

The Context of Economic Personalism

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Economic personalism can benefit by viewing itself in relation to other contemporary and historical efforts to understand the relationship between theology and economics. This essay summarizes some of those efforts, focusing on themes that are pivotal to the economic personalist enterprise. In particular, the views of social economists, Kuyperians, Christian mainstream economists, and Christian solidarists are treated. The article concludes by suggesting that economic personalism must reflect the best insights of each of these groups, offering a truly interdisciplinary approach to economics and social thought.

Introduction

When the term *economic personalism* was first coined five years ago, it was presented as an effort to “generate new economic models,” bringing together the insights of economic science and Christian moral philosophy. As such, it was said to represent a departure from any previous intellectual achievement.¹ In certain respects, this was indeed the case. In other ways, however, economic personalism is simply another movement within a tradition of thinking much broader and historically richer than was perhaps recognized at the time.²

Economic personalism is an interdisciplinary initiative that aims to provoke integrative thinking among the fields of philosophy, theology, and economics. Gregory Gronbacher, whose work laid the foundation for economic personalism, envisioned the new paradigm’s first concern to be effecting a mutual understanding between personalism and mainstream economics. The insights of personalism, it was thought, would lend economists a fuller picture of the human being, which is, ultimately, the object of study for both economists and personalist philosophers. In turn, economic science might have something to offer moral thinkers who were concerned with human interaction in the socioeconomic sphere.³

While economic personalism’s initial focus on Christian personalism and Austrian economics was original, this was not the first attempt—nor is it the only contemporary effort—to investigate the relationship between economics and the disciplines of philosophy and theology. The architecture of interdisciplinary thought on this junction is complicated and multifaceted. While this survey will not be comprehensive, it will attempt to capture some of the major

attempts of the last century to bring about an understanding between theology and economics.⁴

The focus of the article will be on theology rather than on philosophy because economic personalism, while utilizing much of the method, language, and insight of the philosophical school of personalism, ultimately answers to the social-ethical thought of the Christian tradition. There are other patterns of thought, then, that might be seen as operating at the crossroads of philosophy and economics while eschewing engagement of any theological tradition, but these are less relevant for mapping the place of economic personalism in the current geography of interdisciplinary cooperation.

I hope that this survey will provide a helpful schema of past and contemporary efforts to think through the relationship between theology, Christian social ethics, and economics. In so doing, it will enable economic personalists and those who are inclined toward that approach to understand the larger context of their efforts. In addition, it will attempt to clarify both the commonalities and differences that exist between economic personalism and other methods of engaging the challenging task of intellectual rapprochement between theology and economics. It is possible that this clarification will enable more significant cooperation among the various individuals and groups working in this field.

Social Economics

One intriguing area of inquiry into the relationship between theology and economics is that of a strikingly diverse group of scholars who work within a field they call *social economics*. By their own reckoning, the discipline of social economics has a history of some two hundred years, beginning with the study of *l’economie sociale* by the French physiocrats in the mid-eighteenth century.⁵

In the eighteenth century, according to the typology of Thomas Nitsch, the school branched into three groups, each of which can be traced to the present. The first, Nitsch calls the “secular normative,” whose primary nineteenth century advocates were J. C. L. Simonde de Sismondi (1773–1842) and Charles Dunoyer (1786–1862). Concurrently, there arose a religious normative approach, closely affiliated with the Catholic Church and represented earliest by Charles de Coux (1787–1864) and Alban de Villeneuve-Bargemont (1784–1864). Both the secular normative and the Christian normative would, in turn, divide along lines drawn according to practitioners’ stances vis-à-vis the classical liberal political economy of Adam Smith and Jean-Baptiste Say. Third, there is the secular positive strand of social economics, represented in the nineteenth century by Antonio Scialoja (1817–1877) and Eugen Dühring (1833–

1921). The first and third of these strands will not be the concern of the present article, as their secularity precludes their being explicit attempts to integrate theology and economics.⁶ The focus of this treatment instead, will be on the religious normative thread in social economics.

Following de Coux and Villeneuve-Bargemont, the religious normative tradition was furthered primarily by Catholic thinkers, many of whom might be considered progenitors of modern Catholic social thought. At the same time, the organic concept of economy and society that informed the Catholic viewpoint had an ecumenical appeal. Nitsch argues that “no more representative example of Christian ... solidarism can be found” than Thomas G. Apple, a Reformed theologian publishing in the late nineteenth-century.⁷

Apple was notable for contributing a powerful sense of the social nature of the individual, the organic nature of society, and the fundamental role of social institutions such as the family. “Humanity,” he argued, “is an organic unity which unfolds itself through subordinate organisms, such as race, nation, family, and reaching its final individuation in individuals.”⁸ Apple’s emphasis on the “actualizing” of the “idea of humanity” seems to have led to a failure to appreciate the role of free human activity in the historical development of society. Instead, Providence dictated the construction of social relations: “The organization of the social economy,” he wrote, “is divinely ordained in the constitution of humanity.”⁹

In 1896, Charles Antoine, S.J. (1847–1921), published *Course in Social Economy*, designed to work at the juncture of the fields of moral theology, philosophy, and political economy. Antoine recognized political economy as a “human science,” implying that the human actions with which it was concerned entailed the relevance of the moral law. With Antoine can be seen the fundamental perspective of religious normative social economics: Because economics is, ultimately, about the interaction of human beings, it cannot be severed from moral analysis.

Three other Jesuits were formational in the establishment of the social economic school. Heinrich Pesch (1854–1926), Valère Fallon (1875–1955), and Oswald von Nell-Breuning (1890—) each penned significant works in the field. Pesch, who thrust into prominence the concept of solidarity, is perhaps the best remembered and still attracts some scholarly attention. His thought gave rise to “solidarism,” an understanding of economic and social organization that influenced the writing of *Quadragesimo Anno*, Pius XI’s 1931 social encyclical. Solidarism has been seen by some as a “third way” economic system between socialism and capitalism; at the least, it represents an alterna-

tive to orthodox economic analysis, emphasizing cooperation (rather than competition) and disputing the validity of methodological individualism.

Economics as inspired by Catholic social thought gained institutional status with the creation of the Catholic Economics Association in 1941. From the beginning of that organization there were two distinct perspectives apparent. The first, represented by Thomas F. Divine, S.J., essentially accepted the premises of conventional economics. The other, whose champion was Divine’s Jesuit confrere Bernard W. Dempsey, was situated within the social economics tradition, more fundamentally critical of orthodox economics.¹⁰

Divine’s approach gradually became the dominant viewpoint of the CEA until 1965, when William R. Waters became editor of the CEA’s journal, *Review of Social Economy*. Waters opened the review to perspectives more critical of mainstream economics, especially solidarism and a more philosophically driven understanding of economic science. In addition, as part of a broader trend among Catholic scholarly organizations after 1960, the CEA changed its name to the Association for Social Economics, a symbolic welcome mat laid out to prospective non-Catholic members and new approaches that were not dependent on Catholic social teaching. At this point, besides the conventional orthodox and solidarist strands, ASE became a haven for a variety of critics of neoclassical economics, including institutionalists, neo-Marxists, and deontologists.¹¹

At present, then, the ASE encompasses all of these groups, unsurprisingly leading to some friction among those groups least likely to find common ground (e.g., Marxists and Catholic solidarists). It appears that the common thread binding the organization is simply dissatisfaction with mainstream economics. In any case, some of its members continue to do interesting work at the crossroads of theology and economics, and it will be worthwhile to investigate the social economic version of a theologically informed economics and how it relates to the vision of economic personalism.

One leading Christian social economist is Edward O’Boyle, professor of economics at Louisiana Tech University. O’Boyle has been involved with the ASE since at least 1975 and has served as a catalyst for the continued influence of the Catholic social ethics tradition of the organization’s founders. In O’Boyle’s own words, Catholic social economics is “an amalgam of economic science and moral discipline in which economics is perceived as (1) one of several distinct sciences that study man and (2) dependent on moral discipline in order to address the problems, errors, and abuses that beset man in the Modern Age.”¹²

The most egregious error of the modern era, O'Boyle avers, is anthropological. Its two forms are "capitalist man" and "socialist man." Capitalist man is an individualist who has intelligence and free will and for whom freedom is the ultimate principle. Socialist man is purely social, possessing intelligence but not necessarily free will. "Solidarist man"—O'Boyle's proposal—instead recognizes his nature as both individual and social and views justice and charity as his ultimate principles.¹³

Conventional economics, in O'Boyle's appraisal, falls into the capitalist error, but even there it is inconsistent. *Homo economicus* is at once pure reason (the rational utility maximizer) and pure embodiment (the hedonist pursuing pleasure and avoiding pain). The solidarist's perspective, meanwhile, recognizing man as body-soul composite, is not merely a philosophical position but has implications for economic analysis. The definition and measurement of poverty, for instance, for the solidarist takes into account relative poverty because the person is a social being; whereas, for the neoclassical economist, only absolute poverty is of importance because only the situation of the individual matters, without regard to social position.¹⁴

O'Boyle's ultimate aim is not merely a reinterpretation of economics as a discipline but also a reorganization of society along lines consonant with papal encyclicals. Preeminent in this project is the formation of suprafirm work groups—Pesch's "social system of labor." The development of these organizations, located between the individual firm and the state, would serve the principles of both solidarity and subsidiarity.

While O'Boyle remains wed to the terminology of social economics, he has in recent years been more willing to embrace the idiom of his collaborator Peter Danner, whose thought has for some time gone by the appellation "personalist economics." Danner, professor emeritus of economics at Marquette University, has prompted O'Boyle to identify ever more closely with the thought of the current pope, John Paul II, whose philosophical background is indisputably personalist.

On Danner's own account, he has labored throughout his career under the assumption that "economic rationality and moral convictions can be blended into a consistent set of guides for making decisions and acting in contemporary economic settings."¹⁵ Danner writes that his intention is to "blend" the approaches of economics and moral theology in a way that preserves for each its full measure of integrity. "Economic morality ... is not economic analysis with a dollop of moral principles," he explains, "nor moral science with a thin veneer of economics." Instead, it is "an attitude and a practice" that uses the principles of each discipline without deriving one from the other or denying

the validity of either field.¹⁶ The nexus at which the disciplines can meet is the human person. Both "moral convictions and economic common sense must and can be brought to bear on the same human acts."¹⁷ The theoretical foundation of "personalist economics" and "economic personalism" look quite similar on this point.

Like other social economists, Danner conceives of his approach as steering "a third way" between the extremes of individualistic capitalism and state collectivism.¹⁸ The market, he insists, is not a mechanism but a "social process" and a "social institution."¹⁹ Unlike some other proponents of a theology and economics rapprochement, however, Danner sees a positive role for both wealth and conventional economic categories such as self-interest and scarcity. "All things being equal," he contends, "affluence is preferable to and more befitting human nature than destitution."²⁰ Self-interest, he believes, is a natural human characteristic and is a necessary aspect of poverty relief. To "arouse their self-interest" is to take an important step in bringing impoverished individuals into the "economic mainstream." In this way, self-interest, "the very human drive that can make distribution worse, can become a means toward its amelioration."²¹

Hinted at in the last passage is Danner's ambivalence toward self-interest. Self-interest can be a force for good or evil, in Danner's estimation. His attitude toward wealth is similar. While it was noted above that he is positive about wealth's potential, he also recognizes the dangers: "It poses its own set of moral problems."²² Increasing wealth, he observes, "generates in every way more insistent material wants, which can distract from life's higher goals."²³ The solution to the conundrum posed by increasing abundance is "spiritual poverty," which is not glorification of material impoverishment but a "theology of wealth," a recognition of higher values in the midst of abundance.²⁴

While Danner is clearly aware of, grateful for, and utilizes well, the insights of mainstream economics, he is, in the end, critical of the narrowness of the discipline as it has developed in the twentieth century. Again, the question at the root of the theology and economics relationship is one of disciplinary definition: "While most economists think of their science as empirical and positivistic, many, including this writer, consider it more a behavioral science and thus related to the moral sciences."²⁵ In another place, Danner insists that personalist economics does not call into question the empirical or mathematical character of economic science. Personalism, instead, provides a fuller picture of the economic enterprise, reminding economists that economic agents are, after all, persons: "Thus, it not only provides precepts for personal economic conduct but it furnishes guides for sharing equitably the economy's benefits."²⁶ It

appears, then, that Danner does not dispute the value of empirical analysis as a *part* of the economic enterprise; he simply wants the discipline to broaden its scope, so that morality and anthropology can come into view alongside mathematical models and statistical analysis.

In summary, while there are differences among religious scholars affiliated in one way or another with the field of social economics, certain points of commonality emerge. First, social economists understand themselves as advocating a third way between the pernicious systems of socialism and capitalism (the latter usually qualified as “unbridled” or “individualistic” or “laissez-faire”). What is accepted here, then, is a paradigm in which pure socialism and pure capitalism occupy two poles and there is a large middle ground in between. Socialism and capitalism are condemned in parallel and equivalent fashion, and so, an ethical Christian approach requires one to be located somewhere on the middle ground between the two.

A second and related common ground for Christian social economists is a desire to reform the current economic system as it exists (the focus here is the United States). The exact nature of this reformation is not always clear, but it generally involves the development and spread of what Pope Pius XI called “occupational groups,” which would be quasi-governmental but not identical to the mechanisms of state power. Edward O’Boyle, for instance, points to the “suprafirm organizations” he has highlighted as a move in this direction.

Finally, social economists call into question neoclassical (or mainstream or orthodox) economics. Social economists advocate a reformation or redefinition of economics so that normative moral concerns, based on notions of justice, anthropology, and so forth, can be addressed without ineluctably compromising the integrity of the field (purported to be positivistic and empirical).

Kuyperian Social Thought

Reformed Christian thinkers are another group that has explored the relationship between theology and economics. Among this group, Dutch theologian and social thinker Abraham Kuyper is considered the seminal figure. As in other groups, there is a range of opinion among the Kuyperians, but they generally are highly critical of mainstream economics and reject many of the foundational assumptions of the neoclassical school.

Calvin College is home to several Kuyperians. Professor Roland Hoksbergen outlined the Reformed approach to economics in a 1992 article. Hoksbergen explains that the Kuyperian critique of neoclassical economics operates on two levels. At the theoretical level, Hoksbergen and his colleagues object to conceiving of economics as an epistemologically discrete enterprise. There is no such

thing, he argues, as a “pure science ... reliable in and of itself.”²⁷ In this connection, Hoksbergen celebrates the general critique of traditional scientific objectivity claims rendered by the various prophets of postmodernity.²⁸ This objection to mainstream economics provides a door through which Christian theology can enter the discipline.

The second critique of mainstream economics occurs at the level of “actual economic affairs.” This criticism can be construed not so much as a direct attack on neoclassical economics as a recognition of contemporary social problems. These problems, however, in Hoksbergen’s view, are rooted in the kind of economic structures and policies that stem from and are bound to the kind of economics practiced by the mainstream.²⁹

Another Kuyperian, also at Calvin College, is John Tiemstra. Tiemstra is polemical in his denunciation of neoclassical economics. Kuyperians, he writes, “are quite willing to toss conventional economics.” He is impatient with Christian scholars who are inclined to accept the premises of conventional economics or who are hesitant to announce emphatically their dependence on revelation in their understanding of economic activity. Christians unwilling to ground their economic analysis on explicitly Christian foundations, Tiemstra argues, seem to “believe that the ethical agenda of economic theory should control Christian ethics, rather than the other way around.”³⁰

Tiemstra has outlined the key ways, in his view, in which Kuyperian economists and social ethicists differ from most others. Kuyperians, he observes, do not “put absolute faith in the market as the solution to all economic problems”; they do not view government intervention as “inherently wrong or incapable of success”; and at the same time they do not believe that “government intervention in the market is all that is needed to fix society’s most important problems.”³¹ Tiemstra thinks that this set of positions makes Kuyperians difficult to place on a conventional political spectrum but notes some affinity with “new democrats” and “Republicans of the ‘communitarian’ bent.”³²

What Tiemstra wants, then, is for Christian social thinkers to reconsider the foundations of economic science. He wants Christians to “escape the conventional, secular modes of thinking we all were given in graduate school.”³³ Indeed, Tiemstra’s skepticism toward “secular” thinking leads him to declare: “Kuyperians are suspicious of any case where Christians and the secular world end up believing the same thing.”³⁴

A new set of principles will give Christian economists a new set of concerns. Unlike conventional economists, Kuyperians are concerned not primarily with efficiency and growth but more centrally with poverty and environmental sustainability. More fundamentally, the chasm between neoclassical and

Kuyperian ways of social thinking is a manifestation of the venerable positive-normative distinction. “All economic theory,” Tiemstra insists,

is based on a foundation of values concerning what the important issues are, what is valid experience, and what characteristics a good theory should have. But, beyond that, it is also based on a vision of how things should normally go, what a good society should look like, and how people should behave.³⁵

Like the social economists and other critics, Tiemstra deplores the artificial narrowing of the field that mainstream economics has effected: “The attempt of neoclassical economists to drive these normative considerations out of ‘positive’ economics has left us with an impoverished and inadequate account of human behaviour and institutions.”³⁶ The admitted strength of mainstream economics—its emphasis on predictability—is also its drawback, in the Kuyperian view. What a Christian-inspired economics strives for, instead, is a “deeper and wider understanding of the subject being studied.”³⁷

While denouncing orthodox economics, Tiemstra does not eschew all secular approaches to economics. “PKI”—post-Keynesian institutionalist economics—is attractive to Tiemstra precisely because it admits the possibility of normative judgments. PKI, Tiemstra argues, “allows us to introduce Christian values into our concept of what is normal and right about an economy without always tripping over the Pareto-optimality concept.”³⁸ Tiemstra thus demonstrates a desire to work with non-Christian economists insofar as possible. He distances himself from reconstructionist Christian economists, for instance, because that approach would be “rejected out of hand by secular economists because of overtly theological content.”³⁹ PKI, in this view, provides an opportunity to cooperate in the common project of economic analysis without sacrificing Christian integrity.

As with social economists, then, Kuyperians can be seen as attempting to expand (or perhaps make more porous) the boundaries of economic science. Alan Storkey makes explicit the fact that the Calvinist critique of mainstream economics is largely a debate over disciplinary lines. In this way, Storkey and those of like mind are participants in a long tradition of Christian criticism concerning the specialization of modern academia. Storkey lays out his vision of the relationship among fields using a seismic metaphor:

The view which sees the academic disciplines as a lot of tectonic plates rubbing up against one another is just not adequate; economics does not simply sit alongside psychology, sociology, and history with an occasional earthquake at the edges. Economic, social, and psychological life

are all in reality interwoven in a texture which makes the isolated stance of economic materialism very unrealistic.⁴⁰

The Reformed perspective offered by the Kuyperians, then, is one of interdisciplinary harmony and cooperation. Economics is seen not as a highly mathematical, empirical science but as an inherently integrative social science.

Christian Mainstream

In 1979, a group of Christian economists who were gathered at the annual meeting of the American Economics Association expressed the desire to form an organization more specifically designed to deal with the issues of relating their faith to their chosen profession. The discussion continued at the meeting in 1981, and by 1983, by-laws had been adopted and a call for members circulated to those who might be interested in joining the Association of Christian Economists.

It is impossible to generalize the views of ACE members as to the relation of theology and economics. The association’s publication gives evidence of a wide variety of views, perhaps concentrated in the categories that Craig Gay has denoted as “center” and “right.”⁴¹ One significant contingent, for instance, is the Kuyperians discussed above. The ACE is also home, however, to a number of Christian economists who are less critical of neoclassical economics but who, nonetheless, see their faith as having some effect on their scholarship.

This latter group generally views mainstream economic theories and methods not so much as the worldview the Kuyperians perceive it to be, but as a set of “tools,” neutral with respect to theological or moral significance. This view surfaces, for instance, in Kurt Schaeffer’s review of a Kuyperian treatise on economics. Schaeffer likens the task of the economist to that of the medical doctor. “The ‘Christian-ness’ of the Christian physician’s approach,” he observes, “comes not in being dismissive of mainstream tools or practice, nor in blindly accepting all of the mainstream in order to ‘be the best physician one can be,’ but in being carefully eclectic.”⁴² For Schaeffer, the deep criticism of neoclassical economics leveled in the name of Christianity stems from a misunderstanding of the nature of economics and the Christian economist’s relationship to the discipline.

John Lunn and Robin Klay explicitly confront the Kuyperian approach in their appraisal of the neoclassical model. One point of difference is Lunn and Klay’s qualified acceptance of the claim of value-neutrality made by orthodox economics. Mainstream economists, they argue, are concerned not so much with how people “ought to behave” as with “how they do.”⁴³ Lunn and Klay

readily admit that mainstream analysis provides little in the way of normative guidance for Christians striving to live a virtuous life, but at the same time they insist that neoclassical economics does offer a “fruitful” method for understanding human economic activity.⁴⁴

John Mason, longtime secretary of the ACE, is also wary of nonmainstream approaches to economics. Mason, reviewing one attempt to apply Christian ethics to economics, appreciates that attempt, “But the argumentation comes down way too firmly in the institutional/post-Keynesian camp for one more persuaded by a mainstream reading of reality (as I am).”⁴⁵ For Mason (and for all of the Christian mainstream, it might be assumed), the question of which economic method to embrace is not one that is dictated by theology. “I am yet to be convinced . . .,” he argues against neoclassical economics’ religious critics, “that my Christian confession compels [*sic*] me to jettison [*sic*] the ‘practical’ usefulness of the positive-normative distinction.”⁴⁶

The complexity of locating Christian economists along a spectrum in any consistent and comprehensible fashion is highlighted in Paul Heyne’s piece on “Christianity and the Economic Order.” Unlike Mason but like the Kuyperians and social economists, Heyne is willing to jettison the positive-normative distinction as “mostly flim-flam: philosophically indefensible and subversive of integrity.”⁴⁷ At the same time, Heyne rejects categorically the idea that Christian faith should inform one’s practice of economics. “Our economic arguments,” he writes, “should not be shaped in any way by our *theology*, which we should leave at home when we enter the public arena . . . theological arguments are not appropriate in public discourse.”⁴⁸ The reality of pluralism in the modern world, Heyne believes, compels Christians to forsake religious justification for the conclusions they reach. Heyne argues as he does, not because he seeks to minimize the influence of Christianity in the world. Instead, he worries that the use of faith to buttress arguments on economic issues tends to diminish the force of Christian theology because it portrays it to the non-Christian as simply a tool useful to further a particular individual’s agenda.

J. David Richardson, professor of economics at Syracuse University, has exhorted his fellow Christian economists to be good scholars “first of all.” What he means by this, it appears, is to do mainstream economics. “I think most Christian economists,” Richardson states in an interview in ACE, “not all, but most Christian economists are called to do it [mainstream economics], just do it.”⁴⁹ The work of integrating theology and economics, in Richardson’s view, requires formal training not only in one or the other, but in both. This, of course, would strictly limit the number of scholars capable of integration. Richardson’s argument if founded on the distinction between using theological argumenta-

tion and doing genuinely scholarly integrative work. This distinction is a helpful one, but Richardson seems to fail to appreciate the point of the critics of the economic orthodoxy, who contend that economics *ipso facto* entails theological claims and assumptions. For these critics, then, discussion of the bearing of theology on economics is not one option among various approaches; it is, instead, simply the explicit recognition of a fact that other economists are either unaware of or unwilling to admit.

Society of Catholic Social Scientists

Roman Catholic scholars considering the relationship between theology and economics have congregated in another organization, newer even than the ACE. The Society of Catholic Social Scientists was founded by SUNY-Nassau professor Joseph Varacalli and Franciscan University of Steubenville professor Stephen Krason in 1995.

Like the ACE, the SCSS contains a broad range of political and economic views within the parameters of a commitment to Christian orthodoxy; in the SCSS’s case, the commitment is more specifically to Catholic social teaching. Indeed, the lines of demarcation among SCSS members can be viewed as largely parallel to those in the ACE. Some, like Frank Brown of DePaul University, are highly critical of mainstream economics, deploring its positivist bent.⁵⁰ Many in the SCSS admire Heinrich Pesch (aforementioned in relation to social economics), the German Jesuit founder of solidarism whose work has been translated into English by a member of the SCSS, Rupert Ederer.⁵¹ In Ederer’s view, Pesch is the foremost example of a Catholic economist: “There has been no other economist who reconciled his scientific effort in so serious a manner with the tenets of his Catholic Faith, based on its system of theology and underlying philosophical principles.”⁵²

Guillermo Montes has outlined the Peschian approach.⁵³ Montes stresses four ways in which Pesch’s solidarist system differs from mainstream economics. First, the parameters of the discipline of economics are set by the formal object. In less-Thomistic terms, economics is defined by its perspective; that is, its study of the relationships among phenomena as they bear on the economy (either at the individual or national level). Second, Pesch distinguishes national from private economics, as opposed to the orthodox categorization of macro- and microeconomics.

Third, Pesch introduces the term *functional concept*. The functional concepts of the national and private economies are the goals toward which these spheres aim. The importance of functional concepts is that they provide the basis for the making of normative statements within the discipline of economics.

Deriving from the goal of the national economy⁵⁴ are such normative statements as “Unemployment is undesirable” or “Massive inflation is an economic evil.” These normative statements are not moral or ethical dicta, per se, but are judgments on economic goods or evils and can therefore be arrived at scientifically and affirmed by the consensus of economists.

Fourth, the national economic perspective entails two conditions that distinguish it from conventional economics: (1) it is a cultural perspective because its judgments of material welfare depend on cultural factors; and (2) its focus is the public welfare (the conditions of economic opportunity), rather than the private welfare (individual outcomes). Finally, Pesch stresses the necessity of studying the behaviors of economic agents in “actual life” rather than the abstractions of economic models.

There is little in this outline that bespeaks Pesch’s integration of faith and economics. Montes continues, however, and explains Pesch’s understanding of the relationship between ethics and economics. In Pesch’s concept, moral analysis and the data of economics are mutually supportive. In Montes’ words, “Since ethics relates phenomena to the total welfare of the human person, it is informed by economics on the effects of human action on material welfare. On the other hand, philosophy in general provides the foundation on which to construct economic theory, guides the choice of methodology and sets the limits of the discipline.” Additionally, ethically normative statements trump economically normative statements, because morality is concerned with the whole of human experience rather than strictly with the material dimensions. In this understanding, economic policy statements that contradict ethical norms are not only mistaken; they also violate the boundaries of economics by either “ignor[ing] the limits of material welfare or exalt[ing] the material welfare as the only dimension of personal and societal welfare.”

Like the Kuyperians, Pesch, Ederer, and others in the solidarist tradition have defended charges of “theologizing” economics by contending that “all economic systems presuppose an underlying theology and philosophy ... a *Weltanschauung*.”⁵⁵ Like the Kuyperians, solidarists wish to change the debate from *whether* particular worldviews ought to inform economics to *which* worldview is the most realistic and therefore best equipped to do so. In this debate, they believe, the Christian perspective would at least be on equal footing with the alternatives.

Mainstream Against Theology

The reaction of many mainstream economists to the effort to integrate theology and economics demonstrates the difficulty of doing so in a way that

will be broadly recognized as legitimate. The contours of this difficulty become clear in an exchange in Dean and Waterman’s *Religion and Economics* (1999). Following “case study” presentations of papal social teaching by Andrew Yuengert and Kuyperian economics by John Tiemstra, several representatives of orthodox economics respond. The following is a sampling of these responses:

[The case studies] reflect dissatisfaction, even antagonism, with economics that is not conducive to collaboration.⁵⁶

[The case studies’] collective effect upon most practitioners of the dismal science will be, well, dismal. Most economists, operating out of the prevailing *weltanschauung* of the discipline, are not prepared to acknowledge the sovereignty of God or the papacy over their work.⁵⁷

[On distribution of wealth]: To an economist, this is not the ‘major issue.’⁵⁸

Not one of the mainstream economists writing here believed the case studies represented helpful attempts to combine theology and economics. One admitted that there is a possibility for integration of the two but thought it unlikely; the others categorically denied the possibility.

What is striking in this exchange is the fact that the authors, criticized by the orthodox economists as “theologians” lacking an understanding of or antagonistic toward economics, are both professors of economics with doctorates in the field!⁵⁹ The issue really at debate here, though few of the participants seemed to recognize it, is a definition of economics as a discipline. One respondent gave implicit recognition by noting that “by ‘economics’ here, I mean neoclassical microeconomics,” but considered a one-paragraph caveat to that effect sufficient as prelude to detailing the ways in which the case study authors did not fit into the paradigm.⁶⁰

This exchange is simply an indication of a broad consensus within the field of economics that methods, norms, and even concerns construed to be related to religious belief have no place in the scientific study of economics. The situation may be improving, however. A decade ago, social economist Edward O’Boyle wrote mournfully, “The future of Catholic social economics in the United States is at best uncertain.”⁶¹ More recently, Milan Zafirovski predicted that the acceptance of social economics (or sociological economics) as “an integral and legitimate specialty of mainstream economics ... is probably unavoidable in the long run.”⁶²

While there may be nuances of difference between O’Boyle’s “Catholic social economics” and the subdiscipline to which Zafirovski refers (and further

differences between O'Boyle's approach and the methods of others working at the junction of theology and economics), it seems correct to posit as a general trend an increasing respect for these kinds of economic analyses. The prospects for a systematic and serious integration of Christian theology and economics remain unclear, but there are signs that the enterprise is attracting increasing attention and stimulating important scholarship. The existence and success of initiatives such as this journal, the Association of Christian Economists, and the Society of Catholic Social Scientists should ensure that this trend continues.

Conclusion

Where, then, is economic personalism located in relation to previous and contemporary efforts to explain the relationship between theology and economics? First, it is important to note that economic personalism is in its nascent stages of development, and so it remains open to realignment and refinement. The recently published three-volume series, *Foundations of Economic Personalism*, provides a major initial attempt to state economic personalist principles, however, and it will be used to locate this approach.

Economic personalism is not ahistorical; it places itself within a tradition of person-oriented economic analysis, beginning with the Salamancan scholastics and continuing through Jean-Baptiste Say, Adam Smith, and Carl Menger. While there are obvious differences among this cast of characters, the argument here is that an emphasis on the importance of human action is not foreign to economic analysis and, in fact, has been an integral part of the history of economic thought. This provides a point of contact between economics and personalist philosophy.⁶³

Economic personalism has tended to attract scholars positive about the role of the market in the modern economy and skeptical about the efficacy of widespread economic intervention by government. This predisposition has led economic personalists to note their appreciation for the so-called "free-market" schools of economic analysis, including Chicago, Austrian, and Public Choice. At the same time, the theological and philosophical commitments of personalism require recognition of the limits of mainstream economic analysis and a critical view of the implicit philosophical assumptions some economists convey.⁶⁴ Economic personalists object, for instance, to the claim that economics can ever be a hard science parallel to the natural sciences because the subject of economics is acting persons, not automatons subject to rigid laws discernible by empirical analysis.⁶⁵

The theological criticism of mainstream economics brought by the economic personalist recognizes the usefulness of economic methods for the purposes of

economics as a discipline. It does, however, raise three main concerns with respect to contemporary economic orthodoxy: (1) that methodological individualism spills into individualistic social philosophy; (2) that the moral implications of market activity are ignored; (3) that persons are viewed exclusively as means. Economic personalism recognizes that theological criticism of economic method or economists' seeming philosophical presuppositions is not helpful unless the insights of personalism are integrated, by economists themselves, into the practice of economics. While scholars involved in the early stages of economic personalism found the Austrian School most conducive to a dialogue between personalism and economics, economic personalism remains open to the insights of and conversation with any number of economic approaches.⁶⁶

Economic personalism assumes that an integration of theology and economics is possible because, ultimately, truth is one. Those concerned with this integration must be careful simultaneously to appreciate the valuable contributions of mainstream economic analysis and to conceive of economics broadly enough to be inclusive of approaches that consider the economic actor—the human person—more explicitly within the contexts of family, society, and salvation history. If disciplinary boundaries are at once respected and yet not absolutized, then truly productive interdisciplinary cooperation can occur.

Notes

1. Gregory M. A. Gronbacher, "The Center for Economic Personalism: A Proposal to the Acton Institute for the Study of Religion and Liberty," January 1996, Acton Institute Archives.

2. See Gregory M. A. Gronbacher, *Economic Personalism: A New Paradigm for a Humane Economy* (Grand Rapids: Acton Institute, 1998), 19–33. While Gronbacher notes some previous efforts to synthesize theology and economics, he dismisses most of them too summarily. The result is a truncated picture of approaches such as social economics, which continues to attract a significant following.

3. Gronbacher, *Economic Personalism*.

4. There are a number of surveys on similar themes, reflecting various emphases. See, for instance, John E. Anderson and George Langelett, "Economics and the Evangelical Mind," *Bulletin of the Association of Christian Economists* (hereafter *BACE*) (Fall 1996): 5–24; Craig Gay, *With Liberty and Justice for Whom?: The Recent Evangelical Debate Over Capitalism* (Grand Rapids, Mich.: Wm. B. Eerdmans Publishing Company, 1991); A. M. C. Waterman, "Economists on the Relation Between Political Economy and Christian Theology: A Preliminary Survey," *International Review of Economics and Ethics* 2 (1987).

5. Much of my historical account of social economics is dependent on Thomas O. Nitsch, "Social Economics: The First 200 Years," in *Social Economics: Retrospect and Prospect*, ed. Mark Lutz (Boston: Kluwer Academic, 1990), 5–80.

6. This is not to say that there is no room for dialogue between economic personalism and these secular schools. Nitsch, for instance, notes Schumpeter's emphasis on the "personalist" thrust of Dühring's work (27). In addition, economic personalists could probably find common ground with the humanist and deontological strands of the social economic tradition. See Mark Lutz, "Social Economics in the Humanistic Tradition," in *Social Economics*, 261–62; and Amitai Etzioni,

- "Toward a Deontological Socioeconomics," in *Social Economics*, 221–33.
7. Nitsch, "Social Economics," 52.
 8. Thomas G. Apple, "The Ethical Constitution of Social Economy," *Reformed Quarterly Review* 34 (1887): 21. Quoted in Nitsch, "Social Economics," 53.
 9. *Ibid.*, 22 (54).
 10. William R. Waters, "Evolution of Social Economics in America," in *Social Economics*, 91–94.
 11. *Ibid.*, 98–99.
 12. Edward J. O'Boyle, "Catholic Social Economics: A Response to Certain Problems, Errors, and Abuses of the Modern Age," in *Social Economics*, 122.
 13. *Ibid.*, 128–29.
 14. *Ibid.*, 130.
 15. Danner, *Getting and Spending: A Primer in Economic Morality* (Kansas City, Mo.: Sheed and Ward, 1994), x.
 16. *Ibid.*, 3.
 17. *Ibid.*, 198.
 18. *Ibid.*, 19.
 19. *Ibid.*, 24.
 20. *Ibid.*, 38.
 21. *Ibid.*, 134.
 22. *Ibid.*, 38.
 23. *Ibid.*, 73.
 24. *Ibid.*, chap. 7.
 25. *Ibid.*, 208.
 26. Peter L. Danner, "A Personalist Economic Morality," in *Teaching the Social Economics Way of Thinking: Selected Papers From the Ninth World Congress of Social Economics*, ed. Edward J. O'Boyle (New York: Edwin Mellen, 1999), 3.
 27. Roland Hoksbergen, "A Reformed Approach to Economics: The Kuyperian Tradition," *BACE* (Fall 1992): 12.
 28. Hoksbergen, "Is There a Christian Economics? Some Thoughts in Light of the Rise of Postmodernism," *Christian Scholar's Review* 24 (December 1994): 126–42.
 29. Hoksbergen, "Reformed Approach to Economics," 12.
 30. John P. Tiemstra, "Every Square Inch: Kuyperian Social Theory and Economics," in *Religion and Economics: Normative Social Theory*, eds. James M. Dean and A. M. C. Waterman (Boston: Kluwer Academic, 1999), 89.
 31. *Ibid.*, 88.
 32. *Ibid.*
 33. *Ibid.*, 89.
 34. *Ibid.*, 90.
 35. *Ibid.*, 97.
 36. *Ibid.*
 37. W. Fred Graham, et al., *Reforming Economics: Calvinist Studies on Methods and Institutions*, ed. John P. Tiemstra (Lewiston, N.Y.: Edwin Mellen, 1990), 75.
 38. Tiemstra, "What Shall Economists Do? Doing Economics, But Differently," *BACE* (Spring 1994): 5.
 39. *Ibid.*, 7.
 40. Alan Storkey, *Transforming Economics: A Christian Way to Employment* (London: SPCK, 1986), 68.
 41. Gay, *With Liberty and Justice for Whom?*
 42. Schaeffer, "Review of A. Storkey, *Transforming Economics*," *BACE* (Fall 1988): 14.
 43. John Lunn and Robin Klay, "The Neoclassical Economic Model in a Postmodern World," *Christian Scholar's Review* 24 (December 1994): 154–56. [143–63]
 44. *Ibid.*, 158–63. Lunn and Klay borrow the term *fruitful* and the definition of that term from the work of physicist/philosopher John Polkinghorne.

45. Mason, "Review of Finn and Pemberton, *Toward a Christian Economic Ethic*," *BACE* (Fall 1986): 26.
46. *Ibid.*, 27.
47. Heyne, "Christianity and the Economic Order," *BACE* (Spring 1990): 6.
48. *Ibid.*
49. "A Conversation with J. David Richardson," *BACE* (Spring 1998): 29.
50. Frank Brown, "Catholic Social Teaching and Economic Science," *Catholic Social Science Review* (hereafter *CSSR*) 1 (1996): 93.
51. See, for instance, Heinrich Pesch, *Ethics and the National Economy*, trans. Rupert J. Ederer (Manila, Philippines: Divine Word, 1988).
52. Rupert Ederer, "My Journey into Solidarism," *CSSR* 3 (1998): 85.
53. Guillermo Montes, "The Scope of Economics and Related Questions: The Peschian View," *CSSR* 2 (1997): 199–214. The following two paragraphs are drawn from this article.
54. The goal of the national economy, according to Pesch, is to establish "a stable condition wherein adequate provision can be made for the people [in a nation] in accordance with circumstances directed by what is objectively possible." Quoted in Montes, "The Scope of Economics and Related Questions," 202.
55. Ederer, "My Journey into Solidarism," 82.
56. James M. Dean, "Social Factors in Religion and Economics," in *Religion and Economics*, 121.
57. Kenneth G. Elzinga, "Economics and Religion: Comment," in *Religion and Economics*, 139.
58. Fred S. McChesney, "Economics and Technology [*sic*—Theology?]: Collaboration or Collision?" in *Religion and Economics*, 156.
59. Yuengert's Ph.D. is from Yale, Tiemstra's from M.I.T.
60. McChesney, "Economics and Technology [*sic*—Theology?]," 154–55.
61. O'Boyle, "Catholic Social Economics," 128.
62. Milan Zafirovski, "Ontological (empirical) Foundations of Sociological Economics: Forms of the Social Co-Determination of the Economy," *International Journal of Social Economics* 27 (2000): 1057.
63. Patricia Donohue-White, et al., *Human Nature and the Discipline of Economics: Personalist Anthropology and Economic Methodology* (Lanham, Md.: Lexington Books, 2001), 1–10.
64. For an excellent treatment of the obstacles to a Christian engagement with the respective free-market schools, see Daniel Rush Finn, "On the Choice of Method in Economics: Options for Humanists," *Journal of Markets and Morality* 3 (Fall 2000): 224–38. Although Finn has not been treated in the context of any of the groups examined in this article, his own scholarship represents one significant attempt to relate theology and economics. See Prentiss L. Pemberton and Daniel Rush Finn, *Toward a Christian Economic Ethic: Stewardship and Social Power* (Minneapolis: Winston, 1985); and for a specific application of the principles elucidated in the earlier work, see Finn, *Just Trading: On the Ethics and Economics of International Trade* (Nashville: Abingdon, 1996).
65. See Donohue-White, et al., *Human Nature and the Discipline of Economics*, 65–66.
66. *Ibid.*, 69, 77, 102.