., 9 (August 1942): 286.

18. John Paul II, Encyclical Letter *Centesimus Annus* (May 1, 1991), no. 46. For Hayek, such talk of subjectivity outside of individual human minds is ludicrous.

19. See, for example, James Buchanan, *The Limits of Liberty: Between Anarchy and Leviathan* (Chicago: University of Chicago Press, 1975), 1.

20. Gronbacher, “The Humane Economy,” 261.

21. *Ibid.*, 260.

22. *Ibid.*

23. Ibid.
24. Ibid., 261.
25. Ibid.
26. Ibid., 260.
27. Ibid., 266.
28. Ibid., 268.
29. Ibid.
30. Ibid., 265.
31. Ibid., 268.
32. See, for example, Michael Novak, *The Spirit of Democratic Capitalism* (New York: Simon and Schuster, 1982), chap. 4, "Sin," 81–95.
33. Gronbacher, "The Humane Economy," 253.
34. Ibid., 260.
35. Ibid., 262.
36. Ibid., 256–57.
37. Ibid., 254.
38. Susan Moller Okin extends market relationships to allow women to own their children as slaves in order to counter Robert Nozick in *Justice, Gender, and the Family* (New York: Basic Books, 1989), chap. 4.
39. Gronbacher, "The Humane Economy," 254.
40. For an example within the pages of this journal, see the treatment of meaning in the social sciences by Ricardo F. Crespo, "Controversy: Is Economics a Moral Science?" *Journal of Markets & Morality* 1, 2 (October 1998): 201–11.
41. Gronbacher, "The Humane Economy," 261.
42. Ibid., 254.
43. See, for example, Milton Friedman, "The Methodology of Positive Economics," in *Essays in Positive Economics* (Chicago: University of Chicago Press, 1953).
44. Gronbacher, "The Humane Economy," 258.
45. Thomas Edward Cliffe Leslie, "On the Philosophical Method of Political Economy," in *Essays in Political Economy*, 2nd ed. (New York: Augustus M. Kelley, 1969 [1888]), 180.
46. Gronbacher, "The Humane Economy," 257.
47. Ibid., 258.
48. Ibid., 254.
49. Friedman, "The Methodology of Positive Economics."
50. *Centesimus Annus*, no. 42.
51. Gabriel J. Zanotti, "Misesian Praxeology and Christian Philosophy," *Journal of Markets & Morality* 1, 1 (Spring 1998): 60–66.