

good and evil” (64) and augment their concepts of human rights and liberty with the universally acknowledged standard of morality, that is, natural law (26), to which the consciences of all bear witness.

This leads him to advocate a balance between freedom in the private and public spheres:

In the private sphere, the freedom of moral choice should be as complete as possible. Here a person can make a moral choice at his or her own discretion, even act in a way that is contrary to public morality.... The only things that can be limited in the private sphere are moral choices that can cause injury to another member of society. However, in the public sphere of any state only those values shared by a majority of the people should be allowed to be disseminated and receive public support (102).

For example, while homosexual activity ought not to be made illegal (65), neither should it receive state sanction (e.g., by legalizing same-sex marriage) contrary to the moral values of the majority. California’s democratically approved Proposition 8, banning same-sex marriage, which was recently reversed by the Ninth Circuit Court of Appeals (my example, not Kirill’s), might be a prime example of how “[t]he withdrawal of society and State from supporting traditional moral norms has resulted in society confronting situations in which the religious feelings of major groups are offended” (90). Instead, what is needed is moral legislation, education, and media (68–69).

I would only offer the following criticism. The Patriarch states that “Protestantism is in essence a liberal reading of Christianity” (6). His Holiness seems to be unaware of the many conservative, confessional Protestant churches that are allies in his efforts to advocate for a view of human society that is more sensitive to traditional morality. Whether this is due to a public-relations failure on their part or incomplete research on the part of the Patriarchate I do not know.

In the end, this criticism does not detract from the goal of the book, which, with the addition of the “The Russian Orthodox Church’s Basic Teaching on Human Dignity, Freedom, and Rights” as an appendix, is a welcome contribution to Orthodox Christian social thought.

—Dylan Pahman
Acton Institute

The Two Pillars of the Market: A Paradigm for Dialogue between Theology and Economics

Jean Lee

Oxford, United Kingdom: Peter Lang, 2011 (293 pages)

Well-defined private property rights or contracts are the pillar of the market economy. Contrary to this presumption widely accepted among economists, Jean Lee, an assistant professor at the China Graduate School of Theology in Hong Kong, asserts that there is another pillar of the market economy not acknowledged by contemporary economists:

the covenants of God the creator and redeemer with man and the implied relational bonds among human persons. Without this second pillar the market economy is prone to deconstruct societal relations and to lose its coordinating function. At first sight, this sounds like the notion of a “social market economy” propagated by German ordo-liberals (W. Eucken, F. Boehm, W. Roepke) and various other proposals of third ways between market and state. On closer examination, the reader grasps that the author aims at more than that, namely presenting nothing less than a new paradigm for dialogue between theology and economics, as the subtitle aptly announces.

Besides the introduction that argues the need for a theological response to modern economics and the conclusion that promotes the humanization of the market by the call for covenantal living, the book contains five chapters. The first two chapters are devoted to the theological foundations of the interface between theology and economics, while the last three chapters develop the Two Pillars Paradigm by means of an interdisciplinary discourse between economics and theology.

In chapter 2, “The Covenantal Federalism of Johannes Althusius,” the author reviews the work of the seventeenth-century Reformed theologian and philosopher who pioneered the application of covenant and federal theology to politics. Following Althusius, the economic order is part of a universal, covenantal polity that is essential for the proper functioning of the former. Political covenants or federalism (from Latin *foedus*, meaning *covenant*) informed the civil order in various places under the influence of Reformed Christianity and were brought into New England and America through Puritan emigrants. Federal theology asserts that “God has established His covenant with all nature and humans in creation” (33) and has continuously renewed it after the fall. In his magnum opus, *Politica*, Althusius, the father of federalism, advocated a polity of “symbiotes” and “collegia,” the fundamental units of covenantal society. In his synthesis of Calvinism, Aristotelianism, and Germanic corporatism, he emphasized consent, agreement, and communication among all citizens, whether they were believers or not. He also placed commerce and market exchange within the relational bonds and mutual benevolence of the covenant. Because human beings are relational by nature, bonding, love, trust, and communication form the boundaries for mutual beneficial market exchanges. Since this was true for exchanges in local markets in Althusius’ times, all the more, the author maintains, does it apply to exchanges in global markets with individuals of different cultures and religious background.

In chapter 3, Lee investigates the biblical covenants between God, on the one hand, and Noah, Abraham, Moses, and David, on the other, as well as the New Testament covenant, all with respect to the “Universality, Content and Relevance of the Covenant.” The author contrasts the universality of the Noahic covenant (between God and his creatures) with the particularity of the Abrahamic covenant (between God and Israel); stresses freedom in obedience to the Torah in the Mosaic covenant; elaborates on authority, morality, and personal agency within the Davidic covenant; and characterizes the New Testament as a covenant of grace and salvation. Due to human sinfulness, even among believers, a balance between covenant and contract is essential for a harmonious society that enables

cooperation among believers and nonbelievers (107). In contrast to idealistic theologians, Lee does not propagate a pure economy of grace or gift but appreciates mutually beneficial market transactions and the value of money in enabling market exchanges. However, in contrast to modern economists, she stresses the inadequacy of contractual arrangements on the basis of a cultural evolution of legal norms. In line with Reformed theologians, she sees the covenant as

God's plan that spans the economy of salvation from creation through redemption and consummation. Covenantal thinking affirms God's sovereignty, His relationship with creation, and the freedom and responsibility of humankind. Through covenantal living, humankind cares for creation and the economy in ways intended by the Creator. The covenant concept invites us to envision a world of community and relationships through developing mutual bonds that foster human life (113).

While being part of an innate human nature as a relational order of creation, the perfect covenantal society and economy can only be realized in the end of time, with the second coming of Christ. Thus temporarily the tension between the ideal and reality needs to be relieved by complementary interactions between covenant and contract within the Two Pillars Paradigm, which is the subject of the second part of Lee's work.

In chapter 4, the author traces the Western development from a covenant-based to a contract-based market society, contrasts covenant and contract conceptually, and elaborates the proposed Two Pillars Paradigm (TPP) of a covenant-and-contract-based market economy. Covenant is characterized as a commitment among several counterparties under common pursuit of shared values for long-term consociation and cooperation, while a contract is an enforceable agreement between self-interested individuals for the pursuit of mutual benefits, or in short: "Contracts aim at mutual gain while covenants aim at mutual give" (133). Contrasted in this way, the reader is curious as to how the author reconciles contract and covenant within the TPP. The solution is that the contract that facilitates market exchange and indirect cooperation presupposes covenantal elements of sharing and love to be truly human. "Covenant and contract interact to serve the earthly economic order as a balancing mechanism" (152), thus producing an economic order that is neither equated with the end-of-time pure covenantal nor with a this-time pure contractual society. The balancing and interaction points between the two pillars vary according to the nature and complexity of the transaction involved: In the daily sell-and-buy transaction in the supermarket the contractual element is dominant, while the covenantal element remains present in the background. In the family relationship the covenantal element of voluntary love and promotion of the well-being of the others dominates, and the contractual element remains in the background to protect the consociation from injustice and abuse.

In chapter 5, Lee uses long-term employment arrangements to illustrate the relevance and practicability of the Two Pillars Paradigm. Starting from the human nature of work through which unity, identity, and presence of the human person is developed, the author describes the relational aspects of the employment contract, contrasts the economic (employment contract as repeated game) with the covenantal approach, and ends with

the TPP view on employment arrangements. This leads to the main conclusion: While employment contracts embrace relational and implicit elements beyond the written arrangements, covenantal awareness of loyalty, readiness for self-giving, and long-term trusting relationships are necessary to promote mutual beneficial common goals for employer and employee.

The final chapter applies the TPP to a dialogue between theology and the economic way of thinking that goes back to Adam Smith and was extended by Gary Becker into an economic analysis of social behavior. The author points out that Smith's worldview of spontaneous societal order deviates from the revelatory, providential, and relational order of the covenant, with the consequence that even Smith's enlightened self-interest as motif for economic behavior is deficient in its presuppositions regarding humanity and community. This assessment applies *a fortiori* to Becker's economic analysis of social behavior, which degrades the value of nonmarket human activities by inappropriately extending the too-narrow economic logic into these realms of human behavior. Lee pleads for acknowledging the limits of markets and enacting covenant characteristics to balance market activities.

To sum up, the book offers a stimulating platform for an informed interdisciplinary dialogue between economics and theology. Because both contract and covenant are fundamental conceptual notions in these disciplines, the author is right to base the interdisciplinary discourse on the interdependences between these notions. In contrast to theologians who criticize the market system, often from the perspective of the order of creation and/or the eschatological order, the author presents a market critique from a much more realistic already-but-not-yet covenant-and-contract point of view. As a mainstream economist, I am deeply impressed by the author's profound state-of-the-art knowledge in such diverse research areas as the theology and sociology of the covenant, legal theories of contract law, economics of employment contracts, and the history of economic thought. This book represents a lucid illustration of the benefits of truly interdisciplinary research and is one of the best theological treatises to provide an ethical and social context for assessing modern market systems. The work of Jean Lee deserves the attention of both mainstream economists and theologians interested in a dialogue with them.

—Karl Farmer
University of Graz, Austria